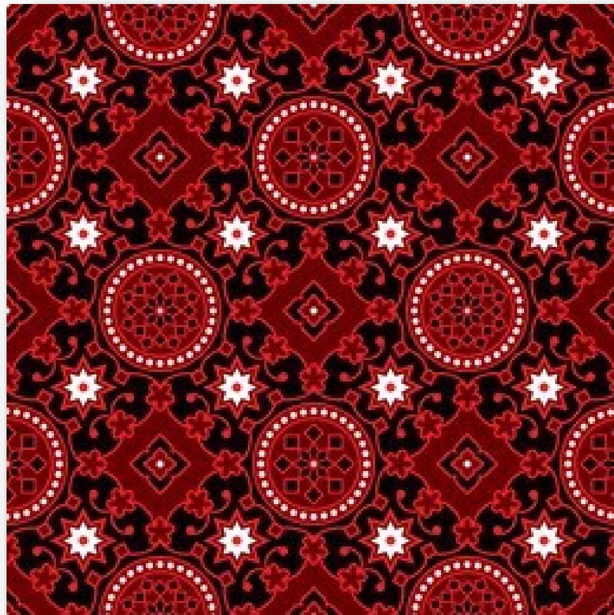

Fragmented and Weak: The state of Local Government In Sindh

Civil Society White Paper on Local Governance in Sindh

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Local Governance Profile – SINDH

This chapter analyzes the state of local governance in Sindh, where a unique paradox has taken root: legally elected local governments exist, yet they remain systematically paralyzed and non-functional. The analysis reveals that this is not a result of administrative oversight but a deliberate provincial strategy of withholding the financial resources and administrative authority necessary for these institutions to operate. This has created a hollowed-out democratic structure—one that exists on paper but has been deprived of the power to deliver on its mandate, particularly in the urban complexities of Karachi.

1. Provincial Context and Political Landscape

Sindh holds strategic political and economic importance in Pakistan's federation as the second most populous province and home to the country's commercial capital, Karachi. This economic weight, however, has not consistently translated into inclusive or effective decentralization. This dynamic appears to be less a product of simple systemic inertia and more a result of intentional political choices that prioritize centralized control over constitutionally mandated devolution. Following the February 2024 general elections, the Pakistan Peoples Party (PPP) retained its stronghold in Sindh, securing a comfortable majority in the provincial assembly [1]. The party's manifesto promised to strengthen local governance through financial empowerment and direct elections [1]. Yet, as of mid-2025, these commitments have seen limited practical implementation.

Despite local government (LG) elections being held between June 2022 and January 2023 [3], the newly elected councils remain largely non-functional. Key bottlenecks, including delays in oath-taking, non-notification of results, and the withholding of operational funds, have prevented them from assuming effective control. This situation is exacerbated by the absence of a new Provincial Finance Commission (PFC) Award since 2017 and the continued control of development funds by the provincial bureaucracy [4][6]. The governing legal framework remains the Sindh Local Government Act (SLGA) 2013 [2], which concentrates overriding administrative and financial control within provincial departments and the offices of Deputy Commissioners (DCs).

1.1 Timeline of LG Systems and Elections

The democratic continuity of local governments in Sindh has been recurrently undermined, reflecting a broader pattern of centralization that limits public participation and effective service delivery.

2001:	*The Local Government Ordinance was promulgated under General Musharraf's devolution plan.*
2005:	*The first LG elections were held under the 2001 ordinance.*

2009:	*The LG system was dissolved and replaced by bureaucratic administration.*
2013:	*The Sindh Local Government Act (SLGA) was enacted by the provincial assembly [2].*
2015:	*Elections were held under SLGA 2013, but the resulting councils remained only partially functional.*
2021[1]:	*The SLGA was amended amidst political controversy and legal challenges [2].*
2022–2023:	*LG elections were conducted in two phases across the province [3].*
2024–2025:	*Elected councils have remained largely non-functional due to persistent delays in notification, funding, and operationalization.*

2. LG Law and Institutional Structure: The Sindh LG Act

2.1 Legislative Reforms and Political Mandate

The Sindh Local Government Act (SLGA) 2013, last amended in 2021, remains the principal legislative framework for local governance in the province [2]. The law outlines a two-tiered system with separate institutions for urban and rural areas. However, despite these structures, effective authority over planning, service delivery, and revenue mobilization remains concentrated at the provincial level. A key criticism of the SLGA is that its amendments have re-empowered provincial departments and DCs at the expense of elected local representatives. For instance, crucial municipal functions in Karachi, such as solid waste management and building control, have been delegated to provincial agencies like the Sindh Solid Waste Management Board and the Sindh Building Control Authority [2]. This legislative fragmentation, which has been the subject of judicial review, has effectively bypassed the Karachi Metropolitan Corporation (KMC) and led to inefficient urban management.

The PPP's 2024 election manifesto committed to "strengthening local governments through direct elections of mayors and councillors, ensuring their autonomy and financial empowerment" [1]. However, the SLGA has not yet been amended to reflect these pledges, and the absence of direct mayoral elections and institutionalized fiscal empowerment remains a key shortcoming.

2.2 Administrative and Fiscal Constraints

While the SLGA 2013 articulates a range of functions for local governments, it lacks enforceable mechanisms to guarantee their operational and fiscal autonomy [2]. Administrative authority remains firmly with the provincial bureaucracy, particularly the DCs, who serve as key intermediaries for development planning and implementation. Furthermore, staffing remains under provincial domain, as local governments do not have an independent service commission, leading to low accountability and a lack of professional municipal staff.

[1] The 2021 amendments controversially transferred key municipal functions from the Karachi Metropolitan Corporation to newly created provincial authorities.

Fiscally, the system is designed for dependency. Although the SLGA mandates a Provincial Finance Commission (PFC), no updated PFC Award has been issued since 2017 [4][6]. Consequently, financial transfers are ad hoc, non-formulaic, and often delayed, with most grants earmarked for salaries, leaving little fiscal space for development initiatives. This over-centralization renders elected local governments existing largely in form, not in function.

2.3 Evolution of Local Government Laws

The evolution of LG legislation in Sindh reflects a consistent trend towards the dilution of local government authority, despite nominal legal reforms.

Law/Amendment	Key Features	Gaps and Criticisms
SLGO 2001	Introduced district governments with significant administrative and fiscal authority through a Nazim system.	Lacked provincial oversight and politically bypassed provincial governments.
SLGA 2013 (PPP Government)	Re-established local councils with separate rural and urban structures and indirect mayoral elections.	Retained significant provincial control, provided no real revenue authority to LGs, and diluted political accountability through indirect elections.
SLGA Amendments 2016–2021	Changed Karachi's administrative setup and delegated key municipal functions to newly created provincial authorities.	Further weakened elected LGs as provincial agencies took over their core service delivery roles [2].

3. Fiscal Transfers and Development Allocations

3.1 Annual Development Programme Allocations

Sindh's approach to development funding is characterized by a top-down model that bypasses elected local bodies. A uniform amount of Rs. 55 billion has been allocated annually under the District Annual Development Programme (District ADP) for both FY 2024-25 and FY 2025-26 [6][7][8][9]. This represents a significant increase from the average of Rs. 30 billion allocated between FY 2017-18 and FY 2021-22, with the sharp rise coinciding with the lead-up to the 2024 general elections, suggesting that electoral considerations influenced these allocations.

However, budget documents confirm that approximately 75% of development funds are executed directly by provincial departments or Deputy Commissioners [6]. This model of indirect execution not only weakens democratic accountability but also hampers local ownership, often leading to projects that are poorly maintained or misaligned with community needs. Furthermore, detailed district-wise breakdowns are not readily available [6], reinforcing the centralized and opaque nature of fiscal devolution in Sindh.

3.2 Provincial Finance Commission Awards

No new Provincial Finance Commission (PFC) Award has been issued since 2017 [4][6], which means there is no formula-based mechanism for resource distribution. In the absence of a PFC, operational grants are provided to local councils on an ad hoc basis. These grants amounted to approximately Rs. 74.37 billion in FY 2024–25 and are projected to decline to Rs. 66.11 billion in FY 2025–26 [6]. These funds primarily cover salaries and routine expenditures, leaving LGs with minimal fiscal discretion for development work tailored to community needs.

3.3 Own-Source Revenues

Local governments in Sindh have extremely limited authority and capacity to raise their own revenues. Key instruments such as property tax remain under provincial control [2], leaving LGs with only minor sources like fees from markets and licenses. The revenue generated from these sources is marginal and insufficient to support autonomous development planning. This structure creates no fiscal incentives for local governments to improve revenue generation, perpetuating a cycle of dependency.

3.4 Indirect Execution Channels

A significant proportion of district-level development in Sindh is implemented through indirect channels that bypass elected local governments [6]. These include discretionary allocations routed through provincial line departments and executed by DCs, as well as donor-funded projects administered outside the LG framework. While often justified on the grounds of administrative efficiency, these channels dilute democratic accountability and undermine the vision of empowered local governance enshrined in Article 140-A.

4. Institutional and Political Realities

4.1 Bureaucratic Oversight and Administrative Control

Despite the existence of elected local governments, significant administrative control in Sindh continues to rest with the provincial bureaucracy. Deputy Commissioners play a central role in coordinating and executing development activities, overseeing funds, and vetting project proposals [6]. Their influence often supplants the authority of elected LGs, restricting their operational space. The absence of updated and devolved Rules of Business for local councils further solidifies bureaucratic control and limits the ability of LGs to function autonomously.

4.2 Political Influence and Dual Governance Channels

Local governance in Sindh operates within a politically charged environment marked by dual power structures. While elected LG representatives exist within a formal legal framework, provincial legislators (MPAs)—especially from the ruling party—often exercise de facto control over local development [10]. They do so through constituency-based schemes routed via DCs and by giving direct instructions to line departments. This dual system creates administrative confusion and skews resource distribution towards politically aligned constituencies. The resulting frustration was starkly illustrated in May 2025, when a group of local council members marched to the Sindh Assembly to demand the release of funds and devolved financial authority [10].

4.3 Capacity Deficits and Service Delivery Constraints

Persistent capacity deficits severely hamper the ability of local governments in Sindh to perform their mandated roles. Many LGs lack sufficient technical staff, planning expertise, and financial management systems [2]. These issues are compounded by delayed fund transfers and a lack of clarity on expenditure authorization. As a result, critical local services such as solid waste management, water supply, and road maintenance often fall short of expected standards, particularly in smaller towns and peri-urban areas where provincial oversight is weak and LG capacity is even weaker.

4.4 Weak Oversight and Limited Civic Engagement

Formal oversight and accountability mechanisms for local governance in Sindh remain underdeveloped. Public hearings, participatory budgeting, and citizen feedback mechanisms are largely absent or non-functional [6]. Civil society organizations report limited avenues for engaging with district governments, especially on budget priorities and scheme monitoring. In an absence of a strong civic interface and demand-driven accountability, local governance is rendered inefficient and suffers from a lack of public trust.

5. Provincial Scorecard

The following scorecard evaluates Sindh's local governance landscape across legal, fiscal, administrative, and political dimensions. While the Sindh Local Government Act 2013 remains the governing law, implementation of its devolved governance provisions remains weak. Despite large budgetary allocations for district development, real control remains with provincial departments and bureaucracy. The absence of operational PFC mechanisms, centralized planning, and limited local fiscal control reflect a gap between legal promise and governance practice.

Dimension	Indicator	Status/Rating*	Remarks
Legal Framework	Status of LG Law (2013, amended 2021)	Medium	Affirms Article 140-A but centralizes oversight with provincial bureaucracy
	Tier Structure (Town/Union Councils)	Medium	Two-tier system exists, but functionality and funding are uneven across districts
	Election Timeline	Medium	Elections held after delay; legal safeguards for regular intervals still weak
Fiscal Autonomy	Share of ADP allocated to LGs (District ADP)	Medium	Rs 55 billion annually under District ADP; most schemes executed by DCs or line departments
	Operational PFC	Low	No operational PFC award in place; transfers are ad hoc
	Local Tax Authority	Low	Property tax and other levies remain with provincial departments
Administrative Control	Staffing Autonomy	Low	No local service cadre; staffing controlled by LGD or other provincial entities
	Planning and Oversight	Low	Planning led by P&D; LGs have limited say in project selection or budgeting
	Scheme Execution Autonomy	Low	Execution largely managed by DCs and line departments
Political Will	Ruling Party's Manifesto Implementation	Medium	Electoral commitments made but not matched by structural reform or LG empowerment
	Discretionary Funds & Parallel Programs	High	MPA-nominated schemes routed through DCs remain influential; LGs not key channel for execution

***Legend:** High = enabling/good practice; Medium = mixed or transitional; Low = constrained/deficient

6. Recommendations

To address the profound democratic deficit in Sindh, the following province-specific recommendations are proposed to operationalize the elected local government system and align provincial governance with the constitutional mandate for devolution.

Legal and Functional Empowerment

- End the Systematic Inaction and Operationalize Councils: The provincial government must end the deliberate inaction that has paralyzed the LG system. All withheld operational and development funds must be released immediately to the councils elected in 2022-23, and their full administrative authority must be respected to allow them to function as mandated by law.
- Reverse the Centralization of Municipal Functions: Amend the Sindh Local Government Act (SLGA) 2013 to restore core municipal functions—particularly solid waste management, building control, and water services—to the Karachi Metropolitan Corporation (KMC) and other urban LGs. The parallel provincial agencies created to manage these functions should be dissolved or reconstituted under the authority of elected local governments.

Fiscal Decentralization and Transparency

- Activate the Provincial Finance Commission (PFC): As an immediate priority, the PFC must be constituted and activated to end the post-2017 system of ad-hoc grants. It must be empowered to create a transparent, equitable, and legally binding formula for fiscal transfers.
- Ensure Direct LG Control Over Development Funds: Concurrently, a phased plan for transferring execution authority for all District ADP funds to elected LGs should be developed, linked to a robust capacity-building program. The ultimate goal must be to end indirect execution channels and ensure development is led by local councils.
- Mandate Fiscal Transparency: The provincial government must publish timely, accessible, and detailed district-wise breakdowns of all development expenditures to allow for effective public and civil society oversight.

Political and Democratic Reforms

- Fulfill Manifesto Pledges on Direct Elections: To enhance democratic accountability, the provincial government should fulfill its 2024 manifesto promise by amending the SLGA to allow for the direct election of mayors and the heads of other local councils.
- End Dual Governance Structures: Establish formal, empowered mechanisms for coordination between provincial legislators (MPAs) and local councils. The current system of dual governance, where MPAs wield discretionary influence, must be replaced with a system where local planning is led by elected LGs through a participatory process.

7. References

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Annex E.1: District-Wise ADP Allocations in Sindh

The Sindh government allocates Rs 55 billion annually under the District Annual Development Programme (District ADP). However, district-wise disaggregation is only partially available in the official budget documents (Volumes III and IV). Most schemes are clustered by division or are presented under sectoral allocations. Execution is primarily carried out by provincial line departments or Deputy Commissioners (DCs). The figures below are drawn from Volume IV of the Budget Books.

Division	Allocation FY 2024–25 (in billions)	Allocation FY 2025–26 (in billions)	Source Volume & Page	Executing Authority
Karachi	Rs 1.38 billion + Rs.8.288 billion for mega schemes	Rs 21.00 billion	Vol IV, pp. 120–125	DC Office / Line Departments
Hyderabad	~Rs 7.00 billion	~Rs 7.00 billion	Vol IV, pp. 130–135	Line Departments / DCs
Sukkur	~Rs 7.00 billion	~Rs 7.00 billion	Vol IV, pp. 140–145	Line Departments / DCs
Larkana	~Rs 7.00 billion	~Rs 7.00 billion	Vol IV, pp. 150–155	Line Departments / DCs
Mirpurkhas	~Rs 7.00 billion	~Rs 7.00 billion	Vol IV, pp. 160–165	Line Departments / DCs
Other Districts (23)	Remaining share from Rs 55 bn	Remaining share from Rs 55 bn	Vol IV, various pages	Mostly Line Departments / DCs

Note: Figures are based on the best available disaggregated data compiled from the budget books. Data on expenditure and actual disbursements was not publicly released by the Sindh government.