

SENATE OF PAKISTAN



REPORT NO.1

REPORT OF THE SENATE FUNCTIONAL COMMITTEE ON DEVOLUTION

ON

"TO EXAMINE THE DEVOLUTION ISSUES IN THE LIGHT OF 18TH
CONSTITUTIONAL AMENDMENT."

Presented by

Senator Dr. Zarqa Suharwardy Taimur

CHAIRPERSON

SENATE FUNCTIONAL COMMITTEE ON DEVOLUTION

SENATE SECRETARIAT

Report of the Chairperson, Senate Functional Committee on Devolution on various Ministries in the light of 18th Constitutional Amendment.

I, Senator Dr. Senator Zarqa Suharwardy Taimur, Chairman Person Senate Functional Committee on Devolution, have the honor to present, on behalf of the committee, this report on Devolution, working and status of Federal ministries of Pakistan under 18th amendment."

2. The composition of the Committee is as under:-

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| 1. | Senator Dr. Zarqa Suharwardy Taimur | Chairperson |
| 2. | Senator Syedaal Khan | Member |
| 3. | Senator Syed Mohsin Raza Naqvi | Member |
| 4. | Senator Muhammad Aurangzeb | Member |
| 5. | Senator Abdul Wasay | Member |
| 6. | Senator Saeed Ahmed Hashmi | Member |
| 7. | Senator Zamir Hussain Ghumro | Member |
| 8. | Senator Fawazia Arshad | Member |
| 9. | Senator Sardar Al Haj Muhammad Umer Gorgajj | Member |
| 10. | Senator Poonjo Bheel | Member |

BACKGROUND

3. Under the 18th Constitutional Amendment in 2010, Concurrent Legislative List was abolished. Presently, under article 142 of the Constitution read with article 97, all powers are vested in Provinces except those enumerated in the Federal Legislative List. Federal Legislative List in Schedule 4 of the Constitution has been divided into

two parts. On the subjects of Federal Legislative List Part I, executive authority is to be exercised by Federal govt and on the subjects enumerated in Federal Legislative List Part II, Policies are to be framed and regulated by Council of Common Interests and related institutions are to be supervised and controlled by CCI. Both the Federal government and CCI are responsible to Parliament under articles 91 and 154 of the Constitution.

In order to implement 18th Constitutional Amendment, an Implementation Commission was created under clause 9 of article 270AA of the Constitution which submitted its report. Since Devolution is a continuous process in order to uphold the Federal nature of the Constitution, the Functional Committee on Devolution has been created under rule 162B of the Senate Rules of Procedure and Business, 2012.

Committee in the light of above legal mandate deliberated on the issues of devolution.

4. In its meeting held on 8th July, 2024,

The committee received a comprehensive briefing from Secretary Ministry of Health, regarding the structure and operations of the Ministry of National Health Services, Regulations, and Coordination (NHSR&C). The Secretary Ministry (NHSR&C) outlined both the current status and the situation prior to the 18th Constitutional Amendment of 1973. It was noted that the Ministry of Health was abolished during the 2010 amendment but reinstated by the government in 2013 with the aim of enhancing coordination between provincial and federal authorities on health-related issues.

- 5.** The Secretary Ministry (NHSR&C) highlighted that a key objective of this reinstatement was to support provinces in areas such as AIDS, COVID-19, viral diseases, and various immunization programs. He added, presently, NHSR&C oversees 32 different departments including PNC, NCT, CPSP, PDRA, PIMS, PMDC and the National Institute of Health, and

the Sehat Sahulat Program. Dr. Mukhtar Bharath, PM Coordinator on National Health Services, conveyed that the Prime Minister has directed efforts towards devolving the Ministry of National Health Services, Regulations, and Coordination, to provinces.

6. The honorable CO-Ordinator indicated his ongoing initiatives under PMs direction. Senator Zamir Hussain Ghumro criticized the rationale behind creating NHR&C, suggesting that such coordination is the function of Council of Common Interests under entry no 13 of Federal Legislative List Part II and no ministry could be created on the pretext of coordination or law of necessity. He directed attention of the committee towards poor administration and misuse of resources, & infrastructure by the Ministry. He argued for adherence to constitutional principles instead of needs and necessities. Senator Zarqa Suharwardy labeled the re-creation of NHR&C as a violation of the constitution, advocating for its abolition on the grounds that the subject of health falls under provincial jurisdiction being not enumerated in Federal Legislative List.. Senator Poonjo Bheel after deliberations agreed with the view of Senator Dr. Zarqa Suharwardy and Senator Zamir Hussain Ghumro. He said that the subject of Health is provincial and the Ministry is illegal, unconstitutional and burden on public exchequer after 18th constitutional amendment in constitution of Pakistan 1973.
7. Ministry of Federal Education and Professional Training (MFE&PT) informed the committee that it was established in 2011 with the primary goals of maintaining educational standards and fostering collaboration with provinces. Presently, the Federal Ministry of Education oversees 432 educational institutions, including the National College of Arts, Pakistan Education and Endowment Fund, as well as 29 departments such as the National Books Foundation, Urdu Science Board, and Urdu Dictionary Board located in National Library Islamabad. Dr. Mukhtar Ahmed, Chairman of the Higher Education Commission reported to the committee that they operate with an annual budget of 65 billion rupees

and focus on four main responsibilities: setting standards in higher education, overseeing the establishment of educational institutions, managing international educational agreements and scholarships, and facilitating the Washington Accord in collaboration with the Pakistan Engineering Council for students nationwide.

8. Senator Zarqa Suharwardy pointed out that despite the numerous departments; education standards in the country have not improved. The Chairperson suggested that their proliferation is straining the national finances. She recommended decentralizing the education ministry in accordance with the guidelines of the 18th Amendment in true letter and spirit. The meeting was disturbed due to a factual dispute between the President, Pakistan Girl Guides Association and the Executive Members, Girl Guides Association Khyber Pakhtunkhwa, resulting in the absence of the Secretary of (MFE&PT). The members of committee decided unanimously to take up the matter in the upcoming committee meeting in presence of Secretary Federal Education and Professional Training. The meeting of the committee ended with a vote of thanks from a chair.

9. **Meeting on 8th July, 2024.**

The whole committee showed displeasure on the absence of Secretary, Ministry of Food Security and Research to brief the committee. The agenda item was deferred for the next meeting on the assurance of the Ministry's Officers that the Secretary shall brief the Committee in the next meeting. The Chairperson and the Members showed displeasure on the absence of the Secretary of Ministry of Industries and Production. The agenda item was deferred for the next meeting on the assurance of the Ministry's Officials that the Secretary shall himself brief the Committee in the next meeting. Senator Saeed Ahmed Hashmi inquired as to why these departments are still working at the federal level after the passage of the 18th amendment. He stressed that our main focus should be on the implementation of the 18th amendment.

10. Senator Zamir Hussain Ghumro questioned as to why the Ministries at the federal level have been recreated after the passage of 18th amendment. The Federal Legislative List, for the first time in 1973 was divided into two parts. The first Part belongs to the Federal Government, whereas, the second part belongs to the Council of Common Interests. These are two executive bodies and both are responsible to the Parliament. He was surprised that the Federal Government has taken over all the subjects of the Council of Common Interests and has also established Ministries on such subjects. He maintained that the country is already in financial crisis but the government is continuing with the Ministries like Industries, Education, Narcotics, Health and others which are provincial subjects being not enumerated in Federal Legislative List. He termed it as misuse of the authority and also unconstitutional after the 18th amendment. The Members of the Committee were of the view that the Higher Education is a provincial subject, whereas, standards in Higher Education is a CCI's subject which is enumerated in Federal Legislative Part-II. The Chairperson of the Committee was surprised over the performance of the Higher Education Commission with a budget of 65 billion rupees in this financial year when their job is to deal with only a handful of responsibilities. The government can save public finances by restricting its role to standards in Higher education and that too under Council of Common Interests as per Constitution. Out of a total of 165 public universities the Chairperson Dr. Mukhtar admitted 75 were without vice Chancellors and he is powerless to take any meaningful action. So, it appeared the job of HEC supervision only extends to the 6 universities in ICT and this huge budget is not utilized properly with significant results. The Chairperson remarked we need to review which parts of a Ministry can be retained at the federal level and the remaining has to be devolved to the provinces. She maintained that the budget allocation should also be based upon the delivery per Constitutional role and not on other considerations.

11. Meeting on 5th August, 2024

The Committee stated that food and agriculture are devolved subjects and the Ministry of National Food Security and Research should be devolved as per the 18th Amendment. Committee also highlighted that despite having a separate ministry, the country's indigenous fruit has been depleted, and the ministry has failed to undertake any steps to protect local production. Instead, foreign tree species are being planted, which are not suitable for the national ecosystem and are causing health issues, such as allergies, in Islamabad. The Committee decided to have a detailed briefing on the seventeen attached departments of the ministry.

12. Meeting on 19th August, 2024

The Additional Secretary Ministry of Petroleum appeared before the committee along with other officials and highlighted before the committee its status and performance over the past two financial years. Senator Zamir Hussain Ghumro expressed concerns about the creation of 17 companies with SECP Registration which is in conflict with article 98 of the Constitution. He said it was beyond government authority as powers are to be conferred on officials and authorities subordinate to Federal govt by Parliament under article 98 of the Constitution. Committee observed that this was beyond government authority. The committee directed to provide details of the boards of these companies. Senator Ghumro also indicated that if issues persist, the CCI comprising of Prime Minister, 4 chief ministers and other members may be called to address the issues.

13. Further, Senator Zamir Hussain Ghumro noted that the Petroleum is an import item and no ministry could be created on such matter by the Federal govt. The subject of mineral oil and natural gas being enumerated in Federal Legislative List Part II has to be managed by the Council of Common Interests under article 154 of the Constitution and

that all institutions listed in Federal Legislative List Part II fall under its administration. In addition to this, Concerns were raised about the Board of SNGPL and illegal appointments of members without due process. The chairperson asked about Saindak Company's operations and earnings. Petroleum Division officials reported that it is a joint venture contract, which had expired, was renewed in 2021. The ministry informed that over \$350 million had been received by Pakistan, with over \$350 million paid to Chinese partners.

14. At the outset, the Secretary Industry and Production briefed the committee regarding organizational structure and manpower resource along with budget details. During a briefing on the performance of the Ministry of Industries and Production over the last two financial years, the committee noted that the ministry had become a provincial subject. However, the additional secretary of the ministry suggested that the Ministry of Law and Justice could provide a more informed opinion in this matter. The whole committee rejected this submission and opined that being legislators, Committee members were well conversant with provisions of Constitution particularly about the division of powers under article 142 of the Constitution between Federation and the Provinces after abolition of Concurrent Legislative List under 18th Constitutional Amendment. Constitution doesn't allow duplication of ministries after abolition of Concurrent Legislative List. Under article 142 read with article 97 of the Constitution, Federal government can create ministries on the matters enumerated in Federal Legislative List Part I.
15. Further the secretary of Industries and Production submitted that huge subsidies of gas to fertilizer companies were provided to farmers, not to factories and industries. The committee sought a report on fertilizer factories' sales and exports, specifically the quantity of urea sold and exported by 10 major fertilizer companies. The committee was told that the non-developmental budget for the Ministry of Industries and Production stood at Rs. 62 billion. Chair questioned the rationale behind

investing in the national steel mill. She inquired why the mill was closed while private mills were operational and selling steel. She said why 2,200 employees were hired if the mill was closed, to which the ministry responded that laying off 50 per cent of the workforce required labor court approval. The issue of privatizing the steel mill was also discussed.

16. It was also noted that a Chinese company had withdrawn its interest in acquiring the mill, leading to its removal from the privatization list. The chairperson expressed concern over the steel mill's gas bill amounting to Rs 440 million. She highlighted the disparity between gas shortages for the general public and provision of gas to non-operational mills. Officials responded that gas supply to the steel mill had been discontinued. Senator Zarqa questioned the benefits to Pakistan and the allocation of Rs 25 billion for urea subsidies. The secretary explained that the subsidy was intended to address gas shortages, despite domestic consumers facing gas shortages. The committee sought detailed information on companies and individuals receiving subsidies. The committee unanimously agreed to abolish the Ministry of Industries and Production and devolve its responsibilities to the provinces. Senator Zamir indicated that if issues persisted, the prime minister might be called to address them. The detailed exercise would be carried out after approval of the Report.

17. Meeting on 22nd July, 2024.

The Chairperson and the Members showed displeasure on the non-availability of the Secretary of the Ministry of Food Security and Research to brief on the agenda item. The agenda item was deferred for the next meeting on the assurance of the Ministry's Officers that the Secretary shall brief the Committee in the next meeting.

18. The Chairperson and the Members showed displeasure on the non-availability of the Secretary of Ministry of Industries and Production. The agenda item was deferred for the next meeting on the assurance of the

Ministry's Officials that the Secretary shall himself brief the Committee in the next meeting.

19. The Additional Auditor General while briefing the Committee on Agenda Item No. IV. Stated that the institution of Public Accounts Committee looks after this subject and the PAC is represented by the Senators also. He informed that in accordance with Articles 169 to 172 of the Constitution, it is duty of the Auditor General to lay the audit reports before the Parliament. At this point, Senator Zamir Hussain Ghumro remarked that the purpose of the Devolution Committee is to have a briefing on the functions of the office of the Auditor General of Pakistan. He maintained that two functions are presently being performed by the Auditor General ie. Audit and Accounting. He stated that the Auditor General has been summoned to brief the Committee on the accounting functions that belong to the provinces. He questioned as to why accounting functions are being performed by the Office of the Auditor General of Pakistan and why those functions have not been devolved to the provinces.
20. Responding to the query, the Additional Auditor General submitted that after the year 2001, an institution of Controller General of Accounts has been established through an ordinance which is performing the accounting function. The CGA is an independent organization attached with the Ministry of Finance. Senator Zamir Hussain Ghumro demanded to have a briefing from the Accounting Offices working in the provinces which is against the mandate of the Constitution. The Additional Auditor General responded that the Office of the CGA would do the same.
21. The Chairperson appreciated that the report of the Auditor General of Pakistan is always very good and factual and irregularities are pointed out in it. She questioned as to why there is no action on these reports and who is supposed to take action in this regard. The Deputy Auditor General responded that all over the world, the responsibility of the public sector auditors is to point out irregularities and report to the Parliament.

As soon as the audit report is prepared, the same is forwarded to the Principal Accounting Officer (PAO). Since the administrative and financial powers lie with the concerned PAO, therefore, he should take the responsibility to address the irregularities pointed out by the auditors. Unfortunately, it is not being done. He further stated that the audit observations, thereafter, are placed before the Public Accounts Committee of the Parliament. After conducting Departmental Accounts Committees (DACs), the PAOs of the Ministries are answerable to the PAC.

- 22.** The Deputy Auditor General of Pakistan informed the Committee that the total number of audit paras of the Ministry of Federal Education and Professional Training during the period 2010-2024 is 1131. Out of these, 271 have been examined by the PAC, 98 are settled whereas 860 audit paras are pending. He explained that the concerned PAO was responsible to take action but he did not. With regard to the audit reports of National Health Services, Regulations and Coordination, the Deputy Auditor General informed the Committee that the total number of audit paras is 327, out of which 98 have been examined by the PAC, 29 are settled, whereas, 229 are still pending.
- 23.** Senator Saeed Ahmed Hashmi inquired as to why these departments are still working at the federal level after the passage of the 18th amendment. He stressed that our main focus should be on the implementation of the 18th amendment.
- 24.** Senator Zamir Hussain Ghumro questioned as to why the Ministries at the federal level have been recreated after the passage of 18th amendment. The Federal Legislative List, for the first time, has been divided into two parts. The first one belongs to the Federal Government, whereas, the second part belongs to the Council of Common Interests. These are two executive bodies and both are responsible to the Parliament. He surprised that the Federal Government has taken over all the subjects of the Council of Common Interests and has established

Ministries on the devolved subjects. He maintained that the country is already in financial crisis then why the government is Continuing with the Ministries like Industries, Education, Narcotics, Health and other which have been devolved to the provinces. He termed it as misuse of the authority and also unconstitutional after the 18th amendment.

25. The Members of the Committee were of the view that the Higher Education is a provincial subject, whereas, standards in Higher Education is a CCI's subject which is enumerated in Federal Legislative Part-II. The Chairperson of the Committee was surprised over the performance of the Higher Education Commission as it got a budget of 65 billion rupees in this financial year but their job is to deal with only a handful of responsibilities. She remarked that we have to consider as to which part of a Ministry can be retained through any commission or other way at the federal level and the remaining has to be devolved to the provinces. She maintained that the budget allocation should also be based upon the delivery and not on other considerations.

26. Meeting on 27th August, 2024.

The Secretary Ministry Inter-Provincial Coordination (IPC) appeared before the committee along with necessary officials and submitted before the committee regarding the performance of the Ministry of Inter-Provincial Coordination over the past two financial years. He briefed the whole committee about the overall structure, hierarchy regarding his Ministry. Senate Functional Committee Calls for Increased Accountability and Transparency in National Sports Federations. Secretary, Ministry of Inter-Provincial Coordination briefed the Committee on the number of employees and the attached departments of the Ministry, as well as the details of the sports federations registered with the Pakistan Sports Board. He also provided an overview of the Ministry's human resources, including both sanctioned and currently working officers.

- 27.** The Secretary (IPC) reported that there are 44 registered National Sports Federations. 40 Federations are functioning properly while 06 Federations are in disputes. All the Sports Federations operating with the grants funded by the Ministry (IPC). The committee members also discussed matters related to the Pakistan Olympic Association (POA). Chairperson Senator Dr. Zarqa inquired about the accountability of the head of the federation and emphasized the importance of the inquiries' outcomes. She proposed that inquiries be conducted across all federations. Citing the example of Arshad Nadeem, she highlighted that 64% of Pakistan's population is under 30 years old, yet this demographic remains unrecognized, despite significant budget allocations yielding unsatisfactory results. Senator Dr. Zarqa also pointed out the omission of the Pakistan Cricket Board (PCB) from the discussion. She questioned who would oversee the PCB's affairs given its current performance. The Secretary (IPC) placed before the committee that cabinet division is looking after the Pakistan Cricket Board. The ministry was directed to place a list of federation chairpersons and the duration of their services. Further, she demands details of the Olympic Committee's Chairpersons and their tenure respectively. The Secretary (IPC) acknowledged these recommendations and added that the requested details would be provided. The Committee unanimously decided to devolve the Inter-Provincial Coordination Ministry, as required by the 18th Constitutional Amendment.
- 28.** Senator Fawzia Arshad, emphasis on the capacity of employees and also unlighted that it has been observed that the surplus persons did not given what is due to them. They should be treated as per their capacity. The members also discussed the need for a mechanism to address surplus employment within the Ministry, emphasizing that the matter would be referred to the Establishment Division.
- 29.** On his turn, the Secretary Ministry of Energy (Power Division) appeared before the committee along with necessary officials and submitted

before the committee regarding the performance of the Ministry of Energy (Power Division) over the past two financial years. He briefed about the overall structure, hierarchy of the division. Furthermore, Chairperson Senator Dr. Zarqa Suharwardy Taimur expressed concerns about the functioning of Independent Power Producers (IPPs) and voiced displeasure over the lack of transparency in contracts and the negligence associated with them. The chair stated that the IPPs have caused significant hardships for the common people and called for accountability. Further the matter was referred due to lack of time.

30. Meeting on 10th September, 2024.

After a short briefing offered by the special invitee, the agenda of the meeting was taken up. After formal introductions, the Additional Secretary, Ministry of Privatization, offered a comprehensive briefing to the Committee.

Members of the Committee questioned the proposed devolution of Distribution Companies (DISCOs) citing the fact that the power distribution was a devolved subject and the DISCOs were envisaged to be handed over to the provinces as per devolution scheme. Members termed the privatization of DISCOs irrational citing the fact that they were earning sufficiently to be retained with the government and be constitutionally transferred to provinces.

It was discussed that the Ministry of Power may be invited to discuss the case of non-transfer of the DISCOs to provinces and proposing their privatization, instead. The Ministry of privatization, however, agreed to provide the list of the 84 entities, initially listed for privatization and deliberated upon.

- 31.** The Secretary Maritime affairs offered a detailed briefing to the Committee and said that navigation shipping and coastal shipping functions are all carried out as per constitution. He further informed the members about future plans of the ministry to enhance container handling and other operations.

The members said that the major ports were enumerated in federal legislative list part 2 and come under the ambit of CCI. The Committee also noted that the minor ports, being devolved subjects, should be devolved and handed over to the provinces. It was also discussed that a separate meeting of the Committee may be held to discuss Gwadar port and related issues.

32. Meeting on 19th September, 2024.

Secretary M/o Kashmir Affairs and Gilgit-Baltistan gave a detailed briefing on the functions and progress of the Ministry for last two financial years (2022-23 & 2023-24). He informed that Karachi Agreement in 1949 provided the framework for engagement of State of Pakistan with the territory of Azad Jammu and Kashmir (AJ&K) and Ministry of Kashmir Affairs was established in accordance with the spirit of this agreement. Ministry primarily does the function of coordination between Government of Pakistan and the administration of AJ&K and Gilgit-Baltistan (GB) on federal subjects including finance, wheat or power subsidy and development projects. Both the territories have their own constitutional and legislative frameworks. Taking note of briefing, Chairperson drew attention towards the discrepancies in the administrative and governance structure of AJ&K and GB. She mentioned that AJK has complete governance structure with executive, judiciary and parliament while GB has limited structures. Secretary informed that the difference in administrative structure is due to peculiar historical evolution of relations with these territories, over the time powers had been devolved to GB. Currently 2018 order has been in-field while Supreme Court has also given direction for implementation of 2019 order. Furthermore, proposal had been under consideration to devolve powers for the establishment of a full-fledge provincial government in GB. He further briefed that Ministry had limited strength of 224 employees (**BPS 17 & above: 28, BPS-1 to 16: 196**) and after right-sizing it will be further reduced. Chairperson highlighted the overs-

sized government of AJ&K burdening the exchequer. To this, Secretary reiterated that Government of Pakistan will continue its support to AJ&K government however, financial matters can be looked at for rationalization and amicable solutions.

33. Secretary informed that Ministry had an overall budget of Rs.1388.773 for FY24-25 and for FY 2023-24 was 1299.676. He further elaborated that the respective fiscal budgets of AJ&K government and GB government are been directly financed through M/o Finance while they seek the input of M/o Kashmir Affairs and Gilgit-Baltistan, in this regard. Gilgit-Baltistan Council is also been funded through Ministry budget as it deals with federal subjects like customs, audits and courts functions. Likewise, federal PSDP projects are design and approved in the Federal Ministries but execution is being carried out by the respective AJ&K and GB government. The Chairperson directed the Ministry to share the list of Federal subjects dealt by the AJ&K and GB councils respectively with the Committee.
34. Secretary, M/o Kashmir Affairs and Gilgit-Baltistan informed that Ministry also hold awareness campaigns, rallies and observe special days to highlight Kashmir issue. Furthermore, after partition there were certain immovable properties, vested in the State of J&K or the Maharaja of J&K located in the territory of Pakistan. Government of Pakistan took over the management of properties in 1955 on the request of Government of the AJK. The affairs of J&K State Property is administered by an Administrator appointed under section 3(2) of (Administration of Property) Ordinance-III of 1961 and the revenue received is being used on the welfare of Kashmiri people. According to details, the Ministry informed that 2091 units are managed as per rules in Lahore, Rawalpindi, Jehlum, Sialkot and Gujranwala. Besides, some agricultural properties are also situated in District Narowal, Sheikhpura, Sultanpura and Rehmanpura. Chairperson Committee recommended to Ministry to provide complete details of AJ&K Government properties located in

territory of Pakistan (both urban and rural) along with details of their lease agreements.

- 35.** Chairperson observed that both the regions have a huge importance for the country and pointed out that current administrative setup in these territories is lacking cohesion and leading to duplication at multiple tiers of government. Therefore, there is need to thoroughly look into these matters for devising a clear vision for the governance of these areas.
- 36.** Joint Secretary, M/o Narcotics Control brief about the overall functions and progress of the Ministry for last two financial years (2022-23 & 2023-24). He informed that as per policy the Ministry is mandated to: coordinate aid/assistance from foreign countries for narcotics control; formulate policy on drug education, treatment and rehabilitation of narcotics/drugs addicts and grants-in-aid to Non-Governmental Organizations (NGOs) engaged in these fields; hold inter-provincial coordination on all aspects of narcotics and dangerous drugs; monitoring of the implementation of policies on all aspects of narcotics and dangerous drugs and regulate administrative, budgetary and other matters of Anti-Narcotics Force (ANF). In terms of progress for last two years he stated that Ministry had issued 1364 NOCs in 2023 & 1155 NOCs in 2024 respectively to commercial, industrial and pharmaceutical firms for the import/export/ manufacture/ distribution/ consumption of precursor chemicals. Under international cooperation (03) Memorandums of Understanding (MOUs) were signed by Ministry with countries: Tajikistan, Mauritius, Lebanon. Furthermore, establishment of National Counter Narcotics Coordination Center (NCNCC) is under process with international support. The NCNCC will act as National Digital database on drug and it will enhance inter-agency cooperation and intelligence sharing. Ministry also plans to conduct 2nd National Drug Use Survey, 2024 through PBS to analyze the trends and modalities of drug abuse in Pakistan which requires a sum of Rs.6 billion.
- 37.** Director, Anti Narcotic Force (ANF) briefed about the overall functions and their areas of operations. He informed that ANF had around 250

inspectors and a field force of 3,173 personal with five regional directorates. Chairperson inquired about the steps taken for controlling drugs (especially synthetic drug: ice) use in educational institutions. Joint Secretary, M/o Narcotics Control reiterated that it is a major concern and Ministry had initiated a focused awareness campaign with teachers, students and parents in the educational institutions, in this regard. Chairman Committee stressed it should followed in planned manner and asked about any planning done, how it will be conducted, any handout or booklet published, in this regard. Furthermore, to coordinate with large number of educational institutions, she also emphasized the need for a tangible plan at national, local and regional level to curtail its supply.

- 38.** Director, ANF informed that enforcement directorate had devised a plan which will be shared with the committee and in first phase colleges and universities are being focused. He further informed, they are working in coordination with intelligence agencies, to compile a comprehensive data and profile of drug smugglers/traffickers and in past four days 35 case had been registered with concrete evidence. Chairperson commended the work of M/o Narcotics Control and ANF while stressing upon the dire need to enhance the capacity of this important department to overcome the menace of drugs in the society. The Committee directed the M/o Narcotics Control to provide the Committee with its program/plan on curtailing drug use in educational institutions.
- 39.** Senator Fawzia Arshad stated that social sensitivities must be looked at before tackling the drug issue in educational institutions. Joint Secretary, informed that ANF mandate is only up to awareness and enforcement and care is always being taken with respect to actions taken in the educational institutions. Senator Poonjo highlighted that convictions is huge issue in such cases, therefore, help from local people may be sort for spying on suspicious activities involving drugs. Director, ANF appreciated the suggestion and informed that they have one of the highest conviction rate in cases, i.e. above 84% but they do had human

resource and budget constraints. Globally according to UN World Drug Report, Pakistan had over 27% share of opium seizure.

40. Secretary, Ministry of National Heritage and Culture informed about their mandate and functions that includes promotion, development & preservation of Pakistan's cultural heritage, arts, languages & literature, archaeological sites, museum & historical monuments through local & international collaboration in these fields by nurturing institutional strength, safeguarding decaying value systems & fostering tolerance. There are seven autonomous and four attached department working under the Ministry.
41. Senator Fawzia Arshad highlighted the acute shortage of human resource in in National Institute of Folk and Traditional Heritage of Pakistan (Lok Virsa). Secretary endorsed that it is a huge challenges and since their conversion to autonomous body, re-structuring plan had been under their board's consideration form a long time. The Committee recommended to the Ministry to fill the vacant post at the earliest and provide the list of Board of Governors (BoGs) of LoK Virsa to the Committee. Chairperson emphasized that the departments had to take initiatives to become self-sufficient by at least 50% and reduce burden on the exchequer. Furthermore, directed to enhance the entry fee for locals from Rs.100 to Rs.200 while for foreigners from Rs.1000 rupees to Rs.5000 at Lok Virsa for its financial self-sufficiency.
42. Chairperson of the committee observed that propagation and promotion of national heritage and culture is of utmost importance to enable the youth to know about the rich cultural history. She observed that some historic and important departments work under the ministry and they need patronage to effectively preserve and promote our cultural heritage. Hence committee called for checking out a mechanism to bridge this gap and recruit efficient and skilled human resource to better promote the cultural heritage. The committee also, decided that next Committee meeting will be held exclusively with the M/o National

Heritage and Culture for detailed briefing by autonomous and attached department, deferred today.

43. Meetings held on 25th - 26th February, 2025.

The Chief Secretary said that previously, the Senate Committee meetings, held on May 18 and 19, 2023, had discussed several post – devolution issues and made 22 recommendations. The update on the recommended solutions and actions, most of what is linked to the CCI Division, will be presented first. He invited the various departments to begin presentations.

The briefing offered to the Committee discussed the major recommendations like handing over of hydro power projects, settlement of arrears of net hydel profits, handing over of sports facilities and youth hostels to the government of Khyber Pakhtunkhwa, return of archaeological antiquities to the province, the committed fund of merged districts, devolution of quarantine functions for safety and health of livestock and role of National Economic Council (NEC) as defined under Article 156 of the Constitution.

It was discussed that while the Constitutional requirement for the CCI is to meet once in ninety days, the CCI meeting, however, was not taking place. Last meeting of the CCI was held on January 29, 2024 with a prior meeting held on August 5, 2023. The two sides agreed to recommend to the Government to hold regular meetings of the CCI, in order for the provincial issues and difficulties to be resolved in a timely manner. Similarly, the Inter- Provincial Committee, which was formed under executive order, also does not meet frequently to resolve provincial matters.

The subjects of Net Hydel Profit (NHP) arrears, Tesco projects financed by the provincial government and oil and gas related issues also came under discussion. It was recommended that hydro power projects, should be handed over to the provinces for improved management and

settlement of NHP arrears. Instead of payment of NHP by WAPDA, the NHP should be provided through finance division and the AGN Kazi methodology, which was approved by CCI and endorsed by the Supreme Court, must be applied. Secondly the federal government should fund the powerhouse component of the power projects through WAPDA's resources and the PSDP and not use the NHP share of the province.

44. The meeting discussed that the province is not getting necessary funds for current expenditure as well as development side, particularly what was promised for the development of merged Erstwhile FATA. While the current side expenditure, like salaries, pensions and other operational costs cannot be delayed or decreased, province is having problem on both sides i.e. the running expenses and the development.

Senator Zamir Hussain Ghumro said that the Committee must recommend that the Federal Government may, in compliance of article 161 of the Constitution, provide the Government of KPK with NHP. This, he added, is a constitutional right of province and must be paid directly by the Federal Government and not through WAPDA. More so, as the distribution and supply of electricity rests as a function with the provinces, under Article 157 of the Constitution, which is presently done by the Federal Government hence requiring the profits to be given by the Federal Government. He further said that The Federal Government should also abide by the promises in reference to the merger of the erstwhile FATA, as that too is a Constitutional issue.

45. The Chairperson said that the Secretary Planning Commission may be invited to inform the Committee in a future meeting about the solutions offered by the 'Out of the Box Committee'. The Chair also recommended to write to the PM office with regard to holding the CCI meetings.

The Secretary CCI said that the CCI Secretariat cannot call meetings of the CCI. The meeting can either be called by the PM office or by the requisition of Province (s) in case of an emergent problem.

While discussing the Secretary Sports said that the devolved facilities have been handed over to the Province except PSB coaching Centre, which has many state of the art facilities, was not handed over to the province. The province has requested the Federal and IPC and Law Division said it can be settled through CCI. Same would be the case of decision for a Youth Hostel in Khanspur, which has not been handed over to the provincial government. The Secretary CCI said that the CCI will facilitate a meeting between the PSB and the provincial sports department to bring a decision and report to the committee.

Regarding Archeological assets it was disclosed that 3147 archeological antiquities have been placed in different areas within Pakistan, which were not returned to the province. The chair questioned that how a trust was given the youth hostel in Khanspur. Federal department of archeology may be requested to arrange the return the antiquities to Khyber Pakhtunkhwa.

The Committee also discussed recommend to the Government an amendment in 270 AA clause 6, through an Act of Parliament to complete the process of devolution that started with the 18th Amendment to the Constitution and to end all the bodies created under ordinances, as the competent authority in this matter is the Majlis e shura.

46. The Secretary Finance said that the major issues in province mostly relate to FATA merger. After the merger, as per formula 4.84 percent of budget will be for FATA and the Federal will provide the same to the Khyber Pakhtunkhwa province. Due to non-provision of the share of FATA, province is compelled to spend from its regular running budget, thus distressing the other parts of the province and the running expenditures. While the merger was done, the rightful share of the merged areas, from the national resources, were still not being provided which is a constitutional right of the erstwhile FATA.

While discussing TESCOs and the community level operations, the Chairperson strongly recommended that the steps be taken to involve the local bodies, village councils into identification of projects and the implementation to engage the communities at grassroots level.

It was also discussed that provincial members at DGPC in the Petroleum Division as per agreed policy of 2012 are neither empowered nor engaged in important decision making. The practice may be changed towards effective provincial contributions in decisions making.

The Chair said that while the Federal government needs to down size, it must be done in phases and in such manner that no employees are rendered jobless, but the positions may cease to exist on retirement of such employees of devolved departments.

47. The Committee hold ten meetings, in which the committee passed substantial recommendations against which many recommendations were responded by the Ministries.
48. **Recommendations/Directions Issued in the Committee meeting held on 22nd July, 2024 are reproduced as the following:-**
- i. The Controller General of Accounts should brief the Committee with regard to the accounting functions along-with the working of the Accounts Offices in the provinces.
 - ii. The Committee directed to ensure minimum necessary attendance of the Ministries' officials in the next meetings.
 - iii. The Principal Accounting Officers should be held accountable with regard to the audit observations and they should take appropriate action on the audit observations pointed out by the Auditor General.
 - iv. The Committee directed that the concerned Secretaries must ensure their presence in the next meetings of the Committee.
 - v. The permanent Secretariat of the Council of Common Interests (CCI) should be made operational and functional in view of the Federal Legislative List (Part-II) of the Constitution.

49. Recommendations/Directions Issued in the Committee meeting held on 27th August, 2024:-

- i. The ministry of Inter Provincial Coordination is Provincial subjects.
- ii. Committee directed the Ministry to conduct a forensic audit of the IPPs.
- iii. The Committee directed to produce the details of standard contracts, a list of power plants along with capacity charges and timelines for their operations be provided.
- iv. The list of presidents of the sports Federations be shared with the committee.

50. Recommendations/Directions Issued in the Committee meeting held on 10th September, 2024:-

- i. Dr. Kaiser Bengali will transmit the report of the committee, he referred to in his presentation, to the Committee for onward transmission to the members.
- ii. The Committee decided to invite the Secretary Power and Secretary Privatization to discuss matters relating the privatization of DISCOs and PIA.
- iii. The Committee recommended that the privatization should be done with consensus, under CCI or a similar entity, instead of formation of entities like privatization Commission.
- iv. Ministry of Privatization was directed to provide the list of 84 entities, initially considered for privatization.
- v. The Committee recommended that the minor ports be handed over to the provinces, as per the constitutional requirement.

51. Recommendations/Directions Issued in the Committee meeting held on 19th September, 2024:-

M/o Kashmir Affairs and Gilgit-Baltistan

- i. The Chairperson Committee directed the M/o Kashmir Affairs and Gilgit-Baltistan to share the list of Federal subjects dealt by the AJ&K and GB Councils, respectively, with the Committee.
- ii. Chairperson Committee recommended to M/o Kashmir Affairs and Gilgit-Baltistan to provide complete details of AJ&K Government properties located in territory of Pakistan (both urban and rural) along with details of their lease agreements.

M/o Narcotics Control

The Committee directed the M/o Narcotics Control to provide the Committee with its program/plan on curtailing drug use in educational institutions.

M/o National Heritage and Culture

- i. The Committee recommended to M/o National Heritage and Culture to fill the vacant post at the earliest in Lok Virsa and provide the list of Board of Governors (BoGs) of Lok Virsa to the Committee. Furthermore, directed to enhance the entry fee for locals from Rs.100 to Rs.200 while for foreigners from Rs.1000 rupees to Rs.5000 at Lok Virsa for its financial self-sufficiency.
- ii. The Committee observed shortage of human resource under the Quaid-i-Azam Mazar Management Board (QMMB) and directed for the earliest fulfilment of the vacancies thereof.
- iii. Chairperson recommended for taking new initiatives to highlight the achievements and struggle of Quaid-i-Azam Muhammad Ali Jinnah for Muslims of sub-continent to serve as a role model for our future generations.
- iv. Chairperson directed that entry fee of Quaid-i-Azam Mausoleum should be increased to generate revenues.
- v. The Committee also decided to visit the Quaid's Mausoleum to seek proposals for further improvement and innovations in its operations.
- vi. The committee also, decided that next Committee meeting will be held exclusively with the M/o National Heritage and Culture for detailed briefing by autonomous and attached department, deferred today.

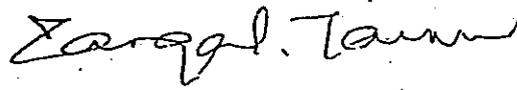
52. Recommendations/Directions Issued in the Committee meeting held on 27th January, 2025:-

- i. The National Heritage and Culture Division was directed to provide the selection criteria for the post of Executive Director of Lok Versa to the Committee. The Committee also agreed to arrange to visit and review the facilities of Lok Versa.
- ii. The Committee recommended that Quaid-e-Azam Mazar Management Board, Karachi may be provided with capacity to secure and protect relics of the Quaid-e-Azam.
- iii. The Committee recommended that the number of scholarships offered by academy of letters to the writers may be increased to 1200, while also increasing the amount of stipend. The committee also directed the academy to create financial stability through sustainable income generation.
- iv. The Committee recommended to the ministry to form a board to support Iqbal Academy of Pakistan.

- v. The Committee directed the Heritage and Culture Division to provide appropriate training and international museums' exposure to the related officials to learn and replicate improved maintenance and preservation of national heritage.
- vi. The Heritage and Culture Division will submit a comprehensive proposal to the Committee within one month period, detailing the plan of action for conservation and maintenance of the Mazar-e-Quaid.



(Muneeb Ali Hamid)
Acting Secretary Committee



(Senator Dr. Zarqa Suharwardy Taimur)
Chairperson, Committee