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TASK FORCE
on
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TASK FORCE ON REFORMS IN LOCAL GOVERNANCE IN PAKISTAN

REPORT - 1

Convened by: BNU Center for Policy Research (BCPR)

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EXECUTIVE SUMMARY

Pakistan has remained unsuccessful over seven decades and alternating political regimes in establishing a durable, continued, empowered, and democratically accountable third tier of governance. The Constitution of Pakistan 1973 envisions a federal parliamentary democracy; the 18th Constitutional Amendment (2010) explicitly mandates, under Article 140-A, the devolution of political, administrative, and financial responsibility to local governments; yet no province has fulfilled this mandate in any sustained, constitutionally compliant form.

The report is a result of the deliberation and recommendations of the BCPR Task Force on Reforms in Local Governance in Pakistan, held from January to June 2026. The Task Force was established based on the recommendations of the National Conference on "Local Governance in Pakistan: Empowering Communities" organized by BCPR and Sanober Institute Islamabad at Beaconhouse National University, Lahore on 1st December 2025. It was decided that technocrats, legal experts, politicians and academicians would be tasked with a comprehensive analysis of the challenges of local governance in Pakistan and to come up with practical policy options. Between January and June 2026, formal meetings took place in hybrid format, complemented by written contributions from members. The membership included former federal ministers, constitutional law experts, political scientists, governance practitioners, and civil society stakeholders, and thus offered a cross-sectoral analytical foundation in line with the needs of credible reform advocacy.

The Task Force's diagnosis is unambiguous: the persistent weakness of local government in Pakistan is not primarily a technical or drafting failure but a structural and political one. Members of the National and Provincial Assemblies derive electoral capital from development schemes spending that an empowered local government would compete for, giving higher tiers a durable incentive to constrain rather than strengthen the third tier. Task Force deliberations termed this recurring posture a "zero-sum mentality" toward local authority, one expressed through the creation of parallel administrative structures, the appointment of administrators upon expiry of council terms, the denial of guaranteed fiscal transfers, and the passage of local government legislation that is, on its face, constitutionally deficient. This incentive structure has been reinforced by overlapping jurisdictional design between different tiers within the local governments, bureaucratic supervision inherited from the colonial District Officer, indirect and non-party electoral arrangements that have diluted local government's democratic legitimacy, and, above all, a fiscal architecture that excludes local government entirely from the National Finance Commission's formula while leaving Provincial Finance Commissions largely dormant or subject to unilateral provincial discretion.

The Punjab Local Government Act 2025, the most recent legislative development, illustrates this pattern with particular clarity and was subjected to detailed analysis by the Task Force. The Act was found to violate Article 226 of the Constitution through its rejection of secret ballot for councils above the union council tier; to subordinate local governments to provincial executive authority through Sections 21 and 76; to mandate indirect elections for mayors and deputy mayors; and to provide no guaranteed minimum fiscal allocation through the Provincial Finance Commission. Punjab's transfer of urban service delivery to more than fifty provincially controlled companies, Sindh's retention of an effective provincial veto over elected councils, and Khyber Pakhtunkhwa's reversal of its own development-spending commitment to local government together confirm a consistent, cross-provincial pattern: governments that have vigorously defended their own autonomy from the federation have shown markedly less willingness to extend equivalent autonomy downward.

The systemic debacle of grassroot governance continues to compound the contestation of the federation. The denial of fundamental governance control to citizens with democratic mandate implicates the social contract. Fiscal resources accumulate at the provincial tier and are disbursed through discretionary, politically driven channels, principally the development funds of members of provincial and national assemblies, which function as parallel power structures that structurally undermine elected local bodies. Ethno-regional grievances, urban governance crises, and renewed demands for new provinces all trace, in significant part, to the vacuum created by the absence of functional grassroots governance.

A comparative reading of international experience, drawn from the United States, Germany, India, Brazil, and China, reinforces the Task Force's central conclusion: constitutional entrenchment of a rule-based fiscal entitlement, combined with genuine own-source revenue authority for self-sustainability, distinguishes local governments capable of independent action from those that remain permanently dependent on discretionary transfers. India's post-1992 constitutional amendments offer the closest structural parallel to what Article 140-A gestures toward but has not yet achieved. This report arrives at a moment of particular urgency, as proposals to redraw Pakistan's federal map through the creation of additional provinces have gained renewed political traction.

The Task Force finds that the case for local self-government reform and the case for smaller provinces are not mutually exclusive, though they rest on different constitutional footings and different levels of political feasibility. The experience of several well-governed countries offers ample evidence that smaller, more manageable administrative units can improve service delivery and, in turn, governance outcomes. Pursuing this path in Pakistan, however, would require a broad, across-the-board political consensus, since the creation of new provinces finds no express mention in the Constitution, and any alteration of provincial boundaries would have to proceed through the considerably more demanding process set out in Articles 239(4) and 239(5). Until such consensus is achieved, the third tier of government cannot be neglected. Local government is already provided for under Article 140-A, carries the backing of broader political consensus, and has a substantial structure already in place in all provinces. It must therefore be strengthened in the interim, not treated as a lesser alternative to provincial reorganization.

Accordingly, this report's recommendations center on four consensually re-emphasized postulates: constitutional amendment to give Article 140-A the same specificity and enforceability that Article 160 already affords the National Finance Commission; a model legislative framework, developed through the Council of Common Interests, establishing direct elections, non-overlapping functions, and judicially reviewable tenure protections; sustained investment in merit-based recruitment and continuous capacity-building for local government personnel; and durable civil society oversight anchored in public fiscal disclosure. Taken together, these measures are intended not as an incremental legislative adjustment but as the democratic architecture, resilient across political cycles, that Pakistan's local government has been promised since 2010 and has yet to receive.

1. Background: The Imperative for Reform

In the Indian Sub-Continent, during the end of colonial rule, the Indian National Congress continued to favor a strong, centralized union, viewing a powerful center as essential for effective governance. The All-India Muslim League under Quaid-e-Azam Muhammad Ali Jinnah, however, envisioned autonomous federating units for embracing and protecting diversity and limiting majoritarian dominance. This divergence shaped post-independence dominions: India adopted a "Union of States" with residuary powers vested in the Centre, while Pakistan affirmed federalism as a core principle enshrined in the Objectives Resolution of 1949 and the consequent constitutional framework.

However, since its creation Pakistan has been grappling with the question of devolution with a continuous struggle for balancing power and resources among the federating units. The administrative structure of the country has evolved through the alternating phases of centralization and comparative decentralization reflecting the changing regimes, political narratives and constitutional frameworks. The colonial administrative model that Pakistan inherited, with a strong, centrally supervised bureaucracy, proved far more durable in practice than the federal vision Pakistan had affirmed on paper. This centralizing instinct persisted at both the federal and provincial levels each time Pakistan's own governments, civil and military alike, confronted the question of how much authority to relinquish to the tiers of government beneath them. The Constitution of Pakistan 1973 envisions the country as a federal parliamentary democracy embracing diversity through provincial autonomy and fiscal empowerment. The 18th Constitutional Amendment in 2010 was a genuine effort towards strengthening provincial autonomy through maximum fiscal and administrative devolution to the provinces with the intention that this power would not be consolidated in provincial capitals but rather would be devolved further to the local level. While Article 140-A provides legal cover to the Local Governments System, hitherto no real progress has been made towards devolution due to institutional and political impediments resulting in the absence of robust and active third tier of governance for citizen-centric service delivery.

The dichotomy has led to complex challenges for governance and development. The provinces have accumulated significant fiscal resources yet have largely failed to devolve them to local governments, limiting people's empowerment while also constraining the federation's central fiscal pool. Provincial revenues rose from less than 4 percent of GDP to an average of 6.5 percent over 2010–2024 following the 7th NFC Award and the 18th Amendment, yet more than 80 percent of provincial expenditure in FY23 went toward recurrent administrative costs rather than education, health, or local service delivery. The consequence at the local level is stark: the share of total government spending undertaken by local governments has fallen from around 10 percent in 2005 to under 5 percent in 2024, and of the Rs9.2 trillion in federal transfers the provinces are projected to receive in FY26-27, only Rs1.8 trillion is being passed onward to local governments, a rate of under 20 percent as reported by Express Tribune.

This has contributed to growing resentment, reflected in ethnic and regional movements such as demands for greater autonomy in the former FATA, the Hazara movement for a separate province, calls for a Seraiki province in southern Punjab, and persistent perceptions of political and economic marginalization among Baloch and Sindhi communities. Consequently, the debate for community empowerment has continued to vacillate from creation of new provinces to strengthening institutional frameworks for local governments. But the debate remains highly politicized and polarized as the same is not grounded in inclusive discourse through evidence-based policy research aiming at achieving national consensus. In international best practices, there are success stories in the creation of new provinces in India, Nigeria and Ethiopia as well as otherwise effective local government systems in many established democracies in the developed world. The need of the hour in Pakistan is to initiate a focused, transparent and inclusive policy dialogue on the crucial subject of strengthening grass-root governance in Pakistan for achieving the national objectives of community empowerment, local self-government and people-centered development.

i. Composition of the Task Force

The membership of the Task Force was constituted to cover the following analytical and institutional domains: constitutional and legal expertise, fiscal federalism and public finance, political party and electoral systems, academic political science and governance, civil society and community advocacy, public administration and bureaucratic reform, and comparative international governance. Former federal ministers with direct legislative and executive experience of local governance systems were included alongside academic researchers, ensuring that the deliberations integrated empirical analysis with political realism.

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Former Chairperson PHEC, Chairperson Nizam Foundation

- **Khawar Mumtaz**

Former Chairperson of the National Commission on the Status of Women

ii. Mandate, Terms of Reference, and Scope of Work

The Task Force was constituted with a mandate to holistically examine the need for strengthening local governance in Pakistan and to develop practical policy options grounded in legal analysis, politico-social dynamics, and institutional framework assessment. Its Terms of Reference, adopted at the inaugural meeting, direct it to:

- Evaluate existing local government systems against global best practices to identify institutional gaps in devolution, accountability, and equitable service delivery.

- Facilitate informed national dialogue on a systematic approach for strengthening local governance and empowering communities.

- Identify practical policy options for creating an effective local governance machinery within the framework of Article 140-A.

- Analyze the political, economic, administrative, and social implications of various reform options.

- Develop credible, evidence-based recommendations on policy options grounded in rational analysis.

The Scope of Work encompasses research across federalism and decentralization; review of historical precedents and comparative international models; proposals for revamping local government structures, finances, and autonomy; and assessment of the constitutional processes required to advance reform. The Task Force's mandate explicitly extends beyond this report to follow-up advocacy and engagement with relevant governmental and parliamentary institutions.

iii. Methodology and Conduct of Deliberations

The Task Force adopted a structured deliberative methodology designed to move from diagnosis through constitutional analysis to legislative detail and, finally, to actionable recommendations. Meetings were held between January and June 2026 in hybrid (in-person and online) format. Each meeting was preceded by an agenda document circulated to members identifying specific analytical questions for discussion. The deliberative sequence followed progression from broad diagnostic consensus in Meeting I, through constitutional and legislative specificity in Meeting II, to legislative analysis in Meeting III. This sequencing was deliberate: it prevented the meetings from becoming unfocused while ensuring that analytical conclusions at each stage were grounded in the accumulated shared understanding of the group.

The methodology is transparent about its limitations. The Task Force met over six months; the scope of the problem it addresses spans seven decades of constitutional and political history and involves deeply entrenched interests across all levels of government. The report does not claim to resolve all analytical disputes within the field, nor to represent the comprehensive views of any individual member on every question. It represents the collective judgment of the group based on available evidence and structured deliberation, and it identifies areas of consensus separately from areas where expert disagreement persists.

iv. Analytical Framework: Four Criteria for Institutional Adequacy

The Task Force's deliberations converged on four interdependent criteria for assessing the adequacy of any local governance institutional arrangement. These criteria, drawn from both the deliberations and the analytical literature, inform the report's diagnostic assessments and the prescriptive recommendations.

Table 1: Institutional Compliance Framework for Local Governance

CRITERION	DEFINITION AND REQUIRED INSTITUTIONAL CONDITIONS
Subsidiarity	Services must be delivered at the lowest level of government capable of discharging them effectively. Functions must be clearly delineated, with service delivery responsibility placed at the local tier except where scale economies, spillover effects, or minimum national standards compel a higher level. Institutional designs that retain functions at the provincial level without meeting this standard are non-compliant.

Democratic Accountability	Clear electoral responsibility must exist at every tier: elected representatives must be chosen by direct, secret ballot on a party-based system, must serve fixed terms with tenure protection, and must be answerable to constituents through standing committees, right to information, and participatory planning processes. Indirect elections, administrator arrangements, and non-party mandates undermine this criterion.
Administrative Coherence	Local government institutional architecture must be aligned with provincial administrative systems, without being subordinated to them, meaning provincial departments should coordinate with and support local governments in areas of shared concern, such as inter-district infrastructure or public health surveillance, without retaining the power to direct, override, or bypass local decision-making, in matters that fall squarely within the local government's own mandate. Administrative personnel operating at the local level must be functionally answerable to elected local government heads. District and municipal structures must correspond to rational service-delivery geographies rather than inherited colonial units.
Fiscal Viability	Local governments must receive rule-based fiscal transfers calibrated to their functions. They must possess adequate own-source revenue authority, including meaningful control over property tax and user charges, such as the Urban Immovable Property Tax, the Tax on Transfer of Immovable Property, motor vehicle and parking fees, solid waste and water/sewerage user charges, building and land-use approval fees, and local market and trade licensing fees. They must be insulated from discretionary interference by provincial governments in fiscal transfers and by legislators through development fund parallel structures.

v. Principal Findings of the Task Force

The Task Force's analysis across meetings and the contributed analytical chapters converges on the following core findings.

FINDING 1: Constitutional Non-Compliance Is Systemic, Not Incidental
• Article 140-A has never been implemented in the manner its text and legislative history require in any province.
• All four provincial local government acts passed since 2010 fail, in varying degrees, to devolve political, administrative, and financial power as mandated.
• Courts have not provided consistent enforcement; the constitutional provision remains a statement of aspiration rather than a legal guarantee.
• Without constitutional amendment and a national framework law, the cycle of discretionary rollback will continue regardless of which party governs.
• The NFC and/or PFCs does not provide any direct, formula-based allocation to local governments; the constitutional amendment of Article 160 is required to remedy this with giving NFC the mandate to allocate a specific amount for local government institutions subject to amendment and expansion in the scope of Article 140-A of the Constitution.

FINDING 2: Fiscal Strangulation Is the Central Mechanism of Disempowerment
• Local governments in Punjab receive inter-governmental transfers through a PLGFC dominated by provincial legislators and bureaucrats; local elected representatives have minimal representation at the table based on nomination and that too at the discretion of the Chief Minister according to Section 88 (2h) of PLGA 2025.
• According to evidence presented to the Task Force, 80% of local government budgets are consumed by salaries, leaving only 20% for any development expenditure.
• Property tax, the most significant own-source local revenue, is collected by the provincial Excise and Taxation Department and transferred to local bodies after deduction of collection charges, creating no local fiscal accountability loop.

• Development funds for the Members of National and Provincial Assemblies constitute parallel fiscal channels that bypass elected local governments and undermine their credibility with constituents.

FINDING 3: The Electoral Architecture Lacks Constitutional Validity and Democratic Legitimacy
• Indirect elections of mayors and deputy mayors through councillors rather than direct popular vote violates the subsidiarity principle and insulates local leadership from citizen accountability.
• Article 226 of the Constitution explicitly prohibits selection of public representatives by show of hands except for the Prime Minister and Chief Minister; the PLGA 2025's rejection of secret ballot for upper-tier council elections constitutes a direct constitutional violation.
• The absence of electoral continuity, demonstrated by Punjab's five local government laws since 2013 and repeated dissolution of local bodies, prevents any institutional consolidation.

FINDING 4: Bureaucratic Architecture Actively Undermines Local Democratic Authority
• District and municipal administrative positions are occupied by central and provincial civil service officers with no direct obligation to elected local government heads.
• Provincial bureaucracy retains effective control over financial disbursement, personnel, and service delivery decisions nominally under local government jurisdiction.
• The District Education and Health Authorities established under local government acts are mostly governed by bureaucracy rather than elected local representatives.
• The absence of a dedicated local government civil service cadre in most provinces means local governance perpetually depends on borrowed officers with higher-tier career incentives.

FINDING 5: Political Will Is the Binding Constraint, But Political Economy Can Be Shifted
• Every Task Force member across all meetings identified the absence of political will as the primary obstacle to reform.
• Political parties do not treat local governance as a political priority; local government electoral mandates are not used as platforms for national mobilization.
• Civil society pressure, sustained advocacy, and framing reform as the practical alternative to new province demands can shift the political calculus.
• The Task Force recommends a dual-track approach: simultaneous advancement of legal framework development and political advocacy strategy.

2. Historical and Constitutional Foundations of Local Governance in Pakistan

Local government in Pakistan cannot be understood as a purely administrative or technocratic arrangement. It is, rather, the product of a long and unresolved contest over where authority over everyday governance should sit in the village, in the province, or in the center. This section traces that contest from its pre-colonial and colonial antecedents through the constitutional and legislative record of the post-independence state, to establish the historical and legal foundations on which the remainder of this Report's diagnosis and recommendations rest. Five themes are examined in turn: the deep historical roots of local self-governing institutions in the subcontinent; the alternating pattern of military-led local government experiments and civilian neglect after 1947; the treatment of local government within the 1973 Constitution and its subsequent distortion under the Legal Framework Order (LFO) of 2002 and the Seventeenth Amendment; the transformative, though contested, insertion of Article 140-A through the Eighteenth Amendment of 2010; and the recurring cycle of devolution followed by recentralization that has characterized the post-2010 period, most visibly in Punjab.

2.1 Historical Antecedents: From the Pre-Mughal to the Mughal Era to the Indian Independence Act of 1947

Institutions of local self-governance in the territory that became Pakistan predate the modern state by many centuries. Village-level councils broadly referred to in the historical literature as panchayats functioned as largely autonomous units of dispute resolution, revenue management, and community welfare well before the establishment of Muslim rule in the subcontinent, deriving their authority from custom rather than royal sanction. Under the Mughal Empire, this village-level selfsufficiency persisted alongside, rather than in place of, an increasingly centralized imperial bureaucracy. The village ("*deh*" or "*mauza*") remained the basic unit of revenue administration within the Mughal hierarchy of *subas, sarkars, and parganas*, with the village *panchayat* headed by a muqaddam and assisted by a *patwari* (accountant) and *chowkidar* (watchman) retaining responsibility for irrigation, sanitation, dispute resolution, and the internal affairs of the settlement (Tinker, 1954). This arrangement has often been described as one of structural coexistence: an extractive, centralized state apparatus superimposed on a locally rooted, custom-governed unit of self-rule.

The colonial period fundamentally disrupted this equilibrium. The East India Company's revenue-maximizing reforms notably the Permanent Settlement of 1793 and the Ryotwari system subordinated local autonomy to fiscal extraction, while the introduction of district collectors, magistrates, and a professional police force displaced village institutions as the primary loci of authority. Later in the colonial period, however, the imperatives of administrative cost-sharing produced a countervailing, if limited, impulse toward local self-government: the Mayo Resolution of 1870 and the Ripon Resolution of 1882 sought to develop municipal and rural boards, primarily in urban areas, and the Royal Commission on Decentralization of 1907 explicitly recommended the strengthening of village panchayats as a means of improving administrative efficiency (Tinker, 1954). These colonial-era enactments, extended and consolidated through provincial local self-government and municipal acts in the late nineteenth and early twentieth centuries, constitute the direct institutional ancestors of Pakistan's contemporary local government legislation.

The Government of India Act of 1935 further entrenched a provincially organized, bureaucratically supervised model of sub-national governance, establishing precedents for the relationship between elected local bodies and appointed provincial officials that would persist well beyond independence. When the Indian Independence Act of 1947 partitioned British India and created Pakistan, the new state inherited this colonial administrative apparatus more or less intact a strong, centralized civil bureaucracy accustomed to supervising rather than being accountable to local elected bodies, and a legal-institutional legacy in which local self-government was treated as an administrative convenience granted by the state rather than a constitutionally guaranteed tier of governance (Cheema, Khwaja, & Khan, 2005; Khan, 2020). This inheritance decisively shaped the trajectory examined in the sections that follow.

2.3 Post-Independence Trajectory: Military Experiments and Civilian Reversals

For roughly the first decade after independence, local government was effectively neglected, a casualty of the political instability, bureaucratic dominance, and constitutional uncertainty that characterized Pakistan's 1947–1958 period. The pattern that would come to define the subsequent seven decades was set by General Ayub Khan, whose 1959 Basic Democracies (BD) system was the first organized, state-wide local government structure introduced after independence. The BD system created a multi-tiered structure of union, tehsil/thana, district, and divisional councils, with union-level Basic Democrats elected on a non-party basis and, crucially, functioning simultaneously as an electoral college for the presidency and national and provincial legislatures. Rather than empowering genuinely autonomous local institutions, the BD system reinforced the supervisory role of the district civil bureaucracy, making local councils instruments of administrative control and regime legitimation as much as vehicles of grassroots participation (Cheema, Khwaja, & Khan, 2005; Khan, 2020). The system did not survive Ayub Khan's own departure from power in 1969, collapsing along with the regime that had created it, the first instance of a pattern in which local government structures in Pakistan have proved to be extensions of the executive that establishes them rather than durable constitutional institutions.

The civilian government of Zulfikar Ali Bhutto (1971–1977) did not hold local government elections and showed limited interest in institutionalizing local self-government, reinforcing an early and recurring feature of Pakistani politics: elected national governments, dependent on provincial and national party machines, have generally regarded strong local government as a potential rival power center rather than a complement to representative democracy. The pattern reasserted itself with the martial law regime of General Zia-ul-Haq, whose Local Government Ordinances of 1979 introduced what several scholars regard as the most broadly representative local government system in Pakistan's history to that point, with local council elections held on a non-party basis in 1979, 1983, and 1985 across both rural and urban areas (Mezzera, 2010). As with the Ayub-era Basic Democracies, however, the Zia-era local government system served a dual function: while it expanded avenues for local political participation and infrastructure delivery, it also allowed the regime to cultivate a loyal, depoliticized local elite as a substitute for a banned party-political system, and to bypass the mainstream political parties it had suppressed.

The recurrence of this pattern across three distinct military regimes of Ayub Khan, Zia-ul-Haq, and later Pervez Musharraf has led scholars of Pakistani decentralization to characterize local government reform as an instrument of authoritarian legitimation as much as a genuine devolution of authority: each regime used elected local bodies to construct a support base independent of, and often opposed to, the established political parties, while withholding meaningful fiscal and administrative autonomy from those same bodies (Mohmand & Cheema, 2007).

2.4 The 1973 Constitution and the Federal Framework: The Legal Framework Order and the Seventeenth Amendment

The Constitution of the Islamic Republic of Pakistan, adopted in 1973, established a federal parliamentary framework dividing legislative and executive authority between the federation and the provinces, but it addressed local government only in aspirational rather than binding terms. Article 32 directed the state to "encourage local Government institutions composed of elected representatives," including, so far as practicable, representation of peasants, workers, and women but as one of the Principles of Policy, this provision was explicitly non-justiciable and imposed no enforceable obligation on the provinces to establish, protect, or fund local government (Government of Pakistan Constitutional Documents, as discussed in Khan, 2020). Local government thus remained, in constitutional terms, a matter of provincial legislative discretion rather than a guaranteed tier of the federation, a status that persisted through the civilian decade of 1988–1999, during which local government elections were held irregularly and local bodies frequently operated without an underlying democratic mandate.

This constitutional ambiguity was exploited, rather than resolved, following the military coup of General Pervez Musharraf in 1999. The Devolution of Power Plan of 2000 and the subsequent Local Government Ordinance (LGO) of 2001 introduced a new three-tier structure of district, tehsil, and union administrations, abolished the colonial-era office of Deputy Commissioner and redistributed its functions, and created an elected nazim (mayor) system intended to shift authority away from the district bureaucracy and toward elected local leadership. In practice, the reform's political durability depended not on constitutional entrenchment but on executive fiat: the Legal Framework Order (LFO) of 2002, subsequently ratified as the Seventeenth Constitutional Amendment in 2003, extended a form of constitutional protection to the LGO 2001 framework, requiring presidential approval for any provincial amendment to local government legislation for a period of roughly six years, from 2002 to 2009 (Mezzera, 2010). This protection ensured the survival of Musharraf-era local bodies through the 2002 return to civilian-led assemblies but did not extend beyond 2009, after which the LGO 2001 framework lost its constitutional shield and provinces reverted to unilateral discretion over local government law.

It is important to situate this local government reform within the broader constitutional character of the LFO and Seventeenth Amendment, which also reintroduced the president's discretionary power to dissolve the National Assembly under Article 58(2)(b), expanded executive authority relative to Parliament, and were widely regarded as instruments for legitimizing an extra-constitutional seizure of power rather than good-faith constitutional reform.

2.5 The Eighteenth Constitutional Amendment (2010) and Article 140-A

The Eighteenth Constitutional Amendment, passed unanimously by Parliament and signed into law in April 2010, is widely regarded as the most consequential constitutional reform in Pakistan's history since 1973. It restored the parliamentary character of the Constitution as originally conceived, abolished the Concurrent Legislative List and transferred numerous federal subjects, including health, education, and social welfare, to exclusive provincial jurisdiction, and reconfigured the balance of power between the federation and the provinces on fiscal and administrative grounds (Rana, 2020). Within this broader restructuring of Pakistani federalism, the Eighteenth Amendment also inserted a new Article 140-A into the Constitution, providing that "each Province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments." The significance of Article 140-A lies in its departure from the merely directive language of the original Article 32. Where Article 32 asked the state to "encourage" local government institutions as a non-justiciable principle of policy, Article 140-A imposes a mandatory obligation on provincial governments, framed in binding rather than aspirational terms. This shift has provided the constitutional basis for subsequent judicial intervention: in a 2022 judgment concerning the Sindh Local Government Act of 2013, the Supreme Court of Pakistan held that provincial governments could not strip local governments of their functions by executive action, ruling that provisions allowing the provincial government to take over the management of institutions maintained by a local body were inconsistent with Article 140-A (Dawn, 2023, as reported in contemporaneous case commentary). This judicial reading of Article 140-A as a source of constitutionally protected local government autonomy, and not merely a directive to legislate, marks an important, if still contested, evolution in the constitutional status of the local tier.

At the same time, scholars and practitioners have noted that the constitutional text of Article 140-A leaves considerable interpretive latitude to the provinces regarding the pace, sequencing, and substantive content of devolution, and that the provision's binding language has not, in practice, guaranteed either timely local government elections or genuine fiscal and administrative devolution (Shah, 2012). Analysts writing shortly after the Amendment observed that provincial governments across Pakistan proved slow to establish local institutions, reluctant to hold elections on schedule, and unwilling to transfer the funds and functional authority envisaged by the constitutional text an implementation gap that has widened rather than narrowed the debate over whether the Eighteenth Amendment's promise for the local tier has been substantively realized. This gap between constitutional obligation and provincial practice is the central subject of the final section of this chapter.

2.6 Patterns of Devolution and Recentralization Since 2010

The fifteen years since the Eighteenth Amendment have produced a distinctive and recurring pattern across Pakistan's provinces: constitutionally mandated devolution to the local tier, followed by provincial reassertion of control, followed by renewed devolution under political or judicial pressure. Punjab, Pakistan's most populous province and the principal geographic focus of this Report, illustrates this cycle with particular clarity. Even during the tenure of the Pakistan Muslim League-Nawaz (PML-N) government that enacted the Punjab Local Government Act (PLGA) 2013, fiscal and administrative devolution to local bodies remained weak, with Article 140-A functioning, in the assessment of several analysts, as a largely hollow constitutional promise rather than an operative transfer of authority (Hussain & Mehboob, 2022). The cycle intensified after 2018. In April 2019, the incoming Pakistan Tehreek-e-Insaf (PTI) provincial government dissolved the local governments elected under the PLGA 2013 midway through their constitutionally mandated four-year term through the Punjab Local Government Act 2019, replacing elected local bodies with provincially appointed administrators. The Supreme Court of Pakistan subsequently ruled this premature dissolution unconstitutional, holding in 2021 that Section 3 of the 2019 Act had unlawfully deprived the electorate of political rights conferred by elected local government, and ordered the restoration of the dissolved councils. The Punjab government complied only under threat of contempt proceedings, restoring the local bodies in October 2021, just before the expiry of the Court's deadline by which point the councils had only weeks remaining before their original December 2021 term expired in any case (Hussain & Mehboob, 2022). The provincial government then enacted the Punjab Local Government Ordinance (PLGO) 2021, which restructured electoral rules shifting from non-party to party-based local elections and again dissolved the restored councils on 1 January 2022. Since that date, Punjab, a province of over one hundred million people, has functioned for extended periods without an elected local government tier, with local administration effectively exercised by a small number of appointed Pakistan Administrative Service officers (Hussain & Mehboob, 2022).

This pattern is not unique to Punjab, though its scale there is the most consequential for the Task Force's mandate. Across provinces, the recurring dynamic reflects what several observers have termed an underlying structural distrust between political parties and local government: because locally elected representatives can emerge as rivals to sitting provincial legislators and party leaderships and because local government structures have historically been associated with military-era efforts to bypass mainstream parties elected provincial governments have had limited incentive to devolve genuine fiscal and administrative authority downward, irrespective of their constitutional obligation to do so under Article 140-A. The result has been described as a form of “elected despotism" at the provincial level: parties that campaign in favor of devolution while in opposition frequently reverse course once in government, delaying elections, amending local government law to reduce local autonomy, or dissolving councils altogether when politically convenient.

Taken together, the historical record surveyed in this section from the coexistence of centralized empire and self-governing village under Mughal rule, through the colonial administrative apparatus inherited in 1947, the alternating military experimentation and civilian neglect of the following decades, the ambiguous constitutional status of local government prior to 2010, and the binding but inconsistently implemented obligation created by Article 140-A demonstrates that the weakness of local government in contemporary Punjab and Pakistan is not an isolated policy failure. It is the product of a deep and recurring institutional pattern in which local government has been alternately instrumentalized by non-representative regimes and marginalized by representative ones, with successive constitutional reforms narrowing, but not closing, the gap between the promise of devolution and its practice. This historical and constitutional analysis provides the necessary foundation for the Task Force's subsequent diagnosis of institutional, fiscal, and political barriers to durable local government reform in Punjab.

3. Diagnosis: Structural and Political Shortcomings

The persistence of weak local government in Pakistan cannot be explained by pointing out deficiencies alone; it is, at its core, a problem of political incentives. Members of the National and Provincial Assemblies derive much of their electoral standing from visible development spending in their constituencies: the construction of a road, the installation of a handpump, the disbursement of a discretionary grant. A functioning local government, headed by an independently elected mayor or nazim with control over the same development budget, directly competes with this source of political capital. In a district containing several National and Provincial Assembly seats, an effective and popular mayor is not merely an administrative convenience; it is a rival power center. Because the same legislators who would lose influence from empowered local government are also the ones who write the rules governing it, provincial Local Government Acts have consistently been designed to constrain rather than enable the third tier. This is not a failure of technical capacity so much as a rational, if corrosive, response to a structure of incentives that rewards the withholding of authority.

This pattern is visible in the frequency with which each province has rewritten its own local government law. Punjab has enacted four Local Government Acts in a little over a decade, in 2013, 2019, 2022, and, most recently, 2025, the last of which came into force on 13 October 2025, and abolished the District Council tier altogether. Sindh's trajectory has been same: its 2001 Ordinance was repealed in 2011 to revive the 1979 Ordinance, then replaced by the short-lived Sindh Peoples

Local Government Act 2012, itself repealed within a year, before the Sindh Local Government Act 2013 emerged as the currently governing law, since amended in both 2021 and 2023. Khyber Pakhtunkhwa moved from its 2001 Ordinance to a 2012 Act repealed within eighteen months by the Khyber Pakhtunkhwa Local Government Act 2013, still the current law, which was itself amended four times between 2014 and 2019, most consequentially in 2019, when the district tier and the Nazim's office were eliminated in favor of the present two-tier structure. Balochistan alone has been legislatively stable, moving directly from its 2001 Ordinance to the Balochistan Local Government Act 2010, amended scarcely. Taken together, the four provinces have produced roughly a dozen distinct principal Acts and major amendments over the past two decades, a rewrite every two to three years on average, a churn difficult to explain except as the by-product of assemblies periodically recalibrating how much authority they are willing to cede to a competing elected tier.

Institutional design compounds the political problem. Successive local government ordinances and acts since 1979 have left overlapping and poorly differentiated responsibilities between tiers, most visibly between the tehsil or town tier and the district tier, both of which have at times exercised concurrent authority over municipal services without a clear allocation of accountability. Water supply and sanitation is the most documented instances. The 2001 Local Government Ordinance nominally devolved this function to the Tehsil Municipal Administrations created under it, with district governments responsible for coordinating and jointly implementing schemes that crossed tehsil boundaries. When this local government system was rolled back after 2008, however, these same functions were reprovincialised rather than left with the elected tier. Provincial governments re-established the Public Health Engineering Department as a provincial body, and in Punjab and Khyber Pakhtunkhwa went further by creating Water and Sanitation Agencies in major cities to take direct control of the function, structures that report to provincial ministries rather than to any elected local council. Karachi illustrates the same pattern at metropolitan scale, where water supply, along with solid waste management and local roads, remains subject to recurring jurisdictional disputes between the city-wide Metropolitan Corporation and the constituent District Municipal Corporations, disputes that have repeatedly surfaced in litigation and in friction over which tier controls which devolved department.

Bureaucratic dominance represents a third structural obstacle. From the colonial District Officer through to the modern Deputy Commissioner, Pakistan's local administrative architecture has long privileged an appointed, centrally accountable civil servant over a locally elected representative. Provincial governments retain sweeping powers of general supervision over local councils, including the authority to call for records, order inquiries, suspend office-bearers, and in some instances dissolve councils altogether, a legacy of the martial law era that has survived largely intact into democratic local government legislation. These are not merely notional powers. The Punjab Local Government Act 2019 (Section 233) and its 2022 successor (Section 151) both contain an explicit provision for the suspension or dissolution of a local government, and Section 3 of the 2019 Act was itself used to dissolve every local government constituted under the preceding 2013 Act, removing an estimated 58,000 elected representatives, including sitting mayors and District Council chairs, roughly midway through their five-year statutory terms, before any replacement elections had been scheduled. The Supreme Court later held that Section 3's blanket dissolution was unlawful, since the 2013 Act had given elected local governments a right to complete their term that a subsequent Act could not simply override, a ruling that established the legal principle but did not, in practice, restore the deposed representatives to office before their term would in any case have expired. In the interim period following such dissolutions, the provincial executive was empowered and entrusted to appoint provincial bureaucracy to formally act as Administrators of the local governments, meaning the same civil servant the 2001 reform had subordinated to an elected mayor, can exercise the mayor's full statutory functions whenever the elected tier is absent. The same has been replicated in the PLGA 2025 where the Provincial Executive can appoint administrators instead of ensuring timely elections.

Electoral design has reinforced this legitimacy deficit. Long periods of non-party local elections, indirect election of chairpersons through an electoral college of councillors, and reserved seats that in practice denied meaningful representation to women, minorities, and labour, have all diluted the democratic mandate that local government elsewhere derives its authority from. Where elections have been held on a party basis, they have frequently been followed by allegations that the resulting councils were denied their full constitutional term, undermining the continuity and predictability that the institutional credibility depends on for legitimacy.

The fiscal dimension of this diagnosis is perhaps the most consequential. Local governments in Pakistan possess almost no independent revenue-raising authority; whatever taxes or fees are collected at the local level are required to be routed first into a provincial consolidated fund before any portion is returned to the originating local government. The dependency this produces is stark and worsening. As per the World Bank report on *Strengthening Fiscal Federalism in Pakistan*, local governments' share of total government spending nationally fell from around 10 percent in 2005 to approximately 4.7 percent in 2024, even as the 18th Amendment and Article 140-A remained formally in force throughout that period. At the provincial level the same pattern holds in Sindh, local government transfers fell from 15.7 percent of total provincial revenue in FY2012 to a projected 5.8 percent in FY2026; in Punjab, from 28 percent to 19.1 percent; in Khyber

Pakhtunkhwa, from 30 percent to 22 percent; and in Balochistan, most sharply of all, from 5.8 percent to just 0.2 percent. Nor is the underlying provincial tax effort strong enough to make generous transfers likely even where political will exists: provincial own-source tax revenue across all four provinces combined remains below one percent of GDP, having risen only from 0.3 percent in FY2009 to approximately 0.7 percent by FY2024 despite the additional taxing powers assigned to provinces under the 18th Amendment. This arrangement removes any direct incentive for local representatives to expand the local tax base, since neither the political credit nor the fiscal benefit of doing so accrues predictably to the taxing authority.

Provincial Finance Commissions, which under Article 140-A ought to mirror the National Finance Commission at the sub-provincial level, remain in most provinces either non-functional or entirely subject to provincial executive discretion, leaving local governments dependent on unpredictable transfers rather than a rule-based entitlement. The record of PFC notification illustrates this starkly: the most recently formally notified PFC Awards date to FY2020-21 in Khyber Pakhtunkhwa, FY2016-17 in Punjab, FY2007-08 in Sindh, and FY2006-07 in Balochistan, meaning three of the four provinces have gone a decade or more without updating the very formula meant to govern how much revenue reaches local governments. Urban Immovable Property Tax, the single largest own-source revenue instrument nominally available to local governments, generates only 0.13 percent of GDP nationally, far below the 0.3 to 0.6 percent typical of comparable countries, reflecting both weak assessment capacity and the absence of any incentive for local governments to expand collection when proceeds are not reliably retained. Development funds are allocated directly to Members of the National and Provincial Assemblies, for projects that properly fall within local government's domain, compound this fiscal strangulation and institutionalize duplication of effort.

Taken together, these structural and political deficits amount to more than an administrative failing; they represent a breach in the basic social contract between the citizen and the state. When Lahore, the second-largest city in the country, functions for extended periods without any local government at all, and when a sitting mayor of Karachi finds himself without effective authority over the city he was elected to serve even while sharing a party affiliation with the provincial government, citizens are left without a credible, proximate, and accountable point of contact for the basic services, from sanitation to public transport to primary healthcare, that most directly shape their daily lives. This growing distance between the citizens and the institutions meant to serve them, more than any single technical shortfall, is the governance crisis this Task Force has been convened to address.

Table 3. 1: Analysis of Local Government Electoral and Fiscal Provisions by Zafarullah Khan

S. No	Province/Area	Legal framework	Term expiry/possibility of next elections/PFC	Remarks/Analysis
1	Balochistan	Balochistan Local Government Act 2010 **Term 4-year**	**Term Expiry**: In 2027 **Possibility of Next LG Elections, if presently delayed**: In Quetta happening on December 28, 2025 **Provincial Finance Commission:** Not formed	Balochistan has a party-based Local Government (LG) since 2016. There was a gap of three years (2020-2022) in conducting the second LG elections. The Balochistan High Court (BHC) played its role to make LG Elections happen. However, the LG elections in Quetta (the provincial capital) were delayed on pretext of delimitations after 2017 and 2024 Census. Now, the BHC has once again intervened and the LG elections in Quetta are happening on December 28, 2025- after an interval of 5-year. The LGs complain about lack of resources.
2	Khyber-Pakhtunkhwa	The Khyber Pakhtunkhwa Local Government Act, 2019 **Term: 3-year**	**Term Expiry**: In 2025 **Possibility of Next LG Elections, if presently delayed**: The Khyber Pakhtunkhwa has a comparatively good track record of holding LGs elections **Provincial Finance Commission:** Yes	The LGs in Khyber Pakhtunkhwa complain about lack of resources from the provincial government and these governments have demanded to extend their term equivalent to the period for that they have been denied resources. The Khyber Pakhtunkhwa Government has amended the LG Act for more than five

				times and one of such amendment abolished the district tier and direct election of Tehsil Nazim/Chair were held.
3	Punjab	The Punjab Local Government Act, 2025	**Term Expired**: In 2021 **Possibility of Next LG Elections, if presently delayed**: The opposition political parties and civil society has termed the new Act as ultra vires to the Constitution Article 140-A. Chances very low-otherwise maybe in March-2026 **Provincial Finance Commission:** No	The Punjab Government has changed its LG laws more than six times since December 2021. Every new law became a pretext for elections delay as the every new system design required afresh delimitation of constituencies. Now, the Election Commission of Pakistan that is supposed to hold the LG Elections within 120 days of the expiry of the term, has many times reprimanded the Punjab Government for avoiding the LG elections. The new law envisage non-party based LG elections and allows the winners to join any party within 30-day-some fear that it will open a floodgate for breaking or buying the LG representatives from the opposition parties. The civil society, including our partners have publically criticized the mechanism of indirect election for the reserved seats for women, non-Muslims and the youth. Many regard it like denying the ‘practical political

				training' to these segments and make them subservient to the whims and wishes of their political parties. Beaidari (through conversation forum in leading newspapers and radio programs) and WISE (through a seminar at the Punjab University) have highlighted their concerns. Quite interestingly, the Punjab Assembly has passed (last month) a resolution to make the LG part of the Constitution.
4	Sindh	The Sindh Local Government Act, 2013 **Term:** 4-year from the first meeting	**Term Expiry**: In 2027 **Possibility of Next LG Elections, if presently delayed**: Not applicable **Provincial Finance Commission:** Yes, formed in July 2023	The Muttahida Qaumi Movement (MQM) Pakistan continues to campaign for inclusion of more details on LG in the Constitution. The MQM's demands include making the provincial finance commission-part of the constitution. The demand dominated during the conversations on the 27th Amendment passed in November 2025 to establish the Federal Constitutional Court. Meanwhile, the Sindh Government has tabled in the Sindh Assembly an interesting Bill to legislate the continuity of the incumbents till the holding of the next LG elections. Ostensibly, it will be a disincentive for

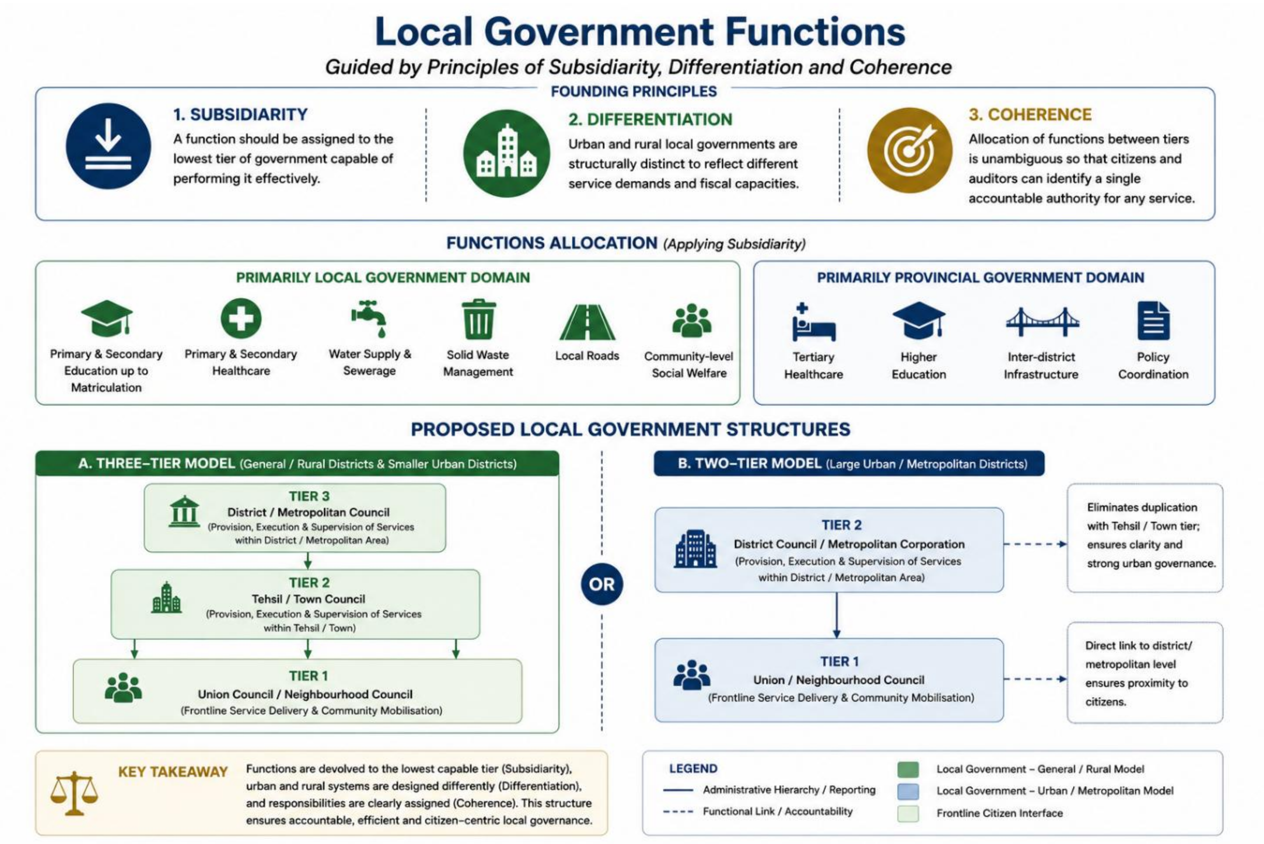
				powerful bureaucracy-that runs the districts and tehsils. The critics say continuity clause will create an interest of the incumbent to delay/prolong LG elections.
5	The Cantonment Boards (CBs)	The Cantonment Ordinance, 2002 **Term:** 4-year	**Term Expired**: On November 25, 2025 **Possibility of Next LG Elections, if presently delayed**: Chances are that the next LGs in the CBs will be held on time **Provincial Finance Commission:** Not applicable	The LGs election in 48 Cantonments spread all over the country is the constitutional jurisdiction of the Federal Government (Entry 2 Federal Legislative List-Part-I). The 26th Constitutional Amendment in 2024 empowered the Cantonment Boards to collect local taxes, fees, cess, charges and tolls in such areas.
6	Federal Capital Islamabad	The **Islamabad Capital Territory Local** Government Act 2015 **Term:** 5-year	**Term Expired**: On February 14, 2021 **Possibility of Next LG Elections, if presently delayed**: Very little chances as the law has been amended so many times. **Provincial Finance Commission:** Not applicable as its resources came from the federal government.	The Federal Governments since 2021 appears to be allergic to elected governance system in the Federal Capital-the city of 2.5 million. Most of the proposals are tilted in favour of nominated or indirectly elected members--to enable the control of the government of the day to run the federal capital.

7. According to the Election Act, 2017 (section 219 (4)) the Local Government elections shall be held within 120 days of the completion of the term or dissolution.
8. The last Local Government elections in entire Pakistan were party based after the Court decisions. Now once again at the lowest level in Punjab and Khyber Pakhtunkhwa non-party based systems have been created.
9. Traditionally the Local Government used to survive on Octroi fee (on trade and goods). It was abolished in 1997 and now the provinces get share from the GST in lieu of Octroi. In absence of well-defined formulas for inter-district resources distribution (absence of PFCs)-the LGs remain financially crippled.

4. Institutional Architecture: Structure, Functions, and Reform

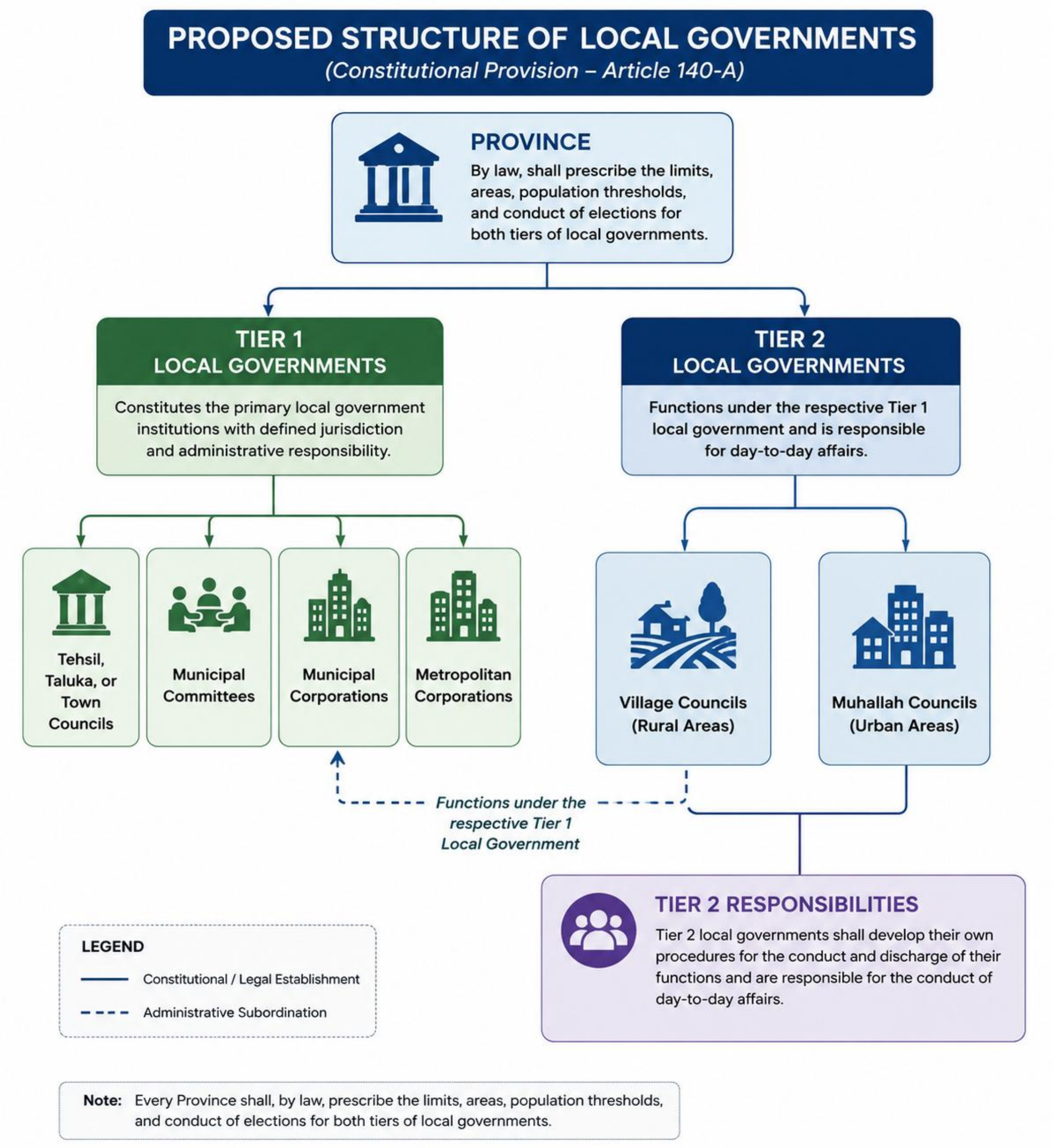
Any credible institutional redesign of local government in Pakistan must begin from a small number of clear organizing principles rather than from an accumulation of borrowed structures. The principle of subsidiarity, the notion that a function should be assigned to the lowest tier of government capable of performing it effectively, offers the most useful starting point. Applied consistently, subsidiarity would place primary and secondary education up to the matriculation level, primary and secondary healthcare, water supply, sewerage, solid waste management, local roads, and community-level social welfare squarely within local government's domain, reserving to the provincial tier only those functions, like tertiary healthcare, higher education, inter-district infrastructure, and policy coordination, that genuinely require a wider administrative footprint. A second principle, differentiation, requires that urban and rural local governments be designed as structurally distinct institutions rather than administered under a single undifferentiated framework, since a metropolitan corporation managing mass transit and a small district council managing an irrigation channel face fundamentally different service demands and fiscal capacities. A third principle, coherence, requires that the allocation of functions between tiers be unambiguous enough that citizens, and auditors, can identify a single accountable authority for any given service.

These principles suggest a three-tier local government structure, a union council, tehsil/town council and a district/metropolitan council, responsible primarily for provision, execution and supervision of services within its jurisdiction. A recurring finding across reviews of Pakistan's local government experience, however, is that the Tehsil or Town tier has frequently duplicated rather than complemented the district tier, particularly in large urban/metropolitan areas, generating exactly the jurisdictional ambiguity pointed out earlier. A leaner, two-tier model for such urban districts, in which the lowest-tier Union or neighborhood council feeds directly into a district-level council or metropolitan corporation, merits serious consideration as an alternative that would reduce administrative overlap while preserving proximity to citizens through directly elected local representatives.



Urban–Rural Differentiation

- Urban-rural differentiation should be built into the architecture from the outset, not retrofitted afterward.
- Large urban centres are better served by metropolitan corporations headed by a directly elected mayor.
- The mayor should have authority over the city's development authorities, water and sanitation agencies, mass transit systems, and industrial estate development bodies.
- Institutions such as the Lahore Development Authority and the Karachi Water and Sewerage Board should operate as instruments of elected local government, not as parallel, provincially controlled bureaucracies answerable to no local electorate.
- Predominantly rural districts are better served by a district council model with a directly elected chairperson.
- The rural local government responsibilities include: rural roads, agricultural extension coordination, and basic health and education infrastructure.
- Each province should be permitted, and encouraged, to calibrate the configuration of union, town, tehsil, and district institutions to its own demographic and geographic realities because what works in densely populated central Punjab is unlikely to be the right template for a sparsely populated, geographically vast province such as Balochistan.



Devolution of Staff, Budgets, and Accountability

- Devolution of functions must be accompanied by genuine devolution of the administrative staff and budgets needed to discharge them.
- Grade-16-and-below civil servants in devolved departments should transfer, along with their salary and allowance budgets, to local government control.
- District accounts officers should administratively report to the elected local government chief executive but remain professionally supervised by the provincial Accountant General to preserve financial discipline and auditability.

- Performance indicators, regular monitoring and evaluation, and audit by the Auditor General of Pakistan should apply at every tier. This would replace the current system of largely unstructured provincial discretion to supervise, suspend, or supersede local councils.
- Intervention should instead be triggered by defined performance failures, not by the shifting political calculations of a provincial secretariat.

Digital Governance

- Digital governance offers Pakistan's local government reform an opportunity largely unavailable to earlier generations of reformers.
- Citizen-facing digital platforms should cover property tax assessment and payment, building approval, complaint registration and tracking, and public disclosure of local budgets and development schemes.
- These platforms would substantially reduce the discretionary space in which petty corruption and administrative capture have traditionally flourished.
- E-governance tools enable real-time public accountability, letting citizens compare what their council collects, spends, and delivers.
- Earlier local government experiments, dependent on periodic and often inaccessible paper-based reporting, could never have achieved this level of accountability.
- A modern institutional architecture for local government in Pakistan should treat digital infrastructure as a core design principle, integrated into the structure of accountability from the outset, not layered on afterward.

5. Comparative Legislative Analysis of the Local Government Acts of all Provinces and Islamabad

A comparative reading of the Local Government Acts enacted across the four provinces and the Islamabad Capital Territory since 2010 reveals a pattern of heavy focus on constitutional language and promises but with substantive divergence in practice. Each Act, in some form, gives a commitment and infrastructure to devolving political, administrative, and financial authority to elected representatives, echoing the language of Article 140-A almost verbatim in its preamble. Beneath this shared rhetorical commitment, however, the actual architecture, electoral design, and administrative control mechanisms of each province's legislation differ considerably, and in ways that have produced markedly different outcomes for the strength of the local tier.

Sindh's Local Government Act of 2013 established a structure combining district, town, and union council tiers, with metropolitan and municipal corporations for urban areas, but many stakeholders identified a persistent gap between the Act's stated objectives and its implementation: nominated provincial appointees retained the ability to exercise an effective veto over development plans presented by elected councillors. Elected local representatives across party lines often reported that their proposals routinely went unanswered by a provincial bureaucracy that continued to treat local government as an administrative extension of itself rather than as an autonomous tier. Punjab's local government legislation, revised multiple times over the past decade, has followed a trajectory of progressive attenuation than strengthening: rather than devolving urban service delivery to elected municipal corporations, the province transferred core functions, such as water supply, waste management, urban transport, and development authority powers, to more than fifty provincially controlled companies and authorities that report to provincial ministries rather than to any elected local council, effectively constructing a parallel system of urban governance that operates alongside, and in practice above, the nominal local government tier. Khyber Pakhtunkhwa's framework had initially committed a substantial share, some 30 percent, of development spending to local governments, a commitment subsequently reversed, illustrating that even comparatively progressive initial legislative design offers no durable protection against a shift in provincial political will. Balochistan's local government framework, operating across the country's largest and least densely populated province, has struggled with a distinct set of implementation challenges rooted in geographic dispersion, capacity constraints, and the province's comparatively limited own-source revenue base, though province-wide reforms have periodically been announced. The Islamabad Capital Territory's local government arrangements remain the least developed of all, with the federal capital continuing to be administered predominantly through the Capital Development Authority and other federally controlled bodies rather than through a directly elected metropolitan corporation, notwithstanding periodic pledges to hold local elections in the territory.

Electoral provisions across the five jurisdictions similarly reveal significant divergence, from party-based to non-party arrangements, from direct to indirect election of chief executives, and from differing formulas for the allocation of reserved seats to women, peasants, workers, and minorities. Where elections have been held on a direct, party-based footing, local governments have generally exhibited a stronger claim to democratic legitimacy and a correspondingly greater willingness among elected representatives to challenge provincial oversight; where indirect election through an electoral college of councillors has persisted, chief executives have tended to remain more dependent on, and deferential to, provincial patronage networks.

Tenure security and administrative control provisions represent perhaps the starkest point of comparison. Every provincial Act retains, in some form, the power for the provincial government to suspend, supersede, or dissolve elected local councils, generally on grounds of maladministration or breakdown of law and order, but the precision with which these grounds are defined, and the procedural safeguards attached to their exercise, vary considerably. Where suspension powers are broadly worded and exercised at ministerial discretion rather than through a judicial or quasi-judicial process, local councils have in practice operated under a persistent threat of premature dissolution that has visibly shaped their willingness to assert independence from provincial directives.

Measured against the specific obligations of Article 140-A, namely the devolution of political, administrative, and financial responsibility and authority to elected local representatives, none of the five jurisdictions can be said to have achieved full compliance. Political devolution has been the most consistently realized, in the sense that elections have, with interruptions, been held and councils constituted; administrative devolution has been partial and uneven, most visibly compromised in Punjab's company-based urban governance model; and financial devolution, examined in detail in the following chapter, remains the least developed dimension across every province without meaningful exception. This comparative picture underscores a central argument of this report: that constitutional language alone, however clearly worded, cannot guarantee substantive devolution in the absence of enforceable mechanisms that remove the scope for provincial discretion to hollow out local government's practical authority.

Table 5. 1: Comparative Assessment of Local Government Legislation and Structural Features (Punjab, Sindh, KP, Balochistan, and Islamabad)

Dimension	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Islamabad (ICT)
Principal legislation	Punjab LG Act 2013 → 2019 → 2022 → **2025** (current; repealed the 2022 Act, in force from Oct 13, 2025)	Sindh LG Act 2013 (SLGA), amended repeatedly (notably 2021)	KP LG Act 2013, substantially amended 2015 and 2019	Balochistan LG Act 2010 (first province to legislate post-18th Amendment), amended 2014	ICT LG Act 2015, amended 2024/2025

Basic tier structure	Currently: Municipal Corporations, Tehsil Councils, Municipal/Town Committees, **District Council tier formally abolished** (2025 Act)	Two-tier: Union Committees/ Councils at base; District/Metropolitan/Municipal Corporations and Town Committees above	Two-tier since 2019 amendment: Village/Neighborhood Councils at base; Tehsil/City Councils above, **District Council and District Nazim abolished in 2019**	Two-tier, strict rural–urban split: Union Council → District Council (rural); separate Municipal Committee/Corporation/Metropolitan Corporation ladder (urban)	Single metropolitan unit: Union Councils feed directly into one Metropolitan Corporation Islamabad (MCI), no intermediate district tier, reflecting ICT's federal-territory status
Executive head selection	Mayor/Chairman elected indirectly by council members (party-based slates), consistent across 2019–2025 versions	Chairman/Mayor elected indirectly by council	Chairman/Mayor elected indirectly by council (Nazim system replaced by "Chairman" terminology post-2019)	Chairman/Vice-Chairman of each tier elected indirectly by council members	Mayor and Deputy Mayor elected as joint candidates by MCI members from among themselves

Electoral system for general seats	Closed-list/ward-based direct election to councils, party symbol-based; defection clause added in 2022 Act to enforce party discipline on councillors	Ward-based direct election under a mixed direct/indirect design; 2021 amendments significantly restructured Karachi's town/corporation boundaries	Ward-based direct election to Village/Neighbourhood Councils; Tehsil/City Council composed largely of these members plus directly elected general seats	Direct election in single-member ward constituencies for Union Councils; District Council composed indirectly from UC chairmen sitting as "general members", a notably weaker, secondary-tier design	Direct election by ward within each Union Council, with UC members then indirectly electing UC Chairman/Vice-Chairman and, at the top, the mayor
Reserved seats	Women, peasants/workers, youth, minorities, technocrats, broadly aligned with national pattern (~33% women)	Similar reserved-seat categories to Punjab; proportions revised in 2021 amendments	Reserved seats for women, peasants/workers, youth, minorities set out in schedules; 2019 amendment recalibrated numbers after tier restructuring	Women 33%, peasants 5%, workers 5%, non-Muslims per population, but almost entirely **indirectly elected**, diluting their independent representative weight	Women ≥33%, peasants/workers ≥5%, non-Muslims ≥5%, youth ≥5% each, technocrats ≥2%.

Fiscal devolution / Provincial Finance Commission	PFC award formula exists in law but transfers remain discretionary in practice; 2025 Act retains PFC mechanism under the restructured tiers	PFC exists; Sindh has been criticized for the weakest real fiscal transfer ratio relative to its LG Act's stated commitments, with Karachi's fiscal autonomy a recurring point of contention.	PFC formalized; own-source revenue powers exist but remain administratively centralized through the Local Council Board	PFC provided for in the Act, but Balochistan's local bodies have historically the lowest own-source revenue base and heaviest dependence on provincial transfers	No independent PFC, ICT's fiscal position is unique in that MCI relies on federal grants and a partially devolved CDA revenue base rather than a provincial award
Administrative/bureaucratic control mechanisms	Strong provincial oversight retained via Local Government & Community Development Department; 2025 Act continues pattern of provincial power to notify, delimit, and restructure tiers	Provincial government retains power to control Karachi's administrative boundaries by ordinance (used repeatedly, e.g., 2021 Sindh Act No. XXXII), a recurring source of mayor–	Secretary LG/Local Council Board retains significant financial and administrative sign-off power over tehsil-level development funds, the subject of ongoing litigation (e.g.,	Balochistan Local Government Board and provincial Finance Department retain heavy oversight; local bodies have among the least de facto administrative autonomy of the five	Federal government (not a provincial executive) retains overriding authority; Capital Development Authority (CDA) continues to hold core planning/master-plan

	by executive order	province friction (e.g., over KMC's powers vis-à-vis Sindh departments)	Peshawar Mayor's 2024 petition against a Secretary LG notification reclaiming those powers)		powers alongside MCI, an explicit legal carve-out unlike any province
Implementation record (elections held)	Repeated election delays; LG elections last comprehensively held 2021–2022 under 2019/2022 Acts; 2025 Act mandates fresh elections under a new framework, not yet completed at time of writing	Held 2015–2016, then again 2022–2024 in phases; frequent litigation over delimitation and devolved functions	Held 2015, then 2021–2022 under the amended two-tier structure	First province to hold LG elections under new post-18th Amendment law (Dec 2013); subsequent elections held 2022	Elections held only once, in 2015; term expired February 2021; a second election was delayed for years and only held under a 2024/2025 amended framework

Distinguishing structural feature	Explicit defection clause; largest number of upgraded Municipal Corporations; most frequently rewritten Act of the five (four major versions since 2013)	Sharpest urban–rural and federal-party political fault line (MQM-P vs. PPP), with LG design itself a proxy for control over Karachi	Only province to fully abolish the district tier in favor of a lean two-tier (village/neighbourhood + tehsil/city) model	Only province where the *rural* upper tier (District Council) is composed indirectly from lower-tier chairmen rather than directly elected, structurally the weakest directly-elected mandate	Only jurisdiction governed by an Act of Parliament rather than a provincial assembly, and the only one with a rival planning authority (CDA) retained alongside the elected corporation
Net effect on local-tier strength	Moderate-to-strong on paper (widest range of devolved departments: health, education, WASH); repeated restructuring undermines continuity	Weakest practical autonomy for the largest city (Karachi) despite comparable textual commitments, due to persistent provincial reassertion of devolved functions	Two-tier simplification increased efficiency claims but 2024 litigation shows provincial bureaucracy still controls the purse strings	Most textually devolved but least fiscally and administratively autonomous in practice; indirect rural tier weakens democratic mandate	Structurally hybrid and federally controlled; mayoral office has spent more time vacant/delayed than filled since 2015, the starkest devolution gap of the five

6. Fiscal Federalism and Financial Devolution

The theory of fiscal decentralization, formally articulated by Wallace Oates in his 1972 Decentralization Theorem, holds that public services are delivered most efficiently when the authority to tax and the responsibility to spend are aligned at the same level of government, so that the tier closest to citizens bears both the political cost of raising revenue and the political credit of visible service delivery. Brazil offers the strongest developing-country demonstration that this alignment is achievable, its 1988 Constitution gave municipalities constitutionally guaranteed own-source taxes, notably the ISS service tax, alongside a mandated share of federal and state transfers, and Brazilian municipalities now finance a large share of health and education directly, making it a perfect success story in local-government-finance literature. Pakistan's fiscal architecture deviates from this principle at almost every point along the intergovernmental chain. The country operates a three-tier constitutional structure, federal, provincial, and local, but its fiscal transfer mechanisms recognize, in practice, only the first two tiers.

This asymmetry is not a recent oversight but the continuation of a pattern with colonial roots. Local self-government in the subcontinent was introduced selectively under East India Company rule and expanded, on paper, by Lord Ripon's 1882 resolution linking local representation to financial decentralization, a reform that faced sustained opposition and produced bodies dominated by nominated rather than elected members. This gap between formal devolution and actual fiscal authority has recurred through Pakistan's post-independence history in a recognizable pattern: successive military governments, from Ayub's Basic Democracies through Zia's non-party local bodies to Musharraf's Devolution of Power framework, extended local government structures and, in Musharraf's case, created the first Provincial Finance Commissions, while elected civilian governments that followed each round of devolution generally re-centralised financial and executive authority back toward provincial bureaucracies.

Article 140-A introduced by the 18th Amendment to Constitution was intended to break this cycle by constitutionally obliging provinces to devolve political, administrative, and financial power to local government. In practice, it has not functioned as the local-tier counterpart to Article 160, under which the National Finance Commission distributes the federal divisible pool to the provinces. The Seventh NFC Award of 2010 substantially increased the aggregate provincial share, raising the provinces' collective portion of the federal divisible pool from roughly 47.5% to 56% in FY 2010–11, and to 57.5% from FY 2011–12 onward, a threshold the 18th Amendment then constitutionally froze as a floor below which it cannot fall as stated in Article 160(3A) of the constitution, and set out multiple, formula-based criteria, population, poverty and backwardness, revenue collection, and inverse population density, for horizontal distribution among provinces. Article 140-A prescribes no equivalent formula, periodicity, or independent commission with comparable constitutional weight, leaving Provincial Finance Commissions to operate largely as instruments of provincial executive discretion. Because local governments cannot rely on a predictable, formula-based transfer, their development planning is necessarily short-horizon and vulnerable to abrupt reversal, as illustrated by Khyber Pakhtunkhwa's withdrawal of its earlier commitment to route development spending through local councils.

Punjab's experience since the 18th Amendment illustrates how this discretion plays out even where legislation exists. Punjab was the last province to enact a Local Government Act, and has since revised it repeatedly, in 2013, 2019, 2022, and 2025, each iteration recalibrating the balance between elected local bodies and provincial bureaucracy rather than settling it. The 2019 Act stipulated a minimum threshold of 26 percent of provincial gross revenue receipts for local government, a formula that in practice generated friction between departments rather than a predictable entitlement. The 2025 Act, the latest attempt to reshape local government as a genuine third tier under Article 140-A, is widely viewed instead as a centralizing law that leaves local bodies subservient to provincial bureaucracy and legislators. Its Punjab Finance Commission, tasked with setting the formula for both vertical and horizontal resource distribution, is composed predominantly of provincial ministers, legislators, and bureaucrats, with local government representation dependent on nomination by the Chief Minister rather than guaranteed by right. Under the 2016 formula that preceded it, the province retained 56 percent of the provincial consolidated fund and distributed only 44 percent among local bodies, using horizontal criteria that included sub-indicators tied to district education and health authorities, which are themselves provincial rather than local institutions. The practical result, according to local government officials, is that roughly 80 percent of what local bodies do receive is absorbed by salaries, leaving little for development.

Table 6. 1: Punjab Local Government Acts-administrative and financial devolution

PLGA	Administrative / financial autonomy	Outcome / experience
LGO 2001	Empowered Zila Nazim with excessive power over bureaucracy and finances	Effective for service delivery, inadequate democratic continuity; a radical change unacceptable to the bureaucracy
PLGA 2013	Reemergence of DC; financial and executive duties of elected heads reduced	Authority recentralized to provincial bureaucracy

PLGA 2019	Stipulated minimum threshold of 26% of provincial gross revenue receipts for LG	Complex operational mechanism caused friction between departments
PLGA 2022	Aimed to ease governance issues and budgetary allocations to local authorities	Faced implementation challenges
PLGA 2025	Latest attempt to reshape LG 'as a meaningful third tier' under Article 140-A	Viewed as a centralizing law, making local bodies subservient to provincial bureaucracy and legislators

Source: Adapted from Dr Seemi Waheed's contribution to the Task Force Report.

Own-source revenue represents the second major structural gap. Local governments possess, on paper, the authority to levy local taxes, fees, and tolls, but revenue collected locally is generally required to be deposited first into the provincial consolidated fund before any portion is returned, removing the incentive that motivates local taxation in better-functioning decentralized systems, such as the Business Improvement District model, in which locally generated revenue is visibly reinvested within the jurisdiction that generated it. Urban immovable property tax is the clearest illustration. Though it became a local government tax after 2001, it continues to be assessed and collected by the provincial Excise and Taxation Department under the Property Tax Act 1958, alongside the Board of Revenue and, for specific charges such as parking, private contractors, none of which report to elected local representatives. The tax is widely recognized as administratively well suited to local assessment and, when transparently reinvested, more politically sustainable to collect than centrally imposed levies, yet it underperforms because of outdated property valuations, weak collection incentives, broad exemptions, and poor coverage.

Table 6. 2: Provincial tax-collecting organizations and their relationship to local government

Organization	**Relation to local bodies**	**Involvement of LG representatives**
Taxation Department	Assessment and billing	Local government department (bureaucracy only)
Excise and Taxation	Provincial body that collects	Government organization

Department	property tax for LG	
Board of Revenue	Provincial body used for recovering unpaid local taxes as 'arrears of land revenue'	Government organization
Private contractors	Private parties given the right to collect a fee (e.g., parking)	Private party

Source: adapted from Dr Seemi Waheed's contribution to the Task Force Report.

Several further distortions compound the fiscal gap. Development funds allocated directly to Members of the National and Provincial Assemblies, for projects that fall squarely within local government's constitutional domain, institutionalize a parallel spending structure that duplicates local government's mandate and gives legislators little reason to cede authority to a competing elected tier. Financial decision-making within local bodies remains concentrated in appointed Chief Officers rather than elected representatives, and local governments cannot borrow without provincial approval. Compounding this, local government terms are frequently interrupted by dissolution and delayed elections, producing what amounts to a culture of arbitrariness in which financial planning cannot be built on any assurance of institutional continuity.

A rule-based and transparent intergovernmental fiscal framework for Pakistan's third tier of government requires several fundamental reforms.

First, local governments should receive a constitutionally protected share of 30–40 percent of the divisible pool. This allocation should be transferred as a single-line grant and disbursed at the beginning of the fiscal year rather than in delayed tranches.

Second, Provincial Finance Commissions should be reconstituted on an objective and transparent basis instead of being dominated by provincial nominees. Like the National Finance Commission, they should evaluate resource distribution using revenue-generation as a key criterion, alongside population and need.

Third, local governments should be granted genuine authority to assess, collect, and retain revenues from property tax, capital gains tax on urban land, agricultural cess, and local user charges. Considerable fiscal potential exists in these revenue sources. Pakistan's urban property tax collection stands at only 0.13 percent of GDP, compared to 0.3–0.6 percent in comparable economies. Similarly, Punjab's Urban Immovable Property Tax, although nominally levied at 5 percent of Annual Rental Value, translates into an effective capital-value tax rate of only 0.07 percent.

However, these reforms must be accompanied by improvements in property valuation and tax coverage to ensure effective collection.

Fourth, Members of the National Assembly (MNAs) and Members of the Provincial Assembly (MPAs) should no longer administer development funds outside the local government framework. These funds should either be abolished or strictly repurposed to strengthen local governments.

Finally, local governments should be required to publicly disclose their budgets and expenditures. Greater transparency would enable citizens to hold their elected local representatives accountable for the resources entrusted to them.

Without these reforms, successive local government laws are likely to continue redistributing nominal authority within the existing provincially dominated system rather than establishing the predictable, rule-based fiscal entitlement that genuine financial devolution requires.

7. Comparative International Perspectives

Local government occupies markedly different constitutional and functional positions in the five comparator systems most frequently invoked in discussions of decentralization, and Pakistan's reformers stand to gain more from understanding why these systems diverge than from attempting to import any single model wholesale. In the United States, local government is a creature of state law rather than of the federal constitution, a doctrine often summarized through the principle that municipalities possess only those powers their state legislature chooses to grant them. Despite this formally subordinate constitutional status, American municipalities and counties in practice exercise substantial fiscal autonomy, since property taxation, the principal source of municipal revenue, is assessed, collected, and retained locally, and elected mayors and county executives control budgets, police, and public education funding directly, without the intervening layer of provincial discretion that characterizes Pakistan's arrangement. The lesson for Pakistan is not the specific constitutional doctrine, which presumes a federal structure quite different from Pakistan's own, but the underlying principle that fiscal autonomy, more than constitutional status alone, is what gives local government real capacity to act.

Germany offers a contrasting model in which local self-government, enshrined directly in the Basic Law, is treated as a constitutionally protected right of municipalities rather than a discretionary grant from the states, and in which a well-developed system of fiscal equalization transfers resources both between states and, within states, to municipalities according to transparent formulae. German municipalities retain meaningful taxing authority, including a share of income tax revenue collected within their boundaries, alongside a strong professional civil service tradition that insulates day-today municipal administration from short-term political interference.

India presents perhaps the most instructive comparison for Pakistan, given the shared colonial administrative inheritance and broadly similar federal structure. The 73rd and 74th Constitutional Amendments of 1992 inserted Part IX and Part IXA into the Indian Constitution, mandating regular elections to rural and urban local bodies respectively, reserving seats for women and scheduled castes and tribes, and requiring states to constitute State Finance Commissions on a schedule mirroring the Union Finance Commission, a structural parallel to what Article 140-A gestures toward in Pakistan but does not fully replicate in constitutional detail. India's experience demonstrates both the value of constitutionally mandated periodicity, elections and finance commission constitutions that cannot indefinitely be postponed at state discretion, and the limits of constitutional mandate alone, since Indian states have varied considerably in the degree to which they have genuinely devolved functions and finances to the panchayats and municipalities the amendments created.

Brazil's 1988 Constitution went further than most federal systems in explicitly recognising municipalities as a distinct constituent tier of the federation, alongside the union and the states, granting them independent taxing authority and a constitutionally guaranteed share of federal and state revenues. This has produced, particularly in Brazil's larger cities, a tradition of participatory budgeting and locally accountable public investment frequently cited internationally as a model for citizen engagement in municipal governance, though Brazil's experience also illustrates the fiscal strain that can arise when a very large number of small, resource-poor municipalities are granted formal autonomy without a correspondingly robust equalization mechanism.

China, finally, offers a model built on an entirely different political foundation, in which local governments, while not independently elected in the manner of the other comparators, have nonetheless been granted very substantial administrative and fiscal discretion over land development, infrastructure investment, and local economic policy, a form of administrative rather than democratic decentralization that has driven much of the country's urban development over the past three decades. This arrangement is compatible with a socialist one-party state because the decentralization it practices is administrative, not political: authority flows downward through the Party's own hierarchy under the principle of "democratic centralism," in which local officials are appointed and promoted by, and remain accountable to, the Party rather than to a local electorate, so devolving fiscal and land-use discretion never risks creating an independent local power base outside Party control. Formally, China remains a unitary state, not a federation, and the term most scholars use for its arrangement is "de facto" or "market-preserving federalism-Chinese style" (Qian and Weingast), a behavioral resemblance to federalism, produced by fiscal decentralization, revenue-sharing contracts, and local cadres' career incentives tied to GDP growth, rather than any constitutional federal structure or independently elected local government of the kind found in Pakistan, Brazil, or Switzerland.

For Pakistan, the comparative record points toward several preconditions rather than a single transplantable template. First, constitutional entrenchment of local government's fiscal entitlement, along the lines of Germany's equalization formulae or India's State Finance Commission mandate, appears consistently more durable than a system, such as Pakistan's own Provincial Finance Commissions, that leaves the local share to provincial discretion. Second, genuine own-source revenue authority, whether through the American model of locally retained property taxation or the German model of shared income tax, correlates strongly with local government's practical capacity to act independently of higher tiers. Third, sequencing matters: India's experience suggests constitutional mandate must be paired with sustained political monitoring and civil society pressure over a period of decades, not years, before genuinely devolved practice catches up with devolved law. Finally, the political economy obstacle that has repeatedly stalled devolution in Pakistan, elected legislators at higher tiers resisting the empowerment of a competing elected tier beneath them, is not unique to Pakistan; it recurs, in varying forms, across every comparator system examined here, and its resolution has, in each successful case, depended less on technical design than on a sustained political coalition willing to accept the redistribution of authority that genuine local government requires.

Table 7. 1: Comparative local government systems: constitutional status, fiscal authority, and elections

Country	Constitutional status	Revenue & fiscal authority	Local elections	Key lesson for Pakistan
United States	Local government is a creature of state law; municipalities hold only powers granted by the state legislature, formally subordinate, no federal constitutional status.	Property tax, the principal municipal revenue source, is assessed, collected, and retained locally.	Elected mayors and county executives control budgets, police, and public education funding directly.	Fiscal autonomy is what also gives local government real capacity to act.

Germany	Local self-government is enshrined in the Basic Law as a constitutionally protected right of municipalities, not a discretionary grant from the states.	Meaningful taxing authority, including a share of income tax collected within municipal boundaries; a well-developed fiscal equalisation system transfers resources between states and to municipalities by transparent formulae.		A guaranteed share in fiscal resources and fiscal authority empowers local governments.
India	The 73rd and 74th Amendments (1992) inserted Parts IX and IXA into the Constitution, mandating regular local elections and reserved seats for women and scheduled castes/tribes.	States are required to constitute State Finance Commissions on a schedule mirroring the Union Finance Commission, a structural parallel to what Pakistan's Article 140-A gestures toward but does not fully replicate.	Regular elections to rural (panchayat) and urban local bodies constitutionally mandated.	Constitutional mandate and periodicity matter, including purposeful devolution of functions and financial powers.
Brazil	The 1988 Constitution explicitly recognises municipalities as a distinct constituent tier of the federation, alongside the union and the states.	Independent taxing authority plus a constitutionally guaranteed share of federal and state revenues.	Local Governments are associated with a tradition of participatory budgeting and locally accountable public investment.	

China	Local governments are not independently elected; decentralisation is administrative rather than democratic.	Very substantial administrative and fiscal discretion over land development, infrastructure investment, and local economic policy.	None — local leadership is not elected in the manner of the other comparators.	Administrative discretion without democratic accountability has driven urban development but produced well-documented local debt accumulation and uneven accountability.

8. Conclusion: From Deliberation to Democratic Architecture

This report has traced a single, recurring argument across each of the preceding chapters: that Pakistan's local government has never suffered from a shortage of constitutional language, historical precedent, or comparative example, but from a persistent unwillingness among those who hold power at higher tiers to share it with an elected tier beneath them. From the Basic Democracies of 1959 through the Local Government Ordinance of 1979 to the promise embedded in Article 140-A after 2010, Pakistan has repeatedly written the vocabulary of devolution into its laws and its Constitution without translating that vocabulary into a durable, rule-based transfer of political, administrative, and financial authority. Military governments have periodically found local government a useful instrument for cultivating an alternative political base; civilian and, in particular, provincial governments have periodically found it a threat to the same development spending and patronage networks that sustain their own electoral standing. Both patterns have left the third tier of Pakistan's federation chronically underdeveloped, a condition that this report's diagnosis, spanning institutional design, bureaucratic dominance, electoral deficits, and above all fiscal strangulation, has sought to document with precision rather than mere assertion.

The present moment carries a particular urgency. As this report has noted, proposals to address Pakistan's governance failures by creating additional provinces have gained renewed political currency even as this report was being finalized, entering a live and unresolved constitutional and legal debate. This Task Force has concluded, on the evidentiary record assembled here, that this proposed remedy addresses the wrong tier of government. Citizens in Loralai, Tharparkar, Rajanpur, Dera Ismail Khan, Khyber or the older quarters of Lahore and Karachi do not, in the first instance, require another provincial capital, another chief minister's secretariat, another tier of ministers and legislators between themselves and Islamabad. They require a functioning school, a staffed hospital, a road repaired within a reasonable time, a municipal office empowered to resolve a citizen's complaint without referring it upward through a bureaucratic chain that terminates, more often than not, in indefinite deferral. The distance separating citizens from the institutions that serve them in

Pakistan today is not primarily a matter of administrative geography; it is a matter of where authority has been allowed to settle, and it has consistently settled several tiers above the citizen rather than beside them.

The reforms proposed in this report, constitutional amendment to give Article 140-A the same specificity and enforceability that Article 160 already gives the National Finance Commission, a model legislative framework developed collaboratively through the Council of Common Interests, genuine fiscal devolution anchored in a rule-based Provincial Finance Commission formula and expanded local own-source revenue authority, sustained investment in civil service capacity, and durable civil society and citizen oversight, together constitute what this report has termed a democratic architecture rather than a mere legislative amendment. The distinction matters. An architecture implies a coherent, mutually reinforcing set of institutions designed to function together over an extended period, resilient to the political cycle of any single government; a legislative amendment, however well-intentioned, can be reversed by the next provincial administration with a different set of incentives, as Khyber Pakhtunkhwa's reversal of its own development-spending commitment to local government has already demonstrated within living memory.

Pakistan's history offers a little basis for assuming this architecture will build itself through inertia or good intention alone. Every episode of local government strengthening examined in this report, from Ayub's Basic Democracies to Zia's Local Government Ordinance to Musharraf's *Zilla Nazims* to the post-2010 provincial Acts, was eventually attenuated once the immediate political motivation for empowering the local tier receded. What has been missing, in every instance, is not a technically sound blueprint, several of which this report has drawn upon and refined, but a sustained political coalition, spanning provincial and federal legislators, the civil service, local government associations, and an informed citizenry, willing to defend devolved authority once it has been granted, rather than allowing it to be quietly reclaimed once public attention moves elsewhere. Building that coalition, more than drafting any single clause of a model Local Government Act, is the task that now falls to this Task Force's ultimate recommendations, and to the political leadership, provincial and federal, that must choose whether to act upon them.

The deliberations recorded in this report will have served their purpose only if they are read not as a final word on local governance in Pakistan, but as the documentation of a case, built patiently across historical record, comparative example, legislative analysis, and fiscal accounting, for treating the empowerment of local government not as one item among many on a long reform agenda, but as the precondition for nearly everything else that governance reform in Pakistan is meant to achieve. From deliberation to democratic architecture is not a metaphor; it is the specific, sequenced task this report has set out, chapter by chapter, for those with authority to complete it.

9. Policy Recommendations and the Road to Reform

The reforms proposed in this report arrive at a particular moment in Pakistan's constitutional life, one in which proposals to redraw the federation's internal boundaries through the creation of additional provinces, reportedly as many as twelve, have gained renewed political traction. Set against the evidentiary record assembled in this report, this Task Force finds the case for prioritizing local government reform over provincial reorganization to be substantially stronger on both constitutional and fiscal grounds. Unlike the creation of new provinces, which the Constitution nowhere expressly authorizes to the federation and which would require two-thirds majorities in the relevant provincial assembly and both houses of Parliament under Article 239, empowering local government requires only the completion of a constitutional commitment, Article 140-A, that already exists and has already been ratified. The recommendations below are organised under four heads: constitutional amendments, legislative reform, civil service and capacity building, and citizen engagement, followed by a summary table for ease of reference.

A. Constitutional Amendments: Priority Interventions

- **Article 140-A:** Expand Article 140-A beyond its present aspirational wording to include a defined local government functions list, appended as an additional schedule to the Constitution, covering primary and secondary education, primary and district-level healthcare, water supply and sanitation, local roads, solid waste management, and community including minorities, youth and women's development.
- **Article 160:** Amend Article 160 to require Provincial Finance Commissions to operate on a schedule and methodology paralleling the National Finance Commission, replacing annual provincial discretion with a rule-based, constitutionally guaranteed minimum share of the divisible pool for local government.
- **Articles 7 & 226:** Review Article 7 (definition of the state) and Article 226 (elections) to ensure local government elections are direct and receive the same constitutional seriousness, timeliness, and judicial cognisance as national and provincial elections.
- **Sequencing priority:** Treat constitutional entrenchment of local government as the lower-cost, already-ratified alternative to the creation of new provinces, redirecting current political momentum toward operationalizing the third tier rather than redrawing federal boundaries.

B. Legislative Reform: A Model Local Government Framework

- **Common minimum standards:** Develop a model Local Government framework collaboratively through the Council of Common Interests, setting common minimum standards while preserving provincial discretion over specific tier configuration.
- **Direct elections:** Direct election of chief executives (mayors, chairpersons) rather than indirect elections through an electoral college of councillors.
- **Functional clarity:** Clearly defined, non-overlapping functions between union, tehsil/town, and district tiers to remove the jurisdictional ambiguity diagnosed in Chapter 4.
- **Tenure security:** A rule-based, judicially reviewable procedure for any suspension or supersession of elected councils, replacing unstructured ministerial discretion.
- **Staff devolution:** Genuine devolution of Grade-16-and-below staff and their associated budgets to local government control.
- **Urban-rural differentiation:** Structural differentiation between urban and rural local government, with metropolitan corporations exercising direct authority over development authorities, water and sanitation agencies, and mass transit in large cities.

C. Civil Service and Capacity-Building Reforms

- **Merit-based recruitment:** Recruit local government cadres through provincial Public Service Commissions on the basis of merit and professional qualification, rather than ad hoc transfer or political patronage.
- **Continuous training:** Institutionalize sustained, budgeted training and capacity-building programmes for elected representatives and administrative staff, replacing one-time orientation sessions.
- **Institutional strengthening:** Strengthen provincial local government training institutes with dedicated faculty and financing sufficient for continuous, rather than episodic, professional development.

D. Citizen Engagement and Civil Society Advocacy

- **Recognition of LCAs:** Formally recognize civil society working for the empowerment of local governments as legitimate stakeholders in intergovernmental dialogues.
- **Digital transparency:** Mandate public disclosure of local budgets, development plans, and performance indicators through accessible digital platforms, enabling citizens, media, and civil society to monitor implementation independently.
- **Sustained vigilance:** Treat sustained, distributed civic vigilance, rather than any single legislative or constitutional amendment, as the ultimate guarantor of durable decentralization, consistent with the comparative record examined in Chapter 7.

Table 9. 1: Summary Table: Key Recommendations at a Glance

Reform Area	Key Action	Constitutional / Legal Basis	Priority Horizon
Constitutional	Expand Article 140-A into a schedule of defined local government functions	Article 140-A	Immediate
Fiscal	Mandate rule-based Provincial Finance Commission formula, 30-40% of divisible pool	Article 160	Immediate
Electoral / Judicial	Ensure timely, judicially cognisable local government elections	Articles 7 & 226	Immediate
Legislative	Adopt model Local Government framework via Council of Common Interests	CCI coordination	Short-term (1-2 yrs)
Institutional	Two-tier urban/rural differentiated architecture; metropolitan corporations	Provincial LG Acts	Short-term (1-2 yrs)
Administrative	Devolve Grade-16-and-below staff and budgets to local governments	Provincial LG Acts	Short-term (1-2 yrs)
Fiscal / Revenue	Grant local governments own-source revenue authority (property tax, cess)	Provincial fiscal law	Medium-term (2-4 yrs)
Civil Service	Merit-based recruitment via Public Service Commissions; continuous training	Provincial PSC rules	Medium-term (2-4 yrs)
Civil Society	Recognize civil society as stakeholders; mandate digital disclosure	Provincial LG Acts / policy	Ongoing

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SMSLASS
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SMC
School of Media & Mass Communication

SCIT
School of Computer & Information Technology

SE
School of Education

SMS
School of Management Sciences

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