

# **Workshop on Successful Models in Capacity Development for Local Self-Governance towards Urban Renewal and Rural Reconstruction**

**Islamabad, 18-19 August 2008**

## ***Workshop Summary***

### **I. Objectives and Expectations of the Workshop**

1. The workshop was a wide-ranging dialogue among elected representatives, administrators, donor agencies, researchers, civil society organizations and others concerned with the subject. It was designed to include a candid stock-taking of the national experience with decentralization, and the state of the country's urban and rural spaces, how they sustain people, and how they are governed. It was also intended to identify deficiencies and problems in the present system, including gaps in the capacity for local governance.
2. The workshop was also expected to identify gaps in rural and urban development, and highlight special strategies and packages for total rehabilitation, renewal and reconstruction of rural areas and urban slums. Participants were invited to provide recommendations for reform, capacity development, policies, regulatory frameworks, institutions and resources. To the extent possible, they were also expected to identify relevant best practices and success stories from Pakistan and elsewhere. Particular attention was focused on women and deprived and marginalized communities.

### **II. Highlights of the Inaugural Session**

3. The inaugural session included an objective analysis of the prevailing system of local government by the Honourable Prime Minister, as well as a strong policy statement about the need and importance of local government institutions. The Prime Minister highlighted that the present system lacked legitimacy, and it was promulgated without sufficient debate and at a time when the national and provincial legislatures, as well as elected Chief Ministers, were not in place. It also alienated core components of the bureaucracy. As a result of these factors, the system lacked ownership among some of the most important institutions of the country and was surrounded in controversy.
4. The Prime Minister observed that the Devolution Plan introduced radical changes too fast and too soon. It failed to anticipate the kind of infrastructure and capacities that were required. It created inter-service bickering with the simultaneous promulgation of the equally ill-conceived Police Order. It radically changed the time-tested system of administration at the district level, and introduced a cumbersome and ineffective system. And it undermined the law and order functions at the local level, as a result of which law and order suffered badly.
5. The Prime Minister reiterated that all the political parties in the coalition government were committed to supporting effective local governance. He also emphasized, however, that the system of local government needs the kind of legitimacy that comes from decisions taken by democratically elected governments, and by respecting the Constitution and the constitutional mandates of the Federating Units.

6. The Prime Minister appreciated the three-pronged theme of the workshop, revolving around: (a) Rural Reconstruction and Socio-economic Development; (b) Urban Renewal and the Mainstreaming of Marginalized Communities; and, (c) Capacity Development for Local Governance. He invited workshop participants to provide inputs to the Inter-Provincial Sub-committee headed by the Federal Secretary, Local Government and Rural Development (LG&RD), for identifying changes in the present system. He also noted some important changes that were required in the present system, including the following:

- local government institutions should be provided sufficient constitutional protection;
- local government elections should be held on the basis of political parties;
- the local government system should be extended to the Federally Administered Tribal Areas (FATA), the Islamabad Capital Territory and the cantonments.

7. The Prime Minister fully supported the vision of capacity development for local governance outlined by the Honourable Minister for LG&RD. He particularly supported the development of the National Centre for Rural Development (NCRD) and the Municipal Training and Research Institute (MTRI) as centres of excellence at the core of the National School of Local Governance and Research Institutions Systems Network, with the financial and intellectual assistance of the international community. He supported the strengthening of provincial institutes of local government and rural development, and endorsed the suggestion for transferring the Pakistan Academy for Rural Development (PARAD) to the Government of North West Frontier Province (NWFP).

### **III. Stock-taking of the System by Workshop Participants**

8. Participants pointed out some of the ways in which the Local Government Ordinances (LGOs) of 2001 have given rise to constitutional issues. They also noted that lack of legitimacy and consultation in the establishment of the present system had led to lack of ownership among the provinces, political parties and the civil service. While local government is a provincial subject according to the 1973 Constitution, the new system was imposed upon them by the Federal Government, and at a time when elected provincial legislatures and Chief Ministers did not exist.

9. Even at the Federal level, the Rules of Business were set aside and the Ministry of LG&RD was bypassed in the formulation and implementation of the Devolution Plan. One of the Federal Government's premier rural development institutions, namely, PARAD, was merged into a public policy training system, where it does not belong. At the Provincial level, sectors that were legally devolved to local government remained practically under the control of the Provincial Government. A number of distortions were also created at the local level, as outlined below.

10. Participants observed that the system had created a vacuum in revenue administration, law and order, and regulatory functions pertaining to price control, food safety and hygiene. This had created problems throughout the country. FATA and NWFP had suffered, in particular, because of the special nexus between these two parts of the country. In view of these and other problems discussed in the workshop, the sentiment was widespread among participants that the present system of local governance needed radical rather than marginal reform.

11. Participants felt that the present system was too complicated and had created too many new structures; this had resulted in a large mis-match between the requirements and availability of pre-requisites such as human resources, finances and infrastructure. Moreover, even though restructuring was undertaken and several sectors devolved, commensurate resource allocation and powers of taxation were not devolved and remained centralized. At the same time, devolution from the Federal to the Provincial levels was not pursued. In other words, the spirit of devolution was not followed at any level. While service delivery might have improved in certain sectors, it is not clear whether this is due to devolution, increased government expenditures or some other factors. Meanwhile, infrastructure has **deteriorated** as a result of neglect experienced under the new system.

12. Though local development depends to a great extent on an effectively coordinated approach, coordination has become weaker as a result of the present system. This plus the financing and taxation issues mentioned above make it highly unlikely that the country would be able to achieve most of the MDG targets, which are also reflected in MTDG targets and depend on action at the local level.

#### **IV. Inequalities, Deprivation and Cross-cutting Issues**

13. While specific urban and rural issues are summarized below, the challenge of achieving the MDG/MTDG targets was also discussed critically at the workshop. There was broad consensus that this challenge is particularly daunting in view of inequalities and deprivation such as the following:

- There is rising poverty and inequality, likely to be exacerbated by high inflation and the food crisis.
- Extreme gender disparities have not been reversed, violence against women continues unchecked and there is neglect of large segments of the female population, particularly mothers. **The un-met need for gender justice is large and widespread.**
- There is continuing neglect of the social sectors in financial allocations.
- There is continuing rural-urban inequality.
- Regional disparities within provinces remain pronounced.

14. **The workshop highlighted gender disparities in terms of labour force participation, educational achievement and health outcomes. It also identified roadblocks to inclusive governance in the following areas: laws based on the interpretation of faith; institutional processes, including the low representation and weak position of women in the bureaucracy; limited or no representation of women at higher levels of decision making; and the detrimental aspects of culture and tradition. There was also recognition of the demographic transition which Pakistan is undergoing, and the problems it might create if resources are not found to educate, train, employ and accommodate the large increases in the youth population.**

15. **Environmental issues affecting urban and rural spaces featured in the workshop in a number of ways. Participants observed that there was no land use planning; zoning and building regulations were inadequate and widely ignored; and there was no virtually no mechanism available for controlling pollution in all its forms. Examples of sustainable use planning were also discussed, and a Geographic Information System (GIS) that has been used successfully in Nepal was introduced. The point was repeatedly made in various sessions of the workshop that ad hoc and fragmented planning that does not take into account relevant long-term trends, rural-urban linkages and environmental factors is taking many communities**

towards chaos, and even disaster. Some observers highlighted trends in climate change and their potentially catastrophic consequences for Pakistan. In the absence of an organizational structure for land use planning, climate change could have a profound impact.

## **V. Urban Development**

16. Workshop participants pointed out that there was no overall vision of urban development or an urban development policy. The regulatory framework is outdated and inadequate (and inadequately differentiated, when it comes to addressing areas such as the walled cities or emerging squatter settlements and urban slums). The institutions are weak and have little or capacity, particularly for planning according to the changing needs of rapidly growing cities. There is a huge and increasing backlog of deferred maintenance and infrastructure development. **Municipal urban transport systems do not exist, and those in the private sector are inadequate and chaotic.** Except for short periods associated with specific projects, little attention has been focused on the dozens of intermediate cities, the scores of small cities and the hundreds of towns where 25% of the country's urban population resides. Matters are not made easier by a continuing lack of financial and technical resources.

17. The situation is different in each province, for example, with respect to rural-urban migration and the availability of State land. In general, however, the cities represent a complete failure in planning, which is reflected in the marginalization of those living in squatter settlements and urban slums, destruction of cultural heritage, and decaying infrastructure. Alternative approaches available for regularizing katchi abadis (e.g., initiatives taken in the past by the Sindh Katchi Abadis Authority), providing them with basic services (e.g., the Orangi Pilot Project), and integrating new arrivals to the cities (e.g., the incremental development scheme of Saiban). These approaches do not require massive finances but they have not yet been adopted by relevant agencies.

## **VI. Rural Development**

18. Participants pointed out that there was no rural development policy. There was neglect of the rural non-farm sector, which is of particular importance in the livelihood of small farmers and the landless; this had led to unemployment and migration. Moreover, there was a low level of diversification within agriculture, which further increased vulnerability. Competitiveness in international markets was being undermined by lack of standards, infrastructure and skills. ICT was not being tapped to help the rural poor, entrepreneurs, planners and implementers.

19. Institutional roles that could strengthen service delivery by extending the government's outreach, particularly to the rural poor, were not adequately understood. This refers, in particular, to the role played by the RSPs and NGOs in mobilizing communities, which complements the service delivery functions of the government. Scaling up of efficient and effective approaches to service delivery remains limited as long as this complementarity is not developed across the board. More broadly, there is weak coordination across sectors and between the public and private sectors.

## **VII. Capacity Development**

20. Participants felt that it would be unrealistic to try and build the capacity of 111 districts and their tehsils to match the standard requirements of the LGOs. It was noted that there had been extreme dilution of human resources in the quest for staffing all the new structures created at various levels; almost all functions of government have suffered as a result. At the same time, leading institutions including NCRD and MTRI have been suffering from neglect, and the provincial institutes of local government and rural development have not been adequately supported.

21. Moreover, there is a missing link between action research and training, so that even national best practices not emphasized in training or service delivery standards. The result is that the contents of training often appear fossilized rather than contemporary and relevant to the needs of the time. In addition, even regional best practices have not been adopted in developing a vision for capacity development.

### VIII. The Way Forward

22. From the Prime Minister's inaugural speech to keynote speeches, presentations and group discussion, a rich, informed and inspiring dialogue characterized the workshop. Participants initiated and called for an objective assessment of all aspects of the prevailing system. They did not, however, recommend a total return to the previous system. The most important suggestions emerging from the workshop are summarized below:

#### (a) Local Government Framework and System

- (i) The local government system needs radical rather than marginal reform in order to make it a sound and sustainable system that serves the people through effective service delivery. The first step in this direction is that local government institutions should be provided adequate constitutional protection.
- (ii) Local government elections should be held on a party basis.
- (iii) Some participants were of the view that district nazims should be elected directly, while others felt that indirect elections would be better.
- (iv) The law and order functions of the State should be separated from local government (except in cases such as municipal policing, where it can be undertaken effectively).
- (v) Local government should be developed primarily around social and municipal functions, broadly defined to include integrated planning, urban transport and other relevant functions.
- (vi) The number of tiers in local government should be reduced. In rural areas, local government could consist of Union Councils and District Councils. In urban areas, there could be urban councils up to the level of Metropolitan Corporations for the largest cities.
- (vii) The local government system should be extended to ICT and the cantonments.
- (viii) The introduction of local government in FATA should be undertaken *ab initio*, albeit, implemented over a longer period than in the rest of the country.
- (ix) Available capacity should be concentrated, firstly, at a regional level rather than the district, and, subsequently, extended downwards. At the same time, the coordination function must be strengthened at the local level.
- (x) The local government taxation schedule should be revisited in order to enhance local government's own revenues.

- (xi) The Provincial Finance Commissions (PFCs), their composition and how they work should also be reviewed in order to ensure regional balance and adequate and sustained availability of resources for the functions entrusted to local government.
- (xii) In order to help it serve the majority of the people, local government should receive higher allocations than now, particularly to address gender disparities, marginalized communities and the MDG/MTDF targets.

(b) Urban and Rural Development

- (i) National urban and rural development policies should be formulated with the highest possible attention to environmental issues and the cultural heritage.
- (ii) In the rural areas, there is a need to understand and scale up complementarity between social mobilization and service delivery.
- (iii) In the urban areas, a revised regulatory framework aimed at integrated metropolitan urban planning, development and management is needed as a matter of priority.
- (iv) Special strategies and packages for total rehabilitation, renewal and reconstruction of rural areas and urban slums should be developed as a matter of priority.
- (v) At the same time, low-cost approaches pioneered for integrating marginalized communities should be given greater attention by planners and implementers.

(c) Capacity Development for Local Governance

- (i) The NCRD and MTRI should be developed as centres of excellence as the core of a national network called the National School of Local Governance and Research Institutions Systems Network. In order to move in this direction, they need to be established as autonomous entities. They do not need much by way of physical infrastructure, except upgrading and repairs, but they need linkages with the private sector and the international community for financial assistance and for developing intellectual capital.
- (ii) Similarly, provincial institutes of local government and rural development should be strengthened.
- (iii) PARD should be transferred to the Government of NWFP.
- (iv) The culture of capacity development at these centres and institutes should, in future, emphasize training and change based on action research and best practices, and include IT systems (for example, for GIS, planning and MIS).

(d) Cross-cutting Issues

- (i) Every effort should be made to promote the agenda for inclusive governance in order to integrate women and marginalized communities. At a minimum, measures should be undertaken to ensure inclusion through legal identity, self help and collective organization, systems of accountability (with a particular focus on gender justice), and political systems.
- (ii) Resources should be allocated for youth in order to make them productive and harvest the potential benefits that are possible from the country's demographic transition.