

# Participatory Local Governance (PLG)

Service delivery capacities of local governments in Khyber Pakhtunkhwa and Punjab meet local needs and priorities

## The challenge

In 2010, the 18th amendment to the Pakistani constitution transferred a wide range of functions from the federal to provincial level. By 2013, new Local Government Acts (LGAs) were enacted in the provinces of Khyber Pakhtunkhwa (KP) and Punjab. Subsequently, under the Local Government reform initiative of the Government in 2019, fundamental adjustments to the LGAs in both KP and Punjab were introduced. The new legislation transferred the responsibility of many government services to the subdistrict or town/tehsil level. However, Pakistan with a tax to **GDP ratio of only 6% (2022/23)** runs a significant annual budget deficit and mobilizing adequate resources to finance service provision by municipalities remains a significant challenge. In addition, political participation of citizens in local governance is also limited. These factors hamper the capacity of the local governments to deliver good quality public services.

Moreover, after the merger of Ex-FATA with KP, local government and administrative structures in the Merged Areas are expanded to areas where people have still been relying on traditional tribal ways of conflict resolution and decision making. The remoteness of the Merged Areas and the lack of efficient local administrative structures impede, however, the effective delivery of public services to the population.

## Our objective

*The local authorities in the Khyber Pakhtunkhwa and Punjab regions have increased their capacities to provide local services in line with the needs and priorities of the citizens.*

The provincial governments of KP and Punjab as well as selected local governments are supported within the framework of a multi-level approach, which takes the provincial level and the level of the *tehsil* local governments (in KP) or the municipal committees and *tehsil* councils (Punjab) into account. In addition

Project name	Participatory Local Governance Programme (PLG)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Economic Affairs Division (EAD) Pakistan
Financial volume	EUR 10 million
Duration	07/2022 to 12/2025

to political and administrative actors, civil society groups and public commissions are involved in the implementation of measures. The Programme also adopts multi-level approach with a strong focus on citizens for the improvement of selected public services through local governments. The focus on a multi-level approach specifically considers the need for improved municipal service delivery in the *Merged Areas*.

The provinces of KP and Punjab differ significantly (e.g., political structure, population size, level of development, etc.). However, they also share important similarities in terms of local government structures. To contribute to bridging the development gap between the Merged Areas and the Settled Districts of KP, the programme also focusses on the Tribal Decade Strategy (2020-2030) with particular emphasis on districts Khyber and Mohmand.

In addition, of the programme collaborates with civil society organizations as well as citizens in various formats for improved design and delivery of local services. The Programme emphasizes the targeted participation of women as well as young population and minorities

## Expected results 2022 to 2025

The Programme focuses on the following areas/fields of action:

- (i) Improved public services at the local level (including solid waste management, traffic systems, regulation of markets, etc.)
- (ii) Supporting the implementation of the Tribal Decade Strategy through technical assistance to certain public services (e.g., primary education)



*Pg. 1, Left: A busy street in front of a mosque in one of the many smaller towns of the Khyber Pakhtunkhwa*

*Middle: A girl wearing a school uniform and holding a textbook in front of a blackboard.*

*Right: Men in traditional clothing cast a vote by rising their hands.*



Sanjeev Pokharel,  
Sanjeev.pokharel@giz.de

*Pg. 2 Left: Women Khuli Khachari (opencourts) in Nowhera, Khyber Pakhtunkhwa*

(iii) Creating and using digital innovations both in the dialogue relationship between citizen and the public sector and in the service processes of local institutions

(iv) Increasing domestic revenues at the local level using existing revenue potentials, improvement of financial management (e.g., through digitization), and developing revenue policies aimed to improve public services; and

(v) Encouraging active involvement of various actor groups at the individual, institutional and sector-policy levels, as well as better interaction between the local governments and provinces.

### Capacities for core governance functions are improved with focus on the Tribal Decade Strategy

The Programme provides technical support to the local government departments and other relevant institutions in both provinces (KP and Punjab) to develop or revise the regulations in view of the new laws on local governance with the aim to improve service delivery. It also supports the capacity building of the elected representatives as well as the local government officials on the new local governance laws with special consideration given to the newly merged areas. It does so by developing new and innovative approaches for capacity development.

PLG aims to improve access and quality of social services provided in the areas of basic education. Capacities Development measures are supported to build the management capacities of sector personnel on all levels to improve planning, resource allocation and management. In addition, supports the development and implementation of education sector plans.

### Revenue mobilization

The Programme provides technical support to the excise and taxation departments and the local government departments in both KP and Punjab to bring property tax reforms. It also supports the local government departments and municipal administrations in developing models for improving municipal

revenues. Moreover, it supports interprovincial exchange between the provincial revenue authorities to discuss and revise regulatory framework of the Sales Tax on Services. The LGA allows the Tehsil level governments to generate own source revenues and to utilize these resources locally to finance municipal services. The municipalities need to develop their capacity to enhance their revenue and to finance local services

### State and civil society to engage in constructive dialogue at all levels on issues of development policy are improved

The Programme supports dialogue forums for close collaboration between the elected representatives and the administrative staff for improving public service delivery. This result area fosters establishing dialogue platforms between citizens and government officials on service provision and development needs to strengthen citizen engagement. It also supports information and awareness campaigns on the citizens' Right to Services and Right to Information, with a special focus on the communication needs of marginalised population, particularly women and youth. The result area also supports capacity development of civil society organizations and community-based organizations.

Moreover, PLG provides advisory services to partners on gender mainstreaming in service delivery and the local government system. The result area supports the establishment of WFD and Khuli Khichri's (Open Court) to improve social service delivery to women and vulnerable groups.

### Gender and Diversity

PLG support measures are designed to ensure inclusion of gender and other vulnerable groups in decision-making and in the delivery of local services. PLG has defined gender targets for all its support measures e.g inclusion of women officials in the policy making process, specific training programmes are developed for women councilors and considering the special communication needs of women and vulnerable groups.

Published by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	Registered offices Bonn and Eschborn, Germany
	GIZ Country Office, Level 2, Serena Business Complex, Khayaban-e-Suhrawardy, Sector G-5/1, Islamabad, Pakistan
	Phone +92 51 111 489 725 www.giz.de
As at	March 2023
Printed by	GIZ Pakistan
Design	Palwasha Kakakhel, Islamabad

Photo credits	© Malik Haider, Abdul Majeed Goraya, Alamgir Khan
Text	Sanjeev Pokharel, Head of Programme Palwasha Kakakhel, Communications Specialist
GIZ is responsible for	the content of this publication.
On behalf of	Federal Ministry for Economic Cooperation and Development (BMZ)
Division	2B00 Pakistan, Afghanistan