

Civil Society White Paper

Advancing Local Governance in Pakistan



August 2025

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A Policy Imperative

August 2025

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Acronyms

ADP	Annual Development Programme
AwazCDS	Awaz Centre for Development Services
BLGA	Balochistan Local Government Act
CDA	Capital Development Authority
CGPA	Center for Governance and Public Accountability
CMA	Court Management Application
CMDP	Chief Minister's District Development Program
CPDI	Centre for Peace and Development Initiatives
DDAC	District Development Advisory Committees
ECP	Election Commission of Pakistan
FY	Fiscal Year
ICT	Islamabad Capital Territory
IHC	Islamabad High Court
KMC	Karachi Metropolitan Corporation
KP	Khyber Pakhtunkhwa
LG	Local Government(s)
LGO	Local Government Ordinance
MCI	Metropolitan Corporation Islamabad
MNA	Member of National Assembly
MPA	Member of Provincial Assembly
P&DD	Planning & Development Department
PFC	Provincial Finance Commission
PILDAT	Pakistan Institute of Legislative Development and Transparency
PKR	Pakistani Rupees
PLGA	Punjab Local Government Act
PML-N	Pakistan Muslim League-Nawaz
PPP	Pakistan Peoples Party
PSDP	Public Sector Development Programme
PTI	Pakistan Tehreek-e-Insaaf
PLD	Pakistan Legal Decisions Publishers
PDA	Pakistan Development Alliance
PILDAT	Pakistan Institute of Legislative Development and Transparency
SC	Supreme Court
SLGA	Sindh Local Government Act

Executive Summary

This Civil Society White Paper presents a critical assessment of local governance in Pakistan, revealing a system constrained not by accident but by deliberate political design and a persistent crisis of political will. Empowered local government is not mere an administrative option but the constitutional foundation of a democratic and stable Pakistan. Yet, our analysis of the period from FY 2024–25 to FY 2025–26 confirms that this foundation continues to be systematically eroded. Federal and provincial governments, regardless of party affiliation, have consistently prioritized centralization, creating a profound disconnect between the constitutional promise of Article 140-A and the reality of governance on the ground.

Fiscal Strangulation as a Tool of Control

Provincial Finance Commissions (PFCs), designed to guarantee predictable and equitable transfers, remain dormant, outdated, or manipulated in most provinces. This denies local governments the resources needed to function effectively. Compounding this, local governments have little to no authority to raise their own-source revenues, leaving them perpetually dependent on provincial discretion.

Parallel Structures: Bypassing Democratic Mandates

Billions of rupees in development funds are routinely channelled through legislators and centrally controlled programmes instead of elected councils. These practices openly defy the spirit of devolution and repeated Supreme Court rulings, further marginalising local governments.

Administrative Gatekeeping and Bureaucratic Dominance

The provincial bureaucracy, particularly Deputy Commissioners, continues to override the authority of elected representatives. This entrenches an imbalance where mayors and councillors are left as symbolic figures, unable to exercise meaningful power over development and service delivery.

Engineered Instability: Legal and Electoral Hurdles

Local institutions are destabilised through delayed elections, premature dissolution of councils, and politically motivated amendments to local government laws. These practices create legal uncertainty, weaken institutions, and prevent local governments from maturing into stable, accountable entities.

Provincial Variations, Uniform Outcomes

While the tactics differ across regions, the outcome is uniform: grassroots democracy remains systematically disempowered. In Punjab, new laws are passed but shelved, resulting in “legislative motion without movement.” In Sindh, councils are elected but rendered non-functional by withholding funds and authority. Khyber Pakhtunkhwa, despite having a functional and formula-

based PFC, undermines local autonomy through legislator-led District Development Advisory Committees (DDACs). In Balochistan, more than a decade without a PFC has entrenched fiscal starvation. In Islamabad, the absence of constitutional protection allows federal bureaucracy, particularly the Capital Development Authority (CDA), to exercise complete dominance over the Metropolitan Corporation, nullifying the role of elected local government.

Consequences of Systemic Failure

The consequences of this systemic failure are profound. Communities are denied essential public services. Citizens lose trust in democratic institutions when elected representatives are stripped of power. Politics becomes reliant on patronage rather than accountable, rule-based governance. Ultimately, this erodes the legitimacy of the state from the ground up and fuels disillusionment with democracy.

Tracking Progress

To move beyond rhetoric, Pakistan must begin monitoring measurable indicators of devolution, including:

- Percentage of Annual Development Programme (ADP) funds routed through elected local governments, province by province;
- Frequency and timeliness of PFC awards and transfers;
- Number of functioning councils and periods spent in suspension;
- Fulfilment of reserved seats for women, minorities, and workers;
- Regularity of citizen budget hearings and public disclosures;
- Timeliness of financial releases to local governments;
- Instances of judicial enforcement of local government rights.

Roadmap for Reform

The path forward is clear: activate Provincial Finance Commissions, guarantee uninterrupted local electoral cycles, devolve real fiscal powers, and end discretionary legislator-controlled funds. Bureaucratic gatekeeping must be dismantled, and local governments given the autonomy to serve citizens directly. Civil society and citizens alike must insist that Article 140-A is honoured in practice, not only in rhetoric. Without these reforms, Pakistan cannot hope to achieve accountable governance, sustainable development, or democratic stability.

Introduction

A nation's democratic health is built upon a true foundation of empowered local governance. As the closest interface between the citizen and the state, local governments are essential for responsive service delivery, inclusive development, and the cultivation of a participatory democratic culture. In Pakistan, this principle is unequivocally enshrined in Article 140-A of the Constitution, which mandates the devolution of "political, administrative and financial responsibility and authority" to elected local representatives [1]. This article is not a suggestion; it is the blueprint for the democratic foundation upon which a stable and prosperous Pakistan must be built.

Yet, the journey toward laying this foundation has been fraught with systemic resistance. The period following the 2024 general elections has been no exception. Across the country, a familiar pattern has consolidated: political parties champion devolution in their manifestos only to embrace centralization once in power [2, 3]. This White Paper, authored for the Pakistan Development Alliance, provides an unflinching, evidence-based analysis of this "promise-practice gap."

Moving beyond a general overview, this document offers a detailed, dual-focus assessment. It begins by outlining the overarching national challenges that create a landscape of institutional fragility for local governments. It then presents five dedicated chapters analysing the unique contexts of the Islamabad Capital Territory (ICT), Balochistan, Khyber Pakhtunkhwa (KP), Punjab, and Sindh. This structure allows for a nuanced understanding of how common themes of power retention manifest differently within each region.

Drawing on a rigorous review of provincial and federal budgets for FY 2024–25 and FY 2025–26, provincial local government acts, parliamentary records, and civil society reports, this paper seeks to cut through the rhetoric. Its purpose is to equip policymakers, legislators, and advocates with the data needed to demand meaningful reform and to begin the essential work of building Pakistan's future on the solid foundation of grassroots democracy.

Pakistan's Legal Landscape of Local Governance

The legal framework of Pakistan explicitly guarantees the establishment and functioning of local governments as an integral tier of the state. This framework is anchored in the Constitution and operationalised through provincial legislation, yet in practice, its promise is consistently undermined. Understanding the constitutional and statutory provisions—and the gap in their implementation—is central to assessing the crisis of devolution in Pakistan.

Constitutional Guarantee under Article 140-A

The cornerstone of Pakistan's local governance framework is Article 140-A of the Constitution, inserted through the 18th Amendment in 2010. It states:

"Each Province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments. Elections to the local governments shall be conducted by the Election Commission of Pakistan." [1]

This article enshrines a binding constitutional obligation on provinces to establish and sustain elected local governments with political, administrative, and fiscal powers. Unlike earlier ordinances, Article 140-A provides a permanent guarantee that local government is not discretionary but a **constitutional right** of citizens.

Judicial Interpretation and Enforcement

The superior judiciary has repeatedly emphasised that Article 140-A is not merely aspirational but imposes enforceable duties on provincial governments. In its landmark judgment *PLD 2014 SC 131* and reaffirmed in *CMA No. 490/2021*, the Supreme Court declared that provincial governments are bound to establish empowered local governments and cannot delay elections or retain parallel structures that undermine their authority [10]. The Court held that any attempt to bypass elected councils—such as routing development funds through legislators—violates the Constitution.

More recently, in June 2025, the Islamabad High Court (IHC) ordered the dissolution of the Capital Development Authority (CDA)'s municipal functions and directed the transfer of its powers and revenues to the Metropolitan Corporation Islamabad (MCI). The Court underscored that denying the elected MCI financial and administrative authority violated the democratic spirit of Article 140-A [18]. Although this judgment is under appeal [19], it illustrates growing judicial willingness to enforce the constitutional guarantee of devolution.

Provincial Legal Frameworks

While the constitutional mandate is uniform, its translation into provincial law reveals significant variations and loopholes that dilute the spirit of devolution.

- **Punjab:** The Punjab Local Government Act (PLGA) has undergone frequent amendments, most recently through the critics argue that the Bill reinforced administrative control by Deputy Commissioners rather than devolving substantive authority to local councils [3]. Notably, Punjab has not issued a new PFC award since 2017, leaving fiscal devolution dormant [5].
- **Sindh:** The Sindh Local Government Act (SLGA) 2013 (as amended) centralises control over key urban services. Amendments transferred functions such as solid waste management and building control from the Karachi Metropolitan Corporation (KMC) to provincial agencies [9]. This has fragmented governance, directly contradicting the constitutional principle of administrative devolution.
- **Khyber Pakhtunkhwa:** The KP Local Government Act 2013 (as amended) initially introduced a progressive framework, including a formula-based PFC mechanism [7]. However, the KP Establishment of District Development Advisory Committee (DDAC) Amendment Act 2024 legally empowered legislator-led committees to control local development, bypassing elected councils [22]. This demonstrates how provincial law has been repurposed to recentralise control despite constitutional obligations.
- **Balochistan:** The Balochistan Local Government Act (BLGA) 2010, though legally in place, remains undermined by the absence of a functional PFC since 2008 [4]. Development funds are almost exclusively managed by provincial line departments, while Quetta still lacks an elected council despite elections elsewhere in the province [23, 24]. This persistent non-implementation of legal provisions highlights the weakest enforcement of Article 140-A among all provinces.
- **Islamabad Capital Territory (ICT):** ICT represents a structural anomaly. Unlike provinces, it does not enjoy constitutional protection under Article 140-A, since the provision applies only to federating units [1]. The ICT Local Government Act 2015 created the MCI, but repeated postponements of local elections [13] and the transfer of its functions back to the CDA [14] have rendered it a hollow institution, subject to federal control.

The Implementation Gap

Across all provinces, a consistent gap emerges between constitutional guarantee, statutory provisions, and actual practice. Provincial governments comply with Article 140-A formally by enacting LG laws, yet dilute its substance by:

- Withholding fiscal devolution through dormant or outdated PFCs [4, 5, 6];
- Amending laws to centralise urban governance functions [9];
- Prematurely dissolving elected councils in violation of judicial rulings [10];
- Establishing parallel political structures such as Punjab's CMDP and KP's DDACs [11, 22];
- Delaying elections, leaving large territories without elected representation [13, 23].

This persistent pattern illustrates that Pakistan's legal architecture of devolution is strong on paper but weak in implementation. The constitutional and legal landscape provides an unambiguous mandate for empowered local governments in Pakistan. Article 140-A and subsequent judicial pronouncements leave no doubt that provincial governments are duty-bound to establish councils with political, fiscal, and administrative authority. Yet, across all provinces, the implementation of these guarantees has been persistently undermined. The challenge is therefore not one of legal absence but of deliberate political subversion, reflecting provincial governments reluctance to surrender power to grassroots level. It is to these systemic practices of disempowerment that the following section now turns.

Systemic Barriers to Local Democracy

While the Constitution provides a strong legal foundation for local democracy, in practice provincial and federal governments have developed entrenched mechanisms to weaken it. These barriers are not accidental lapses but deliberate strategies to retain centralised control. They manifest through fiscal strangulation, parallel governance structures, bureaucratic gatekeeping, and engineered instability. Each of these dynamics systematically reduces elected councils to symbolic entities, depriving citizens of meaningful representation and accountability.

Fiscal Strangulation as a Tool of Control

The most potent instrument used to control local governments is financial dependency. This is a structural feature, manifested in two critical ways. First is the widespread failure to operationalize Provincial Finance Commissions (PFCs). In provinces like Balochistan, these vital mechanisms for equitable, formula-based fund distribution have been dormant for over a decade [4]. In Punjab and Sindh, they have not been updated for many years [5, 6]. This forces local governments into a state of perpetual dependency, reliant on unpredictable, ad-hoc grants. Second, local governments possess almost no meaningful authority to generate their own-source revenue. Major fiscal instruments like urban property tax are retained by provincial governments, stripping local bodies of the ability to build self-sufficiency [7, 8, 9].

Parallel Structures: Bypassing Democratic Mandates

To further consolidate central control, provincial and federal governments consistently utilize parallel structures that bypass elected local bodies. The most prominent example is the allocation of substantial discretionary development funds directly to Members of National and Provincial Assemblies (MNAs/MPAs). This practice, repeatedly flagged by the Supreme Court as unconstitutional, channels billions of rupees into patronage networks [10]. This is compounded by the administrative dominance of the provincial bureaucracy. The office of the Deputy Commissioner, in particular, often serves as the primary authority for executing local development projects, effectively marginalizing the role of elected mayors and councillors [11, 12].

Engineered Instability: Legal and Electoral Hurdles

The democratic continuity of local governments is perpetually undermined by engineered instability. Elections are frequently and deliberately delayed for years, leaving a vacuum filled by provincial administrators [13]. Even when elections are held, the tenure of elected councils is not secure; premature dissolutions are common, preventing local institutions from maturing [8]. This is coupled with a pattern of frequent, politically-motivated amendments to provincial local government laws, which often create legal ambiguity or insert clauses that claw back devolved powers [7].

Representation and Inclusivity Gaps

Local government laws across Pakistan reserve seats for women, non-Muslims, peasants/workers, and youth—quotas reach as high as one-third in Balochistan, KP, and ICT, though they are lower in Punjab and Sindh.[31] Yet, implementation gaps persist: a Dawn report found that in Islamabad's 2022 LG elections, 17% of women's reserved seats remained uncontested, and 56% of minority seats were left vacant due to lack of candidates.[32] Moreover, ECP data shows a continued gender gap in voter registration, with women comprising only 46.3% of registered voters as of April 2025, and female voter share dipping to 41.3% overall in the 2024 general elections—revealing enduring disparities that likely affect council elections too.[33]

These structural limitations mean that, even when quotas exist, they translate into descriptive rather than substantive representation. Women and minority councillors frequently lack access to budgetary authority, decision-making forums, and development planning spaces, rendering their legislative presence largely symbolic. Ensuring meaningful inclusivity in LGs will require procedural reforms—such as regular elections, clear committee representation rules, open budget hearings, and mechanisms for effective engagement—to convert reserved seating into real governance influence.

A Case of Centralized Control

The Islamabad Capital Territory (ICT) presents a unique and stark illustration of the national struggle for local democracy. As the federal capital, its local government system is not protected by the constitutional mandate of Article 140-A, leaving it exceptionally vulnerable to the political and bureaucratic will of the central government [1]. The result is a system that exists in law but is systematically denied the power, resources, and authority to function in practice.

A Mandate Crippled by Design

The Metropolitan Corporation Islamabad (MCI), created by the ICT Local Government Act of 2015, has been systematically disempowered since its inception. The most fundamental expression of this is the failure to ensure democratic continuity. After the first-ever local government elections in 2015, the MCI was established in 2016. However, upon the expiry of its term in 2021, fresh elections have been repeatedly postponed, leaving the capital without an elected local government for years [13]. As of July 2025, the city's municipal affairs remain under the control of appointed administrators. This political marginalization is reinforced by administrative disempowerment. In 2020, in a clear reversal of devolution, key municipal functions such as sanitation and water supply were transferred from the MCI back to the Capital Development Authority (CDA), the powerful federal body that has historically run the city [14].

Financial Strangulation and the Absence of Autonomy

The MCI is rendered powerless by its complete lack of financial autonomy. It has no significant independent revenue base, as the authority to collect lucrative urban taxes remains with the CDA [15]. Furthermore, ICT has no equivalent of a Provincial Finance Commission to ensure predictable or equitable fiscal transfers. Development funding is channelled through a top-down, opaque process. The annual allocation of PKR 6 billion in both FY 2024–25 and FY 2025–26 for "Development Schemes in ICT" is controlled and executed entirely by the Ministry of Interior and the CDA, with no institutional role for the MCI [16, 17].

Judicial Pushback and Institutional Resistance

This centralized control was challenged in a landmark judgment by the Islamabad High Court (IHC) in June 2025. The court ordered the dissolution of the CDA's municipal functions and the transfer of its powers and revenues to the MCI [18]. However, in a clear display of institutional resistance, the CDA immediately filed an appeal against this decision. While the appeal is pending, the status quo of centralized control persists, perfectly illustrating the ongoing power struggle between an entrenched federal bureaucracy and the potential for grassroots democracy [19].

LOCAL GOVERNANCE IN BALOCHISTAN

An Architecture of Control

Balochistan, Pakistan's largest province by geography, illustrates how local governance can be controlled through a sophisticated architecture of fiscal dependency. Historically defined by fiscal starvation due to a dormant Provincial Finance Commission (PFC), the provincial government's recent strategy has shifted. Due to dormant PFC, It provides large-scale discretionary grants that bypass legally mandated devolution mechanisms, creating a facade of generosity while ensuring that local governments remain deprived of the institutional autonomy and authority required to function as a truly democratic tier of government.[20] Now, the Balochistan Local Government Act, 2010 contained provision of Local Council Grants Committee which has been amended and replaced with Local Council Finance Commission LCFC.

The Dormant PFC: A Decade of Fiscal Starvation

The most critical instrument of control is fiscal. The Provincial Finance Commission (PFC)—the mechanism designed to ensure predictable and equitable financial transfers—has been dormant in Balochistan since 2008 [4]. This prolonged inactivity means that all financial flows to the local level are discretionary, ad-hoc, and subject to political expediency. This state of fiscal starvation is a deliberate policy choice that guarantees the subservience of local bodies [21]. The legal framework for local governance in Balochistan is the Balochistan Local Government Act (BLGA) 2010. While the Act formally establishes a three-tiered (Five tiered system, consisting of Urban (Municipal Committee, Municipal Corporation and Metropolitan) and Rural (Union Council and District Council) divide, LG system and outlines responsibilities for service delivery and planning, its enforcement has been weak and marked by centralizing tendencies. Amendments introduced in 2013, 2019 and 2022 purported to strengthen local autonomy but, in practice, did little to challenge provincial control over finances and personnel. Recent government statements on large-scale reforms remain aspirational and have not yet been translated into binding legal changes to dismantle this centralized structure.

Opaque Development and Bureaucratic Dominance

The province's substantial development budget is managed almost exclusively by provincial line departments and the bureaucracy. In FY 2025-26, the Local Government department received a mere 5.1% of the total provincial development budget [22]. Furthermore, the provincial government does not publish disaggregated, district-level data on its development spending, making it impossible to track funds. This opacity ensures that development planning remains a top-down exercise, dominated by provincial legislators and the powerful office of the Deputy Commissioner [20].

Incomplete Democracy: Delayed and Partial Elections

This systemic disempowerment is compounded by an inconsistent commitment to the democratic process. Local government elections are frequently delayed. Even when polls were held in 34 districts in 2022, the provincial capital, Quetta, remains without an elected local government due to legal and administrative hurdles, emblematic of the low priority assigned to grassroots governance [23, 24].

LOCAL GOVERNANCE IN KHYBER PAKHTUNKHWA

The Pioneer's Paradox

Khyber Pakhtunkhwa (KP) presents a unique paradox in Pakistan's journey toward devolution. It has consistently been a legislative pioneer, yet this legislative promise is continuously undermined by the creation of parallel structures that centralize power. The story of KP is one of a dynamic conflict between an articulated policy of devolution and an entrenched political culture of control. This has created the "Pioneer's Paradox": a province with progressive, formula-based systems on paper that are rendered ineffective by a political will to retain central control, leading to a system that is legally active but paralyzed in practice. [7].

The Façade of Fiscal Devolution

While Khyber Pakhtunkhwa has a regular and functional Provincial Finance Commission (PFC) that issues formula-based awards, this progressive system is systematically subverted in practice. Although the PFC determines the amount of funds to be transferred, the actual control over the allocation and approval of these funds is legally captured by legislator-led parallel structures. This sophisticated mechanism renders the PFC a procedural formality, fulfilling a legal requirement on paper but failing to deliver genuine financial autonomy to the grassroots level [7].

DDACs: Institutionalizing Political Interference

The most significant instrument of central control in KP is the District Development Advisory Committee (DDAC). Originally consultative bodies, the DDACs were legally transformed into the de facto authority for local development through the Khyber Pakhtunkhwa Establishment of District Development Advisory Committee (Amendment) Act, 2024. Chaired by and composed of provincial and national legislators, these committees now have the formal power to "approve, prioritize, and monitor" all development schemes, completely bypassing the elected third tier of government and institutionalizing political interference.

A Cycle of Dissolution and Instability

The ultimate expression of political dominance over local democracy in KP is not premature dissolution but engineered functional paralysis. Following elections in 2021-22 that delivered significant victories to opposition parties, the provincial government has systematically withheld

development funds from the councils. While the councils were briefly suspended by the ECP in February 2023, they were reinstated by the Peshawar High Court a month later and remain legally in place. However, this financial strangulation has brought council business to a standstill, nullifying their electoral mandate and preventing them from serving their constituents during their legally protected four-year term, which is set to expire in mid-2026. [8].

LOCAL GOVERNANCE IN PUNJAB

Legislative Motion Without Movement

As Pakistan's most populous province, Punjab's approach to local governance sets a powerful national precedent. However, its recent history is a case study in legislative motion without meaningful movement. The provincial government has been active in drafting and passing laws, yet the on-the-ground reality for local governments remains one of profound disempowerment, reflecting a deep-seated strategy to maintain a veneer of reform while ensuring real power remains centralized [27].

A Cycle of Dissolution and Legal Limbo

Democratic continuity has been persistently denied to Punjab's local governments. The province has a history of prematurely dissolving elected councils—a move declared unconstitutional by the Supreme Court—and allowing for long periods without elected local representation. The latest chapter is the Punjab Local Government Bill 2025. Passed by the assembly, it was subsequently put in abeyance following criticism that it did not devolve sufficient authority, leaving the province once again in legal limbo with no clear timeline for functional local governments [3].

Fiscal Centralization through Parallel Programs

Punjab's fiscal strategy epitomizes the façade of devolution. While budgets announce substantial local-level allocations, control is routed around elected LGs. A prime example is the Chief Minister's District Development Program (CMDP), a discretionary block fund amounting to PKR 80 billion in FY 2024–25 and rising to PKR 95 billion in FY 2025–26 [11, 28]. These funds are executed primarily through the offices of provincial administrators, bypassing democratic local bodies entirely. Furthermore, the Provincial Finance Commission (PFC), essential for transparent fund distribution, has not issued a new award since 2017 [5].

Bureaucratic Gatekeeping as Official Policy

The architecture of governance in Punjab is designed to ensure bureaucratic supremacy. The controversial 2025 Bill explicitly sought to legalize the oversight role of Deputy Commissioners in local development. Even without this bill, these provincial officials already function as the primary gatekeepers of district development, managing major projects and controlling fund flows, thereby marginalizing elected representatives [27].

LOCAL GOVERNANCE IN SINDH:

Fragmented and Weak: The state of Local Government In Sindh

The state of local governance in Sindh presents a stark paradox: legally established and elected local bodies exist, yet they remain largely paralyzed and non-functional. This situation arises from a deliberate provincial strategy of withholding the financial resources and administrative authority necessary for these institutions to operate. The result is a democratic structure that exists on paper but has been effectively hollowed out from within [29].

Elected but Inoperative: A Democratic Deficit

Following elections between 2022 and 2023, newly elected councils have been prevented from becoming fully functional [30]. For an extended period, many representatives were not administered their oaths, and crucial operational and development funds were systematically withheld by the provincial government. This engineered paralysis was highlighted in May 2025, when hundreds of elected LG members marched to the Sindh Assembly to protest for their constitutionally mandated funds and powers [29].

Centralized by Law: The Undermining of Urban Governance

The legal framework, the *Sindh Local Government Act (SLGA) 2013*, has been amended to actively centralize power. In Karachi, key municipal functions like solid waste management and building control have been carved out from the authority of the Karachi Metropolitan Corporation (KMC) and handed over to provincial agencies [9]. This legislative fragmentation creates overlapping mandates, erodes accountability, and ensures the provincial government retains direct control over the most visible urban services.

Fiscal Control through Opaque Channels

Sindh's fiscal management demonstrates a clear intent to side-line local governments. The *Provincial Finance Commission (PFC)* has been inactive with a new award since 2017 [6]. While the province allocates a significant PKR 55 billion annually to a "District ADP," budget documents reveal that approximately 75% of these funds are executed directly by provincial departments and appointed administrators, not by elected LGs [28]. The sharp increase in these district allocations coinciding with the lead-up to the 2024 general election suggests that electoral considerations, rather than a commitment to sustained institutional strengthening, influenced these fiscal decisions. [2].

A COMPARATIVE ANALYSIS

Overarching Dynamics of Decentralization

A comparative analysis across Pakistan's federating units reveals that the challenges to local governance are not isolated incidents but systemic features of a political culture that resists the decentralization of power. While the specific mechanisms of control vary, the outcome is uniformly a weakened third tier of government.

Political Commitments vs. Institutional Practice

The period following the 2024 general elections provides a stark illustration of the gap between manifesto promises and governance reality. The PML-N in Punjab and at the federal level committed to strengthening local democracy, yet its primary legislative effort in Punjab was a bill that reinforced administrative control [3]. The PPP, governing Sindh and Balochistan, pledged autonomy for LGs, yet in practice, its government in Sindh has presided over elected-but-paralyzed councils, while in Balochistan, it has failed to revive the dormant PFC [2, 4]. The PTI in Khyber Pakhtunkhwa, despite explicit pro-devolution rhetoric, has a record of institutionalizing parallel development committees led by legislators [7, 8]. This cross-party consistency in failing to match rhetoric with action demonstrates that centralizing power is a shared political priority.

Common Mechanisms of Centralized Control

Across the diverse political landscapes, the tools used to maintain central control are remarkably similar:

- **Fiscal Strangulation:** Every province suffers from a non-functional or outdated Provincial Finance Commission (PFC), the most critical shared failure [4, 5, 6].
- **Bureaucratic Gatekeeping:** The administrative apparatus of the province, particularly the office of the Deputy Commissioner, consistently serves as the primary instrument for managing local development [11, 12].
- **Parallel Political Structures:** Whether through Punjab's CMDP or KP's legally formalized DDACs, provincial governments have perfected the art of creating parallel channels that allow legislators to direct local development [3, 26].
- **Engineered Instability:** The refusal to commit to regular, uninterrupted electoral cycles is a universal tactic that prevents LGs from maturing [13].

Civil Society and the Future of Local Democracy in Pakistan

In a political environment where the will for devolution remains weak, civil society has emerged as the most consistent driver of grassroots democracy. More than a gap-filler, it is the actor that sustains the constitutional promise of Article 140-A when governments retreat. By holding power to account, connecting citizens to institutions, and keeping the reform agenda alive across electoral cycles, civil society shapes not only the present but also the future of local democracy in Pakistan. Its role spans seven interlinked domains: accountability, citizen empowerment, institutionalising participation, strengthening local institutions, coalition-building, navigating civic space, and sustaining long-term transformation.

Watchdog and Accountability Role

Civil society holds governments accountable for the constitutional promise of Article 140-A. Organizations such as AwazCDS-Pakistan, PDA, PILDAT, CPDI, and provincial advocacy groups track budgets, produce governance scorecards, and conduct expenditure reviews that expose gaps between manifesto promises and practice [8]. Their documentation informs parliamentary debate, supports judicial rulings, and equips the media with evidence. Notably, the Supreme Court's judgments against discretionary legislator-led funds [10] drew strength from civil society's independent analysis of fiscal distortions.

Citizen Empowerment and Civic Education

Civil society connects citizens to institutions by translating legal principles into everyday rights. Through civic education campaigns, town halls, and social media outreach, CSOs demystify how LGs function, why budgets matter, and how citizens can hold officials accountable. In Sindh, CSOs amplified the voices of hundreds of LG members who marched to the Assembly in May 2025 demanding their rightful funds [29]. Such mobilization transforms citizens from passive recipients of patronage into active rights claimants.

Institutionalising Citizen Participation and Accountability

Civil society also advances the institutionalisation of citizen participation mechanisms envisioned in provincial LG laws but rarely implemented in practice. Provisions such as Section 82 of the Sindh Local Government Act, which requires budget consultations [9], and citizen committees envisaged under the Punjab LG framework [3], remain dormant without external pressure. Where CSOs have facilitated participatory budgeting exercises, public hearings, and social audits, they have demonstrated that these practices improve service delivery priorities and build citizen trust in governance. In KP and Sindh, for example, civil society-led budget hearings enabled citizens to question allocations and hold councillors accountable for delivery [20]. Embedding these mechanisms within the formal functioning of LGs, rather than leaving them to ad hoc initiatives, is essential for making devolution genuinely responsive and accountable to citizens.

Capacity Building of Local Institutions

Provincial governments have invested little in preparing councillors to govern effectively. Civil society has filled this vacuum by training LG representatives in planning, budgeting, and financial management. By reducing their reliance on provincial administrators, these efforts strengthen LGs as independent actors. In KP's merged districts and Balochistan's remote regions, CSOs have provided critical technical assistance where state institutions are weak, enabling councillors to serve their communities more effectively.

Coalition-Building and Advocacy for Reform

Civil society's greatest strength lies in coalition-building. Networks such as the Pakistan Development Alliance unite NGOs, academia, lawyers, and grassroots organizations under a common reform agenda. By framing devolution as a democratic imperative, civil society sustains political pressure across party lines. Even during prolonged suspensions in Punjab and ICT, advocacy coalitions kept LG reform alive in the national conversation, preventing it from slipping off the policy agenda.

Navigating Challenges in a Constrained Civic Space

Civil society's effectiveness is constrained by a shrinking civic space. Regulatory amendments, such as those to the Societies Act, have blurred distinctions between NGOs and religious bodies, exposing development organizations to reputational and legal risks. Limited access to budget data further hampers oversight. Political actors often accuse CSOs of partisanship, undermining their credibility. Despite these challenges, civil society remains one of the few resilient voices defending grassroots democracy.

Driving the Long-Term Transformation

Civil society sustains continuity where political cycles produce instability. It builds institutional memory where state structures erase it. It sustains hope for reform where citizens face repeated disappointment. Without civil society, Article 140-A risks remaining an unfulfilled aspiration. With civil society, Pakistan retains the possibility of building a genuinely participatory democracy from the ground up.

Key Recommendations

Based on the comprehensive analysis presented in this White Paper, the following actionable recommendations are proposed to fundamentally realign Pakistan's governance structure with the principles of democratic decentralization:

1. Strengthen the Constitutional Framework for Local Governance

- **Amend Article 140-A:** The Constitution should be amended to add explicit, enforceable guarantees for the political, administrative, and financial autonomy of local governments. This should include defining a mandatory minimum percentage of provincial budgets to be transferred to LGs and legally protecting their control over devolved functions and revenue sources.
- **Empower the Election Commission of Pakistan (ECP):** Amend the Constitution and relevant election laws to grant the ECP unequivocal and independent authority to announce and conduct local government elections within a stipulated timeframe after the expiry of a council's term, without requiring the consent or direction of provincial or federal governments. This is essential to end the practice of engineered electoral delays.

2. Enforce Existing Mandates and Activate Dormant Institutions

- **Judicial Enforcement:** The superior judiciary should exercise its constitutional jurisdiction to ensure provincial governments adhere to the existing mandate of Article 140-A, including holding timely elections and ensuring the functional autonomy of elected bodies [10].
- **Activate Provincial Finance Commissions (PFCs):** All provincial governments must immediately constitute and operationalize their PFCs with independent secretariats, creating legally binding, formula-based fiscal transfer awards [4, 5, 6].

3. Dismantle Parallel and Extra-Constitutional Structures

- **Abolish Discretionary Legislator Funds:** All discretionary development funds allocated to legislators (MNAs/MPAs) and parallel programs like the CMDP must be abolished. These funds should be channelled directly into the provincial divisible pool for distribution to local governments through the PFCs [3, 26].
- **Ensure Administrative Devolution:** The administrative control of provincial bureaucracies over local government functions must be curtailed. The roles of Deputy Commissioners should be redefined to be supportive rather than supervisory of elected local leadership [11, 12].

4. Build Institutional Capacity and Citizen Oversight

- **Grant Genuine Fiscal Autonomy:** Provincial laws should be amended to devolve significant revenue-generating authority to local governments, particularly the urban immovable property tax, to build local self-sufficiency [7, 8, 9].
- **Strengthen Legal and Electoral Stability:** The practice of prematurely dissolving local governments must end. The legal framework should be strengthened to provide for a secure and uninterrupted five-year tenure for all local councils [8].
- **Foster Citizen Engagement:** Legally mandate the creation of platforms for citizen participation in local planning and budgeting. Support civil society efforts to conduct social audits and performance assessments of local governments to strengthen public accountability [1].

Conclusive Call

Reclaiming Democracy from the Ground Up

The evidence in this White Paper makes one truth inescapable: Pakistan's local governments have been systematically weakened not by chance, but by design. Provincial and federal elites have hollowed out the constitutional promise of Article 140-A through fiscal starvation, bureaucratic vetoes, and engineered instability. The result is a democracy without roots—citizens denied services, councillors stripped of power, and communities left hostage to patronage rather than rights. [21, 29] This centralisation of power has come at a profound political cost, eroding trust in institutions and undermining the state's legitimacy from the ground up.

Continuing on this path is no longer an option. The choice before Pakistan is stark: remain trapped in cycles of elite control and citizen disillusionment, or take the courageous step of returning power to where it belongs — with the people. The roadmap in this White Paper sets out the way forward: activate and enforce Provincial Finance Commissions, guarantee uninterrupted local elections, grant councils real fiscal and administrative authority, and embed inclusivity in practice, not just law. Anything less is cosmetic reform. The time for delay has ended; the time to reclaim democracy from the grassroots is now.

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