



The New Local Government System in Punjab – Summary and Assessment

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Executive Summary

The Provincial Assembly of the Punjab passed two pieces of legislation on 30 April 2019: the Punjab Local Government Act 2019 (PLGA-19), and the Punjab Village Panchayats and Neighbourhood Councils Act 2019 (VP&NCA-19). Both pieces of legislation entered into force with their notification in the Punjab Gazette on 4 May 2019. On the same day, the existing local governments constituted under the PLGA-13 were dissolved by Government Notification No. SOR(LG)38-34/2018 and replaced by Administrators from the civil administration. Both acts envisage a transition period of up to 12 months between the previous and the new system, and local elections are likely to be held in mid-2020.

Main differences to the 2013 local government systems include:

- Separate legislation for the lowest level of the local government system (previously called Union Council, now called “village panchayat and neighborhood council”) which is presented as a local body *sui generis* and not as a local government.
- Abolishment of the district level as a local government level and the creation of five classes of local governments (Metropolitan Corporations, Municipal Corporations, Municipal Committees, Town Committees and Tehsil Councils), with the Tehsil Council representing rural local governments.
- Elections for local councils to be held on proportional representation based on party lists and lists of electoral groups, while elections for the VP&NC are to be held on non-party basis; elections for reserved seats (such as for women, religious minorities, peasants/workers) shall also be held directly (and not indirectly as under the 2013 system).
- Direct election for the head of local government under the PLGA-19.
- Different options provided to local government on how to discharge their functions (by their own administration, by a joint authority established with other local governments, by another local government under delegation or agency arrangement, by another entity operated by the Government, or by contracting out).
- Integration of existing local development authorities and public companies (such as for local area development, public transport, water, waste management etc.) in the political and administrative domains of the Metropolitan Corporations.
- A minimum of 26 percent of the general revenue receipts of the province shall be reserved for the provincial allocable amount (28 percent after 2022) and shall be transferred to local governments and VP&NC; a maximum of 10 percent of this provincial allocable amount shall be earmarked as collective share for the VP&NC.

Positive features of the new system include:

- Stronger emphasis on the functionality of the local government system and its capability to deliver services (e.g. the option to fix minimum service standards and to determine the required minimum budget allocation, insulation of administration from political interference, new stipulations regarding the responsiveness of local governments to citizens’ needs).
- Stronger emphasis on the inclusiveness of local governments and the need to consult citizens (requirement for consultations, bi-annual public meetings, requirement to consult on proposed local taxes, fees, rates and tolls, minimum of at least five percent of the total

expenditures of a local government- to be incurred by it in a particular financial year on construction works- to be allocated for community initiatives).

- A strong emphasis on openness, transparency, and access to information.
- If implemented, a better and more predictable transfer of grants to local governments based on certain principles, will be executed with the potential to incorporate performance-based transfers.
- A stronger “rights-based” approach, e.g. Sec. 5.3 emphasises the right of residents to contribute to the functioning of local government, to be informed about its initiatives and finances, and to “use and enjoy” the facilities and services provided by the local governments.

Other design features of the new system which can be termed as **more critical** are:

- Overriding dominance of the Province in all aspects of the local government system, with little substantial or procedural safeguards against interference by the provincial government into local government affairs.
- Lack of local autonomy in determining functions, and limited discretion in determining how functions are discharged.
- An overriding influence of the Provincial Government on HR management issues.
- Lack of considering functional and other linkages between the different categories of local governments (e.g. in the field of development planning).

1. Background

The General Elections in July 2018 saw a PTI-led government coming to power at the federal level and in Punjab, while in Khyber Pakhtunkhwa the PTI again formed a coalition government and continued its rule of the province which initially began in 2013. In line with its election manifesto¹, PTI announced its intention to modify the local government systems of both provinces i.e., Punjab and KP. With considerable influence from the national (federal) level, the provincial governments in KP and Punjab started drafting amendments to the existing laws (KP) resp. of new legislations on local bodies (Punjab). The Provincial Assembly of the Punjab passed two pieces of legislation on 30 April 2019: the Punjab Local Government Act 2019 (PLGA-19), and the Punjab Village Panchayats and Neighborhood Councils Act 2019 (VP&NCA-19). Both pieces of legislation were assented by the Governor on 3 May 2019 and entered into force with their notification in the Punjab Gazette on 4 May 2019. On the same day, the existing local governments constituted under the PLGA-13 were dissolved through Government Notification No. SOR(LG)38-34/2018, and Administrators from the civil administration (such as Assistant and Deputy Commissioners) were appointed instead, to run the affairs until new elections took place. The PLGA-19 envisages a transition period of up to 12 months between the previous and the new system, and local elections are likely to be held in mid-2020.

Chapter 2 is a brief overview of the differences between the Punjab local government system based on the previous Punjab Local Government Act 2013 (PLGA-13) and the new legislation. Chapter 3 summarises salient features of the PLGA-19 and makes a critical assessment of the new act. Chapter 4 focuses on salient features of the VP&NCA-19.

¹ See LoGo (SLG) 2018. An Overview of the Parties' Manifestos for the 2018 General Elections on Local Governments in Pakistan. Islamabad.

2. Main differences between the 2013 and the 2019 system of local governments in the Punjab

The main differences between the 2013 legislation and the new 2019 legislation are as follows:

- The 2019 legislation consists of two separate laws (the PLGA-19 and the VP&NCA-19). The lowest level of the local government system (previously called Union Council, now called “village panchayat and neighborhood council”) is not defined as a local government any more (see the listing of different classes of “local government” in Section 15 of the PLGA-19) but, appears as a local body *sui generis*.
- The PLGA-19 abolishes the district level as a political level and as a form of local government; Sec. 15 of the Act lists Metropolitan Corporations, Municipal Corporations, Municipal Committees, Town Committees and Tehsil Councils as forms of local government (the Tehsil Council representing rural local governments). A District Administration, however, continues to exist under the leadership of the Deputy Commissioner under the Punjab Civil Administration Act 2017.
- While under the 2013 system, local elections at all levels were held on a party basis, the VP&NCA-19 determines non-party based elections at the VP&NC level; political parties will continue to contest elections in those local bodies defined as “local government” under the PLGA-19.
- The PLGA-19 changes the election system for the councillors from the traditional “first-past-the-post”-system to an election system based on closed list proportional representation, i.e. parties receive seats in the local council according to their relative share of votes. Instead of voting for one candidate, citizens can vote for a party list with a defined ranking of candidates. Furthermore, the PLGA-19 makes a provision for non-partisan “electoral groups” to contest local elections.
- The PLGA-19 introduces the institution of a “cabinet” of the head of local government, consisting of councillors and external professionals (see Sec. 18.1 and Sec 19); the cabinet is meant to advise the head of local government in the discharge of his/her duties.
- The head of local government is elected directly and separately from the council.
- Except for religious minorities, the reserved seats for women, peasants and workers are elected directly by all eligible citizens of an electoral unit; a separate electoral roll is stipulated for religious minorities based on which members of such religious minorities can cast an additional vote for the seat(s) reserved for religious minorities.
- The PLGA-19 (Sec. 290) provides for a minimum tenure of two years for officers posted in local governments in order to reduce the disruption of services due to frequent transfers.
- The PLGA-19 makes provision for inter-municipal cooperation in the form of “joint authorities” (see Chapter VII) which can discharge functions on behalf of its member local governments.

3. Salient features of the Punjab Local Government Act (PLGA-19) and Assessment

3.1 Structures and Relationships

The structure of the local government system under the PLGA-19 consists of **five classes of local governments** (see Sec 15), defined by the size of their population²: Metropolitan Corporations, Municipal Corporations, Municipal Committees, Town Committees, and Tehsil Councils. The later represent the rural local governments. The local governments are defined as “body corporate” (Sec. 15.2); they do not have a hierarchical or functional relationship with each other except in cases where they form Joint Authorities (Chapter VII), or where one local government tasks another with the discharge of its functions in the form of an agency arrangement (Sec 26). Sec. 25 creates a potential functional relationship with the VP&NC level as it allows a local government to delegate one or more of its Part 2-functions³ to a Neighborhood Council or a Village Panchayat.

Two commissions, the **Punjab Local Government Finance Commission** (Chapter XXII) and the **Punjab Local Government Commission** (Chapter XXX) continue to play significant roles regarding fiscal decentralisation, financial management, dispute resolution and performance monitoring. Thus, they can notably influence the overall functionality of the local government system. The Punjab Local Government Finance Commission brings together provincial government officials, external experts, and local government representatives; it provides a policy platform for local government representatives to make their views known and to contribute to the decisions made. Both commissions have four expert members (including at least one woman) with relevant professional expertise and background; for the Punjab Local Government Commission the Provincial Government could use this option to also include a representative of local governments or of the Local Council Association of the Punjab (LCAP). The **Punjab Local Government Board** (Sec. 298 – 300) continues to discharge HR management functions for the local governments; its responsibilities include setting up and maintaining common services for all local governments in the Punjab (including those relating to the training of officers and servants of local governments and undertaking of works requiring higher engineering skills), undertaking research and policy work relating to any aspect of the local governments, piloting innovations, setting up and operating an employee’s fund for the receipt of contributions in respect of pension and other post-retirement benefits of officers and staff of the Board, Local Government Service and Local Council Service, and setting up and operating one or more other funds as may be required in relation to its work. Even though the budget of the Board is fully funded by local governments (see Sec. 300.2), the Board consists of provincial government representatives only.

Chapter XXVI creates an **Inspectorate of Local Governments** for inspecting, monitoring, and reviewing the performance of local governments. Previously, this mandate was with the Provincial Local Government Commission. The Inspectorate is expected to undertake yearly inspections of all local governments and can also conduct special inspections, if required.

Related to local government staff, the PLGA-19 codifies two cadres of local government staff: a **Local Government Service** (to be managed by the Punjab Local Government Board), and

² See PLGA-19, First Schedule.

³ See 3.3 below for an explanation of the different types of local government functions.

a **Local Council Service**, a separate service cadre for public servants appointed by the local governments. For the sake of uniformity, the Government may specify functional groups within the Local Council Service in view of qualifications, experience and skills required, and may also specify the number of servants, the method for their recruitment, and the general terms and conditions of their service (Sec. 297).

Within the Provincial Government, the **Department of Local Government and Community Development** has the lead role for supervising, directing and monitoring the local government system and for further developing its legal framework. The **Finance Department** plays an important role regarding fiscal decentralisation, financial management, and in the Finance Commission (where the Secretary Finance is also *ex-officio* Secretary Finance Commission). Its **Local Fund Audit Department** (an attached department of the Finance Department) is charged with preparing annual and monthly accounts of the local governments and with conducting the pre-audit of local governments; the accounts of local governments will be audited by the **Auditor-General**. The PLGA-19 does not mention any of the **sector departments** even though some of the local government functions (such as primary education and primary health) clearly fall under the technical mandate of such departments. The **Election Commission** has the lead role in conducting local government elections (see Chapters XIII – XV).

Sec. 257 creates a **Local Planning Board** for each district in the Punjab to ensure “that all construction or other works or activity by or on behalf of all local governments in the district are in compliance with the planning guidelines ordered under section 256 of this Act”, and to undertake “technical evaluations and approve every proposal for undertaking construction or other works or activity by or on behalf of local government”. The Planning Board will consist of technocrats only, such as Chief Officer(s) of the relevant local government(s) and at least one qualified engineer. Its functions are meant to be purely technical (such as the technical appraisal and approval of projects) but it is not meant to decide on development planning in a broader/wider perspective.

The enforcement and cognisance of municipal offences by the inspectors and enforcement officers designated by the Government is regulated in Sec. 283-285, as is the appointment of municipal magistrates.

The position of **Deputy Commissioner** continues to be another institution relevant for the functioning of local governments. The DC, according to Sec. 249 and 250 of the PLGA-19, will (i) coordinate the work of all local governments as well as such work of one or more local government which relates to or impinges upon the work of one or more provincial or federal agencies in the district, (ii) prioritise works of similar nature being undertaken by the Government or one or more local governments in the district, and (iii) will take measures to prevent disputes among local government in the district. The DC can also “issue such directions to a local government as he considers appropriate” – similar to the overall policy prerogative of the Provincial Government.

3.2 Tasks and Functions of the main elements of a local government

According to Sec. 18.1, a local government consists of four major elements: (i) a directly elected head of the local government, (ii) a head’s cabinet, (iii) a council, and (iv) an administration “comprising of officers and servants of the local government”, which is “headed

by a Chief Officer who shall be appointed by the Government from amongst the officers of the prescribed services”.

The responsibilities of the **head of local government**⁴ are defined mainly in Sec. 42. They include:

- ensuring the compliance of local government activities with relevant laws
- ensuring the efficient, effective and transparent functioning of the local government
- accomplishing the operational, developmental and fiscal objectives set out by the council or by the Government (under Sec. 23)
- presenting not less than two reports on the performance of local government to the council and the Government during each financial year
- representing the local government at civic or ceremonial functions
- any other duty as directed by the council or the Government, and
- general supervision and control over officers of the local government for the above purposes.

The preparation of a four-year development plan, and the drafting of annual development plans are other main responsibilities (Sec. 251).

A head of the local government shall, during the performance of his/her duties or exercise of his/her powers, observe the general policy or directions of the Government. The head of local government will also evaluate, on an annual basis, the work done, and results obtained by the Chief Officer and submit a report to the Secretary Local Government. The head of the local government has the right to be present at any meeting of the council or of any of its committees or sub-committees, to participate actively in the discussion and to make a statement. The head of local government is, however, not a member of the local council and therefore cannot vote at council meetings.

The **cabinet** of the head of a local government can have between two to ten members (depending on the size of the local government) (see Sec. 10 and the First Schedule), with not more than 50 percent being councillors. Its professional members require a minimum level of education and a minimum of ten years of professional experience “in public administration, public finance, education, public health, or any other area relating to the functions of the local government”. The PLGA-19 does not give more details about the role of the head’s cabinet, the procedure for appointing its members, and the exact role and duties of its members – these details will be worked out in separate rules.

The **council** of a local government is composed of general councillors, and councillors representing women, religious minorities and other special interests. Depending on population size and class of urban local government, the council can have between 14–70 members, while rural local governments can have between 21-56 members. The duties of a councillor (Sec. 44) include (i) to serve the overall interest of the local area which s/he represents, and (ii) to ensure that there is no conflict, or possible conflict between his/her private interest and the honest performance of his/her role of serving public interest. Sec. 44.2 also stipulates that a councillor “shall not direct or attempt to direct an officer or servant of a local government, or

⁴ Called “Mayor” (for Municipal Corporations, Municipal Committees and Town Committees), “Lord Mayor” (in the case of Metropolitan Corporations), or “Chairperson” (in the case of a Tehsil Council) (see Sec. 2.II).

direct or attempt to direct on the manner in which the duties of an officer or servant of the local government shall be performed”. This stipulation, when seen in conjunction with Sec. 40.2, underlines the PLGA-19’s attempt to make a clear distinction between a “legislative” role in local government (= council), and an “executive” role (= administration), with the directly elected head of local government as the key connector between the two sides.

Sec. 18.1.c stipulates the following general functions of a local government council:

- keep under review the performance of duties and exercise of powers by the head of the local government
- investigate and prepare reports on actions and decisions of the head of the local government
- investigate and prepare report on any other matter which it considers to be of importance for the residents, and
- submit a proposal for the purpose of this Act to the head of the local government where it considers this appropriate.

The Act does not stipulate the approval of the four-year development plan (to be prepared by the head of local government) as a function of the council.

The council can establish committees and/or sub-committees (Chapter XII). As a minimum requirement, the council needs to establish (i) a finance committee (to oversee financial matters of the local government including its receipts and expenditures), (ii) a planning committee (to oversee the formulation and delivery of a local development plan and an annual development plan), (iii) an accounts committee (to oversee maintenance of accounts and conduct of audits and implementation of the recommendations of the audit reports), and (iv) an infrastructure and public services committee. Every political party and electoral group represented in the council must be represented in every committee in proportion to its share of council seats (Sec. 70). The council can make resolutions, pass bye-laws, determine levy/local taxes/fees etc. and approve/revise the local government budget (see below).

The convener has a special role in the council’s procedures: his/her functions include (i) to convene meetings of the council as required under the PLGA-19, (ii) to preside over, and to ensure orderly conduct of meetings of the council at which s/he is present, (iii) to maintain records of meetings of the council, and (iv) to constitute committees of the council and oversee their working (see Sec. 43). The convener also has an important role in ensuring that councillors do not participate in proceedings of the council where they have a private interest (Sec. 60) The convener is elected by the councillors from amongst themselves through a simple majority of votes (Sec. 83.12). S/he substitutes for the head of local government in cases of temporary absence (such as annual leave, sick leave) (Sec. 120).

The **local government administration** consists of “officers and servants of the local government” and is headed by a Chief Officer, to be appointed by the Provincial Government. Sec. 43-48 outline in detail the functions and responsibilities of the Chief Officer. Functions include:

- to assist and advise the head of the local government, the convener, committees and sub-committees of the council in proper discharge of their duties

- to ensure “timely, effective and efficient implementation of local government policy and decisions”
- to supervise and control officers and servants of the local government and to coordinate and synergise the work of all offices of the local government
- to maintain financial and administrative discipline and ensure that the business of the local government is carried out strictly in accordance with the provisions of the PLGA-19 and other laws
- to enter into and manage all contracts on behalf of the local government, and to undertake all procurements on behalf of the local government
- to maintain records pertaining to the functions of the local government
- to assist relevant authorities as required, according to the circumstances of emergency; and
- to perform such other duties as are assigned to him/her by the Government, head of the local government, council or a committee or sub-committee of the council.

The Chief Officer is also the Principal Accounting Officer of the local government; like the head of local government, s/he is obliged to “observe the general policy and any specific direction of the Government”. The Chief Officer is appointed by the Provincial Government from the officers of the Local Government Service and has security of tenure for a minimum period of two years (Sec. 295).

3.3 Functions and Responsibilities of Local Governments

Sec. 5.1 outlines, in a very general manner, the purpose and functions of local government, stating that subject to and to the extent given under the PLGA-19, “every local government shall have the authority to run the affairs of respective local area without improper interference”. This includes (see Sec. 5.2)

- to exercise its authority and to incur expenditure in the best interests of the residents without any favour or prejudice in a democratic and accountable manner
- to involve all residents in running its affairs and from time to time consult them on the level, quality, range and impact of services
- to provide services in financially and environmentally sustainable manner
- to give equitable access to services; and
- to promote and undertake development in the respective local area.

Sec. 6 determines that local governments must work “within the provincial framework”, i.e. “every local government shall function within the framework of the province and adhere to all applicable federal and provincial laws”, and “no local government shall do anything or act in a manner that impedes or is otherwise prejudicial to the exercise of executive authority of the Government”. The PLGA-19 has a considerable number of stipulations which allow the Provincial Government to direct local governments to undertake initiatives, to prevent local governments from certain initiatives, and to interfere into the scope of local government functions (see below).

In more detail, functions of local governments are listed in the Third Schedule (for Metropolitan Corporations, Municipal Corporations and Municipal Committees), in the Fourth Schedule (for Town Committees) and in the Fifth Schedule (for Tehsil Councils). The functions are

categorised into two parts: Part 1 lists those functions, which local governments must perform “in such manner and to such extent as may be directed by the Government” (Sec. 21.2), while Part 2 list functions which local governments can perform in the manner and to the extent determined by the council. In other words, for Part 1 function the PLGA-19 determines the “what” and Provincial Government determines the “how”, while for Part 2 functions the PLGA-19 determines the “what” and the local council determines the “how”. The law does not make a distinction between obligatory and discretionary functions but the formulation “shall perform” indicates that both Part-1 and Part-2 functions are regarded as obligatory functions.

Depending on size and class, local governments have functions related to **economic affairs** (such as economic, value chain development), **social services** (such as primary and secondary education facilities; pre-schools, primary health care facilities; children's services, community safety), **infrastructure and municipal services** (such as city roads and traffic management; water supply, sewerage and sanitation; solid waste management; building regulations, land use planning; burials and cremations; public conveniences; slaughtering of animals; licensing markets and fairs; parking; transport, parks and landscape development; sign boards and advertisements; regulatory enforcement in assigned areas), **citizen registration** (birth, death, marriage and divorce registration), **cultural affairs** (like arts and recreation, museums, galleries, libraries, sports), **emergency planning and relief**, and **environmental health and awareness services**. The formulation of the functions is not always precise (e.g. the term “value chain development”) and for numerous functions a more detailed unbundling with the sectors concerned will be required. Annex 1 lists the functions as provided in the Third, Fourth and Fifth Schedule.

The PLGA-19 provides local governments with different options on how to discharge their functions (see Sec. 24): either by means of their own administration (“an officer or servant of the local government”), by a joint authority established under sections 30 and 32 of the PLGA-19, by another local government (= delegation to a VP&NC under Sec. 25 or an agency arrangement under Sec. 26), by any other “office, authority or agency owned or operated by the Government” by mutual agreement under Sec. 26, or by contracting out.

Related to municipal services of urban local governments, the PLGA-19 stipulates that “any office, agency or authority established or maintained by the Government, which at the commencement of this Act is providing public services or discharging other duties in relation to the building control, solid waste management, water supply, and sewerage collection and disposal function in a Metropolitan, shall, subject to such conditions and control as the Government may impose, stand transferred to the respective Metropolitan Corporation” (Sec. 21.2). In other words, the duality of political local governments and technical-administrative service providers (such as Local Development Authorities, Water and Sanitation Agencies, Solid Waste Companies, Parking Companies, Park and Horticulture Authorities etc.) created by and responding to the Provincial Government will discontinue, and Metropolitan Corporations will have full control over these service providers - a significant increase of their operational and political space which will remove the existing overlap of mandates.

Sec. 251 requires every head of the local government to prepare a local development plan within six months of assuming office. The plan should address the objectives of the local government with respect to developing the local area, strategies for achievement of these objectives and indicators for monitoring such achievement; and a resource plan describing

financial and other resources required for the attainment of stated objectives and how such resources will become available to the local government. The local development plan (and any changes or revisions to it) will be approved in a public meeting of the council (Sec. 253). The Provincial Government will notify planning guidelines (for approval of construction or other works or activity by or on behalf of local government) (Sec. 256). Local governments are required to maintain public service infrastructure maps relating to public services provided by the local government (Sec. 258), and to establish a land use plan indicating actual land use and the proposed land use in line with the relevant provincial and regional planning considerations (Sec 259-260).

3.4 Local Government Finance

Part 4 of the PLGA-19 deals with local government finances and properties. Chapter XVII defines different categories of local government funds (such as “local fund”, “public fund”, “sinking fund” [for repayment of any money borrowed by the local government], and “special funds” for any other purposes. Sec. 139 authorises local governments to borrow money with the previous sanction of Government. A local government can levy taxes, fees, rates, tolls, rent and other charges as provided in the Tenth Schedule (see Annex 2) (Sec 156). The Finance Commission can examine the fairness and appropriateness of such taxes, fees, rates etc., and can take the steps to remove them if found necessary (Sec. 160). Fiscal transfers from the *provincial allocable amount* are the third revenue source of local governments. These transfers will be determined based on recommendations by the Finance Commission regarding the size of provincial allocable amount, the collective share of village panchayats and neighborhood councils, and the share of individual local governments. According to Sec. 188, the provincial allocable amount shall constitute not less than 26 percent of the general revenue receipts of the province in the relevant financial year for the first two financial years following the commencement of this Act (i.e. 2020 – 2022), and thereafter constitute not less than 28 percent. The collective share of VP&NC shall not exceed 10 percent of provincial allocable amount (Sec. 190.1). The individual share of each local government shall be determined using a formula which includes (i) **fiscal needs** (= funds required by it to maintain minimum service standards in relation to the functions assigned to it), (ii) **equalisation payments** (= funds transferred to the local government to compensate for comparative poverty and backwardness of the local area), (iii) **fiscal capacity** (= potential of the local government to raise local taxes, toll, fees, rates and other charges), (iv) **fiscal effort** (= the local government is compensated for collecting higher local taxes, toll, fees, rates, rents and other charges as against the potential to raise them), (v) **better expenditure management** (= the local government is compensated for adherence to financial and procurement rules, bringing innovations and transparency in its working and achieving higher value for money); and (vi) **quality of public services** (= the local government is compensated for maintaining higher quality of public services) (see Sec. 190.2). In other words, the fiscal transfer mechanism rewards better fiscal performance and better performance in service delivery. The formula, the provincial allocable amount and the shares of individual local governments from the provincial allocable amount approved by the Government and the related recommendation of the Finance Commission shall be tabled in the Provincial Assembly as part of the Finance Bill for the relevant financial year (Sec. 186.6).

The PLGA-19 fixes time lines for the recommendations by the Finance Commission and the subsequent actions of the Government which -when adhered to – will significantly increase the predictability of such transfers.

The budget of a local government is approved by the council in a special budget meeting (Sec. 131.4) and is subject to review by the Government (Sec. 137). In consultation with the Finance Commission, the Government can fix minimum expenditure requirements towards one or more public services provided by local governments if the Government feels this is required to maintain minimum service standards pertaining to that public service (Sec 136).

The Director Local Audit Fund is tasked with the pre-audit of local government payments (Sec. 194. 2); the LFA will also prepare monthly abstracts of local government accounts (Sec. 193) and annual statements of local government accounts (Sec. 192). The annual or extraordinary auditing of local government accounts remains the responsibility of the Auditor General. The head of local government may appoint an internal auditor for assisting and advising him/her in adding value to and improving local government operations.

3.5 Critical Assessment of the new Punjab Local Government Act 2019

The PLGA-19 exhibits several **positive and innovative characteristics** as compared to the previous Punjab Local Government Act 2013 (PLGA-13). Such features include:

- *A much stronger emphasis on the functionality of the local government system and its capability to deliver services:*
 - Sec. 29 on “Quality and Accessibility of Services” acknowledges the need to fix the standard of services provided by local governments; in addition, Sec. 136 allows the Government, in consultation with the Finance Commission, to fix minimum expenditure to be made by a local government if this is necessary to maintain a minimum service standard. Sec. 190.2.f mentions the “quality of public services” as one of the considerations in determining the share of a local government in the provincial allocable amount, in other words a local government can be compensated for maintaining a higher quality of public services - this could incentivise local governments to improve their service standards to their citizens.
 - Sec. 42.1.d requires the Head of Local Government to present a bi-annual performance report to the council.
 - Sec 44.2 (“*a councillor not to interfere with an officer or servant of local government*”) can help to insulate the local administration from political interference which can be a disruptive factor in building capacity for service provision at the local level.
 - The sections in Chapter XXVII (*Responsiveness to Citizen’s Needs*) in conjunction with Sec. 5.2 make a strong case for responsive and accountable local governments which cater to the interests and needs of their residents.
 - The two-year minimum tenure of local government officers provided for in Sec. 295 will improve continuity at the senior staff level and reduce the disruption of services due to frequent transfers of local government officers which often has been driven by political interference from councillors, politicians and parties.
 - The integration of local development authorities and other public companies providing public services into the domain of Metropolitan Corporations (see Sec.

- 21.2) will remove parallel structures and enable the Metropolitan Corporation to take full control of the delivery of important services within its territorial jurisdiction.
- Fixing minimum expenditure requirements for local governments to meet minimum service standards (Sec. 136) will allow the Provincial Government to work for more equitable service delivery across the province (however, this will also have an impact on the revenue requirements of local governments!).
- *A much stronger emphasis on the inclusiveness of local governments and the need to consult citizens*
 - Sec 5.2.b requires local government “to involve all residents in running its affairs and from time to time consult them on the level, quality, range and impact of services”, while Sec. 5.2.d demands “equitable access to services”.
 - Sec. 157.3 requires the invitation of suggestions and objections from the public on proposed local taxes, fees, rates and tolls, thus opening space for inputs from individual residents, the private sector, and other stakeholders.
 - Section 212.2 requires local governments to take “every measure within its means to consult with and promote effective participation by the residents in its affairs”.
 - Section 212.4 requires the head of local government to invite all residents of the respective local area to a general meeting (convened on biannual basis) to apprise them regarding the performance of the local government including achievements made against local and annual development plans, and to solicit their views and suggestions in relation to the functions and duties of the local government.
 - Sec. 213 identifies several issues where a local government shall provide advance public notice and hold consultative hearings with residents. This requirement involves budgetary issues (approval of estimate of receipts and expenditures), the imposition of a new tax, toll, fees etc. or revision of such taxes, tolls etc. and the drawing, adoption or revision of a land use plan.
 - Sec. 214 mandates local governments to allocate at least five percent of the total expenditures to be incurred by it in a particular financial year on construction works to community initiatives; as these initiatives are proposed and implemented through a VP/NC, a direct functional link with the grassroots level of local government is created.
 - *A strong emphasis on openness, transparency and access to information*
 - Stipulations on rules of conduct (Sec. 215, 219), on misconduct (Sec. 220), on the need to declare conflict of interests and on the implication of such conflict of interests (Sec. 216 and 217) will reduce *behind-the-scene* bargaining where elected councillors use their position to foster particular interests. Furthermore, Sec. 218 requires local governments to maintain a “Register of Interests” which can be accessed by any individual citizen.
 - Chapter XXXV lists the potential punishments of elected representatives and local government officers and servants for acting dishonestly, for acting despite conflict of interest, and for the failure to disclose immediate relatives (Sec. 287, 288 and 289).
 - Every person exercising any authority under PLGA-19 shall be personally responsible for any act done by him/her personally or done under his/her direction; any loss, financial or otherwise, suffered by a local government due to a decision made by him/her personally or under his/her direction; or any expenditure incurred

by him/her personally or incurred under his/her direction without lawful authority or in violation of any provision of PLGA-19 or any other law for the time being in force (Sec.48).

- Sec. 108 introduces the duty of councillors to declare election expenditures (see also Sec. 107 and 273 capping election expenditures), while Sec. 115 requires councillors (and also the head of local government) to declare their assets on an annual basis.
 - Sec. 250.1 requires local governments to maintain an inventory of their properties, while Sec. 154 requires local government to maintain a physical stock of all properties vested in it and to make this information available to the public.
 - All orders of the local government (including all orders made by the head of the local government, the convener, the council or any of the council's committees or sub-committees, an officer or servant of the local government) must be maintained in a register which is accessible to the public (Sec. 222).
 - The Finance Commission is to publish an Annual Report on the fiscal performance of local governments during the previous financial year (Sec. 180.1.j).
 - Sec. 62 confirms the public character of council meetings, and of meetings of committees and sub-committees of the council; in the same spirit as the meetings of the Finance Commission (Sec. 182.4) and of the Local Government Commission (Sec. 246.3) are open to the public.
 - Chapter XXVIII clusters important stipulations on transparency, on conflict of interest, on the implications of such conflicts of interests, on the "Register of Interests", on a code of conduct for councillors, and on the openness of all orders of the local governments to the public.
- *There is a stronger "rights-based" approach throughout the Act:*
 - Sec. 5.3 emphasises the right of residents to contribute to the functioning of local government, to be informed about its initiatives and finances, and to "use and enjoy" the facilities and services provided by the local governments.
 - Residents have the right to access information which is to be provided by local governments in the form of various registers and inventories (see above).
 - Any person aggrieved by any order passed by a local government or its officers or servants or other functionaries passed in pursuance of the PLGA-19 or the rules or bye-laws made thereunder, may appeal (Sec. 301).
 - Every citizen or resident of local area has the privilege to bring a legal suit or any other legal proceedings against any local government, its officers and servants for violating his/her rights under any law for the time being in force (Sec.286).

Other positive design features of the PLGA-19 include a clearer legal definition of local governments as body corporate with different constituting elements (like the head of local government, the convener, the council, the administration) (Sec. 18.1), and the introduction of the function of a "convener", who is responsible for ensuring that the proceedings of the council are conducted in a proper, orderly and lawful manner. This can help to improve the functionality of the council and make it a more effective element of the local government. Sec. 24-26 clarifies that local governments can apply different modes for discharging their responsibilities. The model of "Joint Authority" for joint service delivery by two or more LGs (see Chapter VII) is being used in similar forms in other countries for discharging local functions in a modality which addresses spill-over effects and economies of scale, and which

is suitable for functions for which the level of technical, fiscal and managerial capacity goes beyond the capacity of a single local government (without centralising the function to the next higher level). The fact that councillors of reserved seats are also elected directly (Sec. 90) (and not indirectly by the general members of the council as in the past) will strengthen the legitimacy of these councillors and make them more independent as compared to the existing patronage networks at the local level. Some of the stipulations on local government finance (see Sec. 138: Advanced notification of provisional amounts by Finance Commission; Sec. 186: Process for determining the shares inter se local governments) will hopefully result in an increased predictability of fiscal transfers to local governments and ease the process of preparing realistic and implementable annual budgets. The introduction of “electoral groups” into the political competition at local level has seen strong support in other countries where often local politics is seen as less “political” and therefore as conducive to a more consensual and “common sense”- approach to politics which is then often epitomised by such “electoral groups”.

Looking at the PLGA-19 from a comparative and international perspective on local governance systems, there are of course stipulations and design features which must be regarded as less positive, especially when seen against the objective of local autonomy and discretionary space for local decision-making. The dominance of the Province in all aspects of the local government system is obvious: it will supervise the local governments, may call for any information and question the legality of an order of local government, may conduct an inquiry into the affairs of a local government, may suspend certain resolutions, orders, and prohibit certain actions of a local government, and shall require a local government to take one or more actions on the basis of inspection or information received. The Provincial Government can suspend or remove the head, convener and councillor of a local government, and can suspend or dissolve a local government.

A few sections of the Act empower the Provincial Government to change functional jurisdiction of local government at will. These are:

- Section 6.3 is a general authorisation for the Provincial Government to direct local government affairs without giving clear limitations.
- Sec. 22 allows the Government to assign additional functions to local government without amending the Act, while Sec. 23 appears to be a *carte blanche* for the Government to tell local governments **what to do** (Sec.23.1) and **how to do it** (Sec. 23.2, relating to the Part-1 functions in the Third, Fourth and Fifth Schedules).
- Sec. 27 (*Appointment of Undertaker by Government*) authorises the Provincial Government to remove local government jurisdiction on functions listed in the Part 1 of the Third, Fourth or Fifth Schedule “in the interest of economy of effort and effectiveness” and to appoint “an office, authority or agency” to discharge such functions – this is a potentially far-reaching authorisation to take away local jurisdiction for services and functions.
- Sec. 32 empowers the Government to establish, by an order, a joint authority for local government functions without requiring the consent of the local governments concerned – again, this is potentially a far-reaching authorisation to change the jurisdiction for functions as given by the Act (and without the need to get the endorsement from the legislative body).

The province retains an overriding influence on HR management issues regarding the more senior level of staff (the Local Government Service), where the Punjab Local Government Board (which is purely a provincial entity) decides about recruitment, transfer, posting and promotion. Local governments can appoint local government servants (Sec. 294.3), however the Government has far-reaching power to regulate this staff cadre as well (see Sec. 297.2).

One of the weaknesses of the previous local government Act (PLGA-13) was the lack of functional and other linkages between the different categories of local governments. The new PLGA-19 shows some improvement as far as the linkage with the grassroot level (Village Panchayats/Neighbourhood Councils) is concerned (e.g. in Sec. 25: Delegation of functions to the VP/NC level; Sec. 214: role of VP/NC in community initiatives). Functional linkages among the other classes of local governments remain ill defined (exception: establishment of Joint Authorities under Sec. 30; option for agency arrangements with other local government under Sec. 26). Specifically, in the field of planning, more emphasis on inter-local government cooperation would have been useful: the Act gives little detail about integrated planning at the district level except when referring to the role of the Deputy Commissioner (whose jurisdiction does not come from the PLGA-19 but from the Punjab Civil Administration Act 2017). Looking at the geographical constellations (urban local governments like Town Committees and Municipal Committees will be located within the territorial boundaries of a tehsil council) it is hard to imagine that there will be no economic, social, political and administrative linkages between these categories of local governments requiring joint planning and initiatives between the different classes of local governments.

4. Salient features of the Village Panchayats and Neighbourhood Councils Act (VP&NCA-19)

The lowest level of the local government system, previously called Union Council, now called Village Panchayat (for rural areas) and Neighbourhood Council (for urban areas) has been removed from the PLGA-19 and codified in a separate piece of legislation, the Punjab Village Panchayats and Neighbourhood Councils Act 2019 (VP&NCA-19). While technically speaking, VP&NCs are not regarded as local governments as defined in Sec. 15 of the PLGA-19, they continue to relate to these local governments, receive a portion of the provincial allocable amount, and are part and parcel of the multi-level governance system under the province. Like the local governments under the PLGA-19, VP&NC are regarded as a body corporate (Sec. 10.5).

The VP&NC consists of a **head (called “chairperson”)**, general members and members representing women and religious minorities. The term of office of the VP&NC will be four years. Similar to the PLGA-19, the VP&NCA-19 requires a chairperson or a member to observe the general policy or directions of the Government when performing duties or exercising powers (Sec. 25.3). The Sixth Schedule of the Act provides a detailed list of duties of the chairperson, which include:

- the efficient, effective and transparent functioning of the VP&NC
- accomplishment of objectives set out by the common assembly
- presenting not less than two reports on the performance of the VP&NC to the common assembly and the Government during each calendar year
- convene and preside over general and extraordinary meetings of the common assembly
- prepare and present an estimate of receipt and expenditure (budget)
- prepare and submit reports (for instance on enforcement actions taken by the VP&NC, on the consolidated account of all moneys received in and expenditures incurred from the local fund during each financial year, on audits of accounts), and
- maintain the records of the VP&NC.

Elections will be conducted by the Election Commission of Pakistan (ECP) (Sec. 28). Candidates for general seats securing the highest votes in the descending order shall stand elected one by one till all seats earmarked for general members in the respective VP&NC are exhausted. The candidate securing highest votes shall be the head of the respective VP&NC. Elections will take place on a non-party basis (see Sec. 30).

Sec. 17 describes as the **primary function of the VP&NC** “... to make arrangements for carrying out the requirements of the village or, as the case may be, the neighbourhood in respect of the matters given at the Fourth and Fifth Schedules, including all subsidiary works and buildings connected there-with so far as they are likely to promote the health, safety, comfort or convenience of the respective village or neighborhood or of visitors thereto”. Sec. 20 and 21 confer powers to the VP&NC regarding the maintenance of public order, and Chapter VIII on “Offences, Penalties and Compensations” lists in detail potential penalties for disregard or disobedience of a VP&NC order. Sec. 24 empowers the VP&NC to name streets and number buildings (which can significantly ease many administrative processes!). The functions listed in the Fourth and Fifth Schedules (see Annex 3) include infrastructure works, water and sanitation services, social services (like “universal education”), social welfare (such

as “relief of the poor or the sick”), and cultural affairs. Like in the case of PLGA-19, these functions are often mentioned in a broad and general manner, and many would require a more detailed breakdown to link with services provided by the other levels of local government and sector departments. Furthermore, these two Schedules leave out some significant functions of the grassroot level of self-government, such as the monitoring of service delivery by sector agencies, and civil registration (birth, marriage, divorce and death registration) which has always been discharged at this level. Another aspect missing is the reconciliation and solution of disputes outside the formal legal system (*musalahat amjumans*).

A VP&NC can also receive additional functions from local governments under the PLGA-19, or from the Provincial Government, in the form of a delegation. This can include the construction, maintenance or improvement of any property, and the delivery of any public service for which the delegating government is responsible (Sec. 18). The delegating government will bear the expenses for the discharge of such delegated functions. The number and nature of employees of a VP&NC will be determined by the Government (Sec. 87.1). VP&NC have the powers to frame bye-laws to perform the functions assigned to them (Sec. 91.1). Contrary to the local government defined in the PLGA-19, VP&NC have no legal obligation to formulate medium-term development plans or even Annual Development Plans.

Every VP&NC has a **common assembly** comprising of every resident of the respective village or neighbourhood, which should have at least two general assemblies per year plus extraordinary assemblies when required (Sec. 7.1 and Sec. 7.2). The common assembly can

- discuss and pass reasonable directions on the consolidated account of all moneys received in and expenditures incurred from the local fund during each financial year
- discuss and pass reasonable directions on the report on audit of accounts under section 49 of this Act
- call for, from the chairperson, a report on enforcement actions taken under the Sixth Schedule
- seek clarification from the chairperson or a member on any matter relating to his/her duties under this Act
- seek clarification from a local official on any matter relating to his/her official duty in relation to the residents; require the residents to provide voluntary labour, or to make reasonable contribution in kind or cash or both, or to render such other support as it considers just and appropriate for undertaking a project for their general welfare; and
- require the chairperson to approach the Government or a local government in relation to any common need of the residents (see Sec. 5).

Each VP&NC will maintain a **local fund**. Potential revenue sources include (i) all grants from the Government or a local government, (ii) fees, fines and other moneys received by or on behalf of the VP&NC, (iii) rents and profits accruing from the property of the VP&NC, (iv) incomes from investments made from the local fund, (v) proceeds from any other sources of income placed by the Government at the disposal of the VP&NC, and (vi) donations from any other sources (Sec.39). As stipulated in Sec. 190.1 of the PLGA-19, a maximum of ten percent of the provincial allocable amount will be earmarked as the collective share of VP&NC. Neither the VP&NCA-19, nor the PLGA-19 specify how this “collective share” is distributed further to the approx. 24.000 VP&NC of the province.

The VP&NC approves and revises its annual budget in a public meeting (Sec. 45.2); the budget (and any changes to it) is subject to review by the Government. The accounts of every VP&NC will be audited by the Director Local Fund Audit annually or as and when directed by the Secretary Local Government Department. The VP&NC is empowered to levy fees and rates; Sec. 47 mentions tolls “on persons, vehicles or animals or any class of them at any toll-bar”, a sanitation rate (for street sweeping, drainage, sewerage or other sanitary measures), a water rate (for the supply of water for drinking, irrigation⁵ or any other purposes), a lighting rate (for lighting of public streets and places), fee for holding fairs at pilgrimages and fairs, and any other rate, fee or levy approved by the Government on the request of a VP&NC.

Chapter VII of the Act stipulates the establishment of **Local Boards** for inquiring into allegations of misconduct against a chairperson or member of a VP&NC and reporting as to whether one or more grounds listed at the Thirteenth Schedule exist which may render a VP&NC liable for suspension or dissolution. The Government can establish more than one Board; in this case it needs to specify the territorial limits within which, or the class of cases in respect of which, each one of them shall exercise jurisdiction. Since the Government (= Local Government Department) has an extensive network of deconcentrated offices in the province which could be used for supervisory and oversight purposes, the establishment of such Local Boards might not be the most effective and practical solution and will certainly create additional costs considering the large number of approx. 24.000 VP/NC in the province.

Positive features of the VP&NCA-19 include (i) the requirements for members of the VP/NC council to declare assets (Sec. 52), and (ii) the requirement to keep the communities informed (e.g. on budgets) (see Sec. 5) and (iii) make council meetings open to the public (Sec.13). The requirement to have regular (monthly) council meetings (Sec. 13.1) will strengthen the effectiveness of this body. The option for inter-municipal cooperation (Sec. 26) allows the VP/NC to pool resources with other VP/NCs, local governments and other agencies. Apart from this, the new legislation does not modify the position, role and functions of this grass-root level of political representation significantly when compared with the previous PLGA-13. However, the management and oversight of such a large number of VP&NCs will require significant capabilities and resources by the Government.

⁵ There is probably a contradiction with the Land Revenue Act which mandates the provincial government to collect water rates/charges for irrigation purposes.

Annex 1: Listing of Local Government Functions under the PLGA-19

	Metropolitan Corporation, Municipal Corporation & Municipal Committee	Town Committee	Tehsil Council
Part 1	<p>(a) Economic and value chain development;</p> <p>(b) Management of primary, elementary and secondary education facilities;</p> <p>(c) School enrollment and universal education;</p> <p>(d) Monitoring and supervision of primary health care facilities;</p> <p>(e) Preventive health and hygiene;</p> <p>(f) Population welfare including population control;</p> <p>(g) Solid waste collection and disposal;</p> <p>(h) Sewerage collection and disposal including water management and treatment;</p> <p>(i) Building control and land use;</p> <p>(j) Births, deaths, marriages and divorce registration;</p> <p>(k) Museums and art galleries;</p> <p>(l) Open markets;</p>	<p>(a) Economic and value chain development;</p> <p>(b) Management of primary, elementary and secondary education facilities;</p> <p>(c) School enrollment and universal education;</p> <p>(d) Monitoring and supervision of primary health care facilities;</p> <p>(e) Preventive health and hygiene;</p> <p>(f) Population welfare including population control;</p> <p>(g) Solid waste collection and disposal;</p> <p>(h) Sewerage collection and disposal including water management and treatment;</p> <p>(i) Building control and land use;</p> <p>(j) Births, deaths, marriages and divorce registration;</p> <p>(k) Farm to market roads;</p>	<p>a) Management of primary, elementary and secondary education facilities;</p> <p>(b) School enrollment and universal education;</p> <p>(c) Monitoring and supervision of primary health care facilities;</p> <p>(d) Preventive health and hygiene;</p> <p>(e) Population welfare including population control;</p> <p>(f) Solid waste collection and disposal;</p> <p>(g) Sewerage collection and disposal including water management and treatment;</p> <p>(h) Building control and land use;</p> <p>(i) Births, deaths, marriages and divorce registration;</p> <p>(j) Museums and art galleries;</p> <p>(k) Open markets;</p> <p>(l) Animal husbandry;</p>

	Metropolitan Corporation, Municipal Corporation & Municipal Committee	Town Committee	Tehsil Council
	<p>(m) Public parking facilities;</p> <p>(n) City roads and traffic management;</p> <p>(o) Public transport;</p> <p>(p) Abstraction of water for industrial and commercial purposes;</p> <p>(q) Emergency planning and relief;</p> <p>(r) Support to provincial agencies in prevention of crime and maintenance of public order; and</p> <p>(s) Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;</p>	<p>(l) Abstraction of water for industrial and commercial purposes;</p> <p>(m) Emergency planning and relief;</p> <p>(n) Support to provincial agencies in prevention of crime and maintenance of public order; and</p> <p>(o) Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;</p>	<p>(m) Agriculture extension;</p> <p>(n) Livestock and agricultural markets;</p> <p>(o) Farm to market roads;</p> <p>(p) Abstraction of water for industrial and commercial purposes;</p> <p>(q) Emergency planning and relief;</p> <p>(r) Support to provincial agencies in prevention of crime and maintenance of public order; and</p> <p>(s) Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;</p>
Part 2	<p>(t) Establishment and management of pre-schools;</p> <p>(u) Libraries;</p> <p>(v) Drinking water supply;</p> <p>(w) Burials, cremations etc.;</p> <p>(x) Public conveniences;</p> <p>(y) Children's services;</p>	<p>(p) Establishment and management of pre-schools;</p> <p>(q) Libraries;</p> <p>(r) Drinking water supply;</p> <p>(s) Burials, cremations etc.;</p> <p>(t) Public conveniences;</p> <p>(u) Children's services;</p>	<p>(t) Establishment and management of pre-schools;</p> <p>(u) Libraries;</p> <p>(v) Drinking water supply;</p> <p>(w) Burials, cremations etc.;</p> <p>(x) Public conveniences;</p> <p>(y) Children's services;</p>

	Metropolitan Corporation, Municipal Corporation & Municipal Committee	Town Committee	Tehsil Council
	(z) Community safety; (aa) Arts and recreation; (bb) Public fairs and ceremonies; (cc) Sports; (dd) Environmental health, awareness and services; (ee) Parks and landscape development; (ff) Slaughtering of animals; (gg) Street lights; and (hh) Sign boards and street advertisements.	(v) Community safety; (w) Arts and recreation; (x) Public fairs and ceremonies; (y) Sports; (z) Environmental health, awareness, services; (aa) Parks and landscape development; (bb) Slaughtering of animals; (cc) Street lights; and (dd) Sign boards and street advertisements.	(z) Community safety; (aa) Arts and recreation; (bb) Public fairs and ceremonies; (cc) Sports; (dd) Environmental health, awareness, services; (ee) Parks and landscape development; (ff) Slaughtering of animals; (gg) Cattle markets; (hh) Street lights; and (ii) Sign boards and street advertisements.

Source: Third, Fourth and Fifth Schedule of PLGA-19.

Annex 2: Taxes, Fees, Rates and Tolls of Various Local Governments

Part - I

Metropolitan Corporation, Municipal Corporations and Municipal Committees

- (a) Tax on urban immovable property;
- (b) Entertainment tax on dramatic and theatrical shows;
- (c) Tax on the transfer of immovable property;
- (d) Water rate;
- (e) Drainage rate;
- (f) Conservancy rate;
- (g) Fee for approval of building plans, erection and re-erection of buildings;
- (h) Fee for change of land use of a land or building as prescribed;
- (i) Fee for licenses, sanctions and permits;
- (j) Fee on the slaughter of animals;
- (k) Fee for licensing of professions or vocations as may be prescribed;
- (l) Market fees;
- (m) Tax on advertisement and billboards;
- (n) Toll tax on roads, bridges and ferries maintained by the respective Metropolitan Corporation, Municipal Corporation or the Municipal Committee;
- (o) Fee at fairs and industrial exhibitions;
- (p) Fee for specific services rendered by the local government;
- (q) Fee for registration and certification of births and marriages;
- (r) Tax for the construction or maintenance of any work of public utility;
- (s) Parking fee;
- (t) Water conservancy charge from the owner or occupier of a house or any other building;
- (u) Tax on installation of Base Transceiver Station/Tower;
- (v) Fee for licensing of professions or vocations as prescribed;
- (w) Any other tax or levy authorized by the Government.

Part - II

Town Committees

- (a) Tax on urban immovable property;
- (b) Tax on the transfer of immovable property;
- (c) Water rate;
- (d) Drainage rate;
- (e) Conservancy rate;
- (f) Fee for approval of building plans, erection and re-erection of buildings;
- (g) Fee for change of land use of a land or building as prescribed;

- (h) Fees on the slaughter of animals;
- (i) Market fees;
- (j) Tax on advertisement and billboards; and
- (k) Parking fees.

Part - III

Tehsil Councils

- (a) Tax on the transfer of immovable property;
- (b) Fees for licenses, sanctions and permits granted by the Tehsil Council;
- (c) Market fees for the markets maintained by the Tehsil Council;
- (d) Local rate on lands assessable to land revenue;
- (e) Rates on the services provided by the Tehsil Council;
- (f) Fees at fairs, agricultural shows and industrial exhibitions;
- (g) Fees for specific services rendered by the Tehsil Council;
- (h) Toll on bridges and ferries maintained by the respective Tehsil Council.
- (i) Tax for the construction or maintenance of a work of public utility;
- (j) Tax on advertisement and billboards;
- (k) Fee for approval of building plans, erection and re-erection of building for industrial or commercial purposes and such residential buildings which are located in a private housing scheme;
- (l) Fee for change of land use of a land or building as prescribed;
- (m) Water conservancy charge from the owner or occupier of a house or any other building;
- (n) Tax on installation of Base Transceiver Station/Tower;
- (o) Fee for licensing of professions or vocations as prescribed; and
- (p) Any other tax or levy authorized by the Government.

(according the PLGA-19, Tenth Schedule)

Annex 3 Functions of Village Panchayat and Neighbourhood Council (as per VP&NCA-19)

Primary Functions of a Village Panchayat (Fourth Schedule)

- (a) Construction, maintenance and repair of public ways including culverts and bridges, ferries and causeways;
- (b) Maintenance of common spaces including their sanitation;
- (c) Drinking and domestic water supply including construction, maintenance and repairs of wells, water pumps, ponds, tanks and pipes;
- (d) Burial and burning grounds including disposal of unclaimed dead and carcasses;
- (e) Lighting of public ways and places;
- (f) Planting and preservation of trees and destruction of harmful weeds;
- (g) Buildings for the accommodation of travellers;
- (h) Ponds for animals and cattle;
- (i) Sheds for cart, bicycle, rickshaw, and auto stand;
- (j) Relief of the poor or the sick;
- (k) Relief in calamities and emergencies;
- (l) Public health including inoculations and epidemic control campaigns;
- (m) Population welfare, including population control;
- (n) Universal education including measures for school enhancing enrollment and attendance of students, and providing stipends and scholarships;
- (o) Promotion of hygiene including improved latrines, septic tanks and reduction of open defecation;
- (p) Village sewerage, waste water collection and treatment;
- (q) Collection and disposal of domestic waste;
- (r) Organization and celebrations of public festivals, other than religious festivals;
- (s) Public gardens and public play-grounds;
- (t) Libraries and reading rooms;
- (u) Voluntary registration of the sales of cattle, camels and horses;
- (v) Development of agriculture and village industries;
- (w) Promotion and development of agriculture and horticulture including starting and maintaining a grain fund for cultivators and lending them seeds for sowing purposes on such conditions as the panchayat may approve;
- (x) Development of barren lands, development and maintenance of common grazing grounds;
- (y) Promotion of dairy farming, poultry and fish farming;
- (z) Collection and destruction of stray animals;
- (aa) Maintenance of public properties and village common properties under its control;
- (bb) Organization of voluntary labour and contributions to community work;
- (cc) Construction, repair and maintenance of common village assets, including minor repairs of public schools, health and other facilities provided in the village by the Government or a local government;
- (dd) Removal of encroachments and prevention of illegal trespassing over public properties; and

(ee) any other matter which Government may, by notification, declare to be a suitable subject for administration by panchayats generally or by any particular panchayat.

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Primary Functions of a Neighbourhood Council (Fifth Schedule)

- (a) Maintenance of common spaces including their sanitation;
- (b) Planting and preservation of trees and destruction of harmful weeds;
- (c) Relief of the poor or the sick;
- (d) Relief in calamities and emergencies;
- (e) Public health including inoculations and epidemic control campaigns;
- (f) Population welfare, including population control;
- (g) Universal education including measures for school enhancing enrollment and attendance of students, and providing stipends and scholarships;
- (h) Promotion of hygiene including improved latrines, septic tanks and reduction of open defecation;
- (i) Support local government in collection and disposal of domestic waste;
- (j) Organization and celebrations of public festivals, other than religious festivals;
- (k) Libraries and reading rooms;
- (l) Organization of voluntary labour and contributions to community work;
- (m) Construction, repair and maintenance of neighbourhood assets, including minor repairs of public schools, health and other facilities provided in the neighbourhood by the Government or a local government;
- (n) Removal of encroachments and prevention of illegal trespassing over public properties; and
- (o) any other matter which Government may, by notification, declare to be a suitable subject for administration by neighborhoods generally or by any particular neighbourhood.

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