Policy Paper
on
Punjab Provincial Finance Commission (PFC) Award

November 2018
Policy Paper

on

Punjab Provincial Finance Commission (PFC) Award
November 2018

Centre for Peace and Development Initiatives would welcome reproduction and dissemination of the contents of the report with due acknowledgments.

Centre for Peace and Development Initiatives
Tel: +92 (51) 831 2794-5
Fax: +92 (51) 844 3633
Email: info@cpdi-pakistan.org
URL: www.cpdi-pakistan.org

Disclaimer
Every effort has been made to ensure the accuracy of the contents of this publication. The organisation does not accept any responsibility of any omission as it is not deliberate. Nevertheless, we will appreciate provision of accurate information to improve our work.

## Contents

INTRODUCTION AND BACKGROUND .......................................................................................................................... 1  
IMPORTANCE OF FINANCIAL DEVOLUTION ........................................................................................................... 3  
HISTORY OF PFC IN THE PUNJAB: 2001 TO 2018 .............................................................................................. 4  
PFC AWARD: ISSUES AND CHALLENGES IN PUNJAB ......................................................................................... 8  
1. DELAY IN TRANSFER OF POWERS: ...................................................................................................................... 8  
2. FAILURE TO ANNOUNCE PFC AWARD: .................................................................................................................. 8  
3. ABSENCE OF PERMANENT COMMISSION: .......................................................................................................... 8  
4. DISTRICT NOT TREATED AS ONE ADMINISTRATIVE UNIT IN PFC: ............................................................... 9  
5. LACK OF FINANCIAL AUTHORITY AND RESPONSIBILITY AT LOCAL LEVEL: .................................................. 9  
6. FINANCIAL DEVOLUTION LOW IN PRIORITY: ..................................................................................................... 9  
7. EMERGING SCENARIO: ........................................................................................................................................ 10  
CONCLUSION ......................................................................................................................................................... 11  
1. TIMEFRAME FOR TRANSFER OF POWER TO NEW LGS: .................................................................................... 11  
2. CONSTITUTION OF PERMANENT FINANCE COMMISSION: ................................................................................. 11  
3. STRENGTHENING OF THE PFC: .......................................................................................................................... 11  
4. IMMEDIATE ANNOUNCEMENT OF NEW PFC AWARD: ...................................................................................... 11  
5. DISTRICT TO BE MADE CENTRE OF THE DISTRIBUTION FORMULA: ......................................................... 11  
6. DELEGATION OF FINANCIAL AUTHORITY AND RESPONSIBILITY: ................................................................. 12  
7. DECLARATION OF DEVOLUTION AS A PRIORITY SUBJECT: ............................................................................... 12  
8. INCREASE IN SHARE OF THE LOCAL GOVERNMENT: ......................................................................................... 12
Introduction and Background

The Provincial Finance Commission Award generally known as PFC award is the term referred to a formula for vertical and horizontal distribution of financial resources between province and the local governments (LGs) and among different LGs.

The 14th chapter of the Punjab Local Government Act (PLGA) 2013 deals with Punjab Finance Commission and Fiscal Transfers. Section 110, 111, 112 and 114 of the PLGA 2013 are about establishment, composition, functions and powers of the commission respectively. The commission is responsible to make recommendations to the government on a formula for resource distribution including:

i. Distribution of the Provincial Consolidated Fund between the Provincial Government and the local governments into a Provincial Retained Amount and a Provincial Allocable Amount.

ii. Distribution of Provincial Allocable Amount amongst the local governments as share of each local government; and

iii. Distribution of amounts received by the Government in lieu of Octroi and Zila Tax amongst the local governments.

The Provincial Consolidated Fund (PCF) is the computation of proceeds received from all sources including provincial share from the National Finance Commission (NFC) Award, all provincial taxes, fees and grants etc. in simple words one can say it’s the pool of all provincial resources that need to be distributed between province and local governments.

The Provincial Retained Amount (PRA) is the percentage share of the provincial government out of the Provincial Consolidated Fund. The Provincial Allocable Amount (PAA) is the collective percentage share of all the local governments in the province. The division of PCF into PRA and PAA is the vertical distribution of the resources whereas the further determining percentage share of each local government out of the PAA is the horizontal distribution of resources among the local governments. The flowchart 1.1 elaborates this distribution further.

It is very important to note that the distribution of resources from province to the local governments as mandated in the PLGA 2013 gets its endorsement from the constitution of Pakistan. The Article 140-A of the constitution of Islamic Republic of Pakistan entrusts the provinces with the responsibility of establishing the local governments that would have power to manage their financial matters along with other functions. The clause (1) of the Article 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.”

The Article 140-A, in its present form, was inserted through the 18th constitutional amendment in 2010 but the foundation for devolution of powers was laid even before that. Different regimes had introduced their local government systems in the past but

---


2 [https://pakistanconstitutionlaw.com/article-140a-local-government/](https://pakistanconstitutionlaw.com/article-140a-local-government/) the Article 140-A
undoubtedly the financial devolution in its stronger manifestation was first seen in Local Government Ordinance (LGO) 2001\(^3\).

Chart 1.1. Distribution of resources through PFC

It is pertinent to note that the provision of a financial distribution formula is vital for exercise of financial authority and resultantly obtaining fruits of devolution through the local governments. Following the tradition set in LGO 2001, the legislature also included provisions for provincial finance commission award in PLGA 2013. This implies that determination and timely announcement of local governments’ share is mandatory on the provincial government so that the local governments may make their plans for the coming years. This is also laid down in section 104 (2) of the PLGA 2013 as: “The Government shall, sufficiently before the beginning of each financial year, notify the provisional share, which may be credited to the Local Fund of a local government from the Provincial Allocable Amount.”

Importance of Financial Devolution

Decentralization in any country can be seen as comprising of administrative, political and financial devolution. While a holistic approach towards all these aspects of devolution is essential for a functional democracy, the importance of “fiscal decentralization” or financial devolution cannot be over-emphasized. As a matter of fact, without providing matching resources through a sharing formula to perform designated mandates, even the best scheme of political and administration devolution is bound to fail and frustrate. By combining elements of expenditure assignment, revenue assignment, inter-governmental transfers/grants designs and borrowing, fiscal decentralization can act as the most important driver for making any decentralization experiment a success story.

The world over, fiscal decentralization has been seen as leading to positive results in the working of local governments and in improving service delivery. In case of Philippines, it has been seen that fiscal decentralization improved and promoted the notion of budget autonomy at the sub-national level by balancing and rationalizing lump-sum grants viz a viz conditional grants mechanism. The arrangement resulted in uninterrupted supply of adequate revenue streams to local governments for supporting delivery of their mandates. It was also seen to lead to availability of positive incentives to encourage higher tax effort, promote expenditure efficiency and discourage fiscal deficits which had become a norm in majority of local government tiers. At a strategic level, fiscal decentralization experience in Philippines led to increased equity and fairness in terms of treatment of central government with local government tiers. Last but not the least, it was observed that overall fiscal transfers to sub-national tiers were seen as increasing enhanced fiscal expenditure needs while there was a downward trend as fiscal or revenue generation capacity boosted at local level.4

Similar successes have also been seen in case of sub-national governance experience in Uganda where fiscal decentralization was employed for achieving goals of poverty reduction across country. Menu of fiscal instruments employed in Uganda included conditional grants, Unconditional grants, equalization grants, local development grants, development transfer system and recurrent transfer system. It has been noted that while the use of these instruments present important constraints related to administrative and financial capacity and management, their use nonetheless has been improving over time as these challenges are addressed through deliberations and discussions through forums such as Local Government Budgets’ Committee (LGBC). Measured in terms of their impact on allocative efficiency, macroeconomic stability and income redistribution, the instruments are judged to be effective. Uganda has also developed a Fiscal Decentralization Strategy (FDS), which is being used to harmonize central and local government planning and budgeting cycles to ensure that local needs and priorities do feed back into the national budget.5

---

4 Fiscal Decentralization and Local Finance Reforms in the Philippines; Discussion Paper Series No. 2009-10, Philippines Institute for Development Studies
5 Comparative Lessons on Local Planning & Fiscal Dimensions: The Case of Uganda- Kenneth Odero
History of PFC in the Punjab: 2001 to 2018

Under the Local Government Ordinance 2001, the provinces were required to make a single-line transfer of resources for both non-development and development expenditure to the local governments. The resources transferred by the provincial governments were to be distributed among the bodies according to the formula prescribed in the PFC award which was to remain valid for three years. Since the Local Government Ordinance 2001 and then after promulgation of the Local Government Act 2013 Punjab has seen two interim and one proper PFC award. The details of these three awards are discussed separately.

- In view of the delay in the finalization of the provincial award, the local governments in the Punjab were initially provided fiscal resources under an interim PFC award given at the time of announcement of the budget for 2002-03 in June 2002. The interim award fixed share of local governments at 38.72% of the total Provincial Consolidated Fund. This percentage was increased to 39.80% by a revised award issued in the month of October, the same year. The formula devised by the award for distribution of development funds among districts gave 67% weightage to the population and 33% to the backwardness. As far as intra-district distribution of the above-mentioned development funds is concerned the PFC award gave 75% share to the districts and 25% to the Tehsil Municipal Administrations (TMAs).

- A proper PFC Award only came in 2006 which clearly laid down resource transfer regime for various local government tiers in the province. PFC Award 2006 was based on a mix of provincial retained and provincial allocable for supporting decentralized system in the province. Provincial Retained amounted to 58.1% while Provincial Allocable share was fixed as 41.9%. Horizontal Distribution under PFC Award 2006 comprised a number of grants including General Purpose Grants, Equalization Grants, Development Grants and Tied Grants. All these Grants were apportioned among various tiers of local government.

---

governments including District Governments, Tehsil/Town Municipal Administrations and Union Councils.

The following table presents shares of these grants as allocated for various tiers of local governments.

<table>
<thead>
<tr>
<th>Title of Grant</th>
<th>District Governments</th>
<th>TMAs</th>
<th>Union Administrations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Purpose Grant</td>
<td>60.08</td>
<td>7.43</td>
<td>3.69</td>
<td>71.2</td>
</tr>
<tr>
<td>Equalization Grant</td>
<td>7.43</td>
<td>1.87</td>
<td></td>
<td>9.3</td>
</tr>
<tr>
<td>Development Grant</td>
<td>8.84</td>
<td>2.46</td>
<td></td>
<td>11.3</td>
</tr>
<tr>
<td>Tied Grant</td>
<td>7.46</td>
<td>0.74</td>
<td></td>
<td>8.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83.81</strong></td>
<td><strong>12.50</strong></td>
<td><strong>3.69</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The below seen chart summarizes the vertical and horizontal distribution formula of 2006.

Under PFC Award 2006, several criteria were employed for distributing various types of grants among district governments. In case of General Purpose grant, the sole criteria of population were used for allocating shares to different districts. For Equalization Grant, the criteria covered “Fiscal Gap” between baseline expenditures and shares under General Purpose Grant as well as extent of the balance amount of Grant after equalization that was to be distributed on the basis of population. Similarly, in case of Development Grant, the criteria entailed a distribution of 50% on the basis of the Underdevelopment index (MIC) while the other 50% was distributed on account of population of the district. Lastly, there were Tied Grants which considered criteria of population and performance for resource distribution at respective ratios of 60% and 40% in case of Education. In the case of health sector, the same Tied Grants were distributed on the basis of criteria of population and MICs benchmark at respective ratios of 70% and 30%.
The next Award in Punjab came in the shape of PFC Interim award 2017 where shares of local governments were substantially reduced compared with previous Award. Apparently, this reduction of shares was warranted by curtailing of functional assignments for various tiers of local governments under the latest Local Government Act which came in operation in 2017. Provincial Retained and Provincial Allocable under Interim PFC Award 2017 were kept at 62.5% and 37.5% respectively. Horizontal distribution of Interim PFC Award 2017 in Punjab was based on distribution among three distinct entities, viz, local councils, District Health Authorities and District Education Authorities. In case of local councils, the factors for consideration included Population density, Poverty rates and lack of access to improved water sources at premises. In case of District Health Authorities, these factors included Population density, prevalence of population aged <= 9 & >=65, women population aged 15 to 49 and Poverty rates. Lastly, in case of District Education Authorities, the factors included population density, school-going age population, poverty rates, girls’ middle enrolment rate and percentage of out-of-school children. The below chart summarises the vertical and horizontal distribution formula.

The Following table presents flow of funds under Punjab Interim PFC 2017.

<table>
<thead>
<tr>
<th>Grant Type</th>
<th>DEAs</th>
<th>DHAs</th>
<th>Councils</th>
<th>Unions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Purpose Grant</td>
<td>57.0</td>
<td>13.0</td>
<td>9.0</td>
<td>3.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Development Grant</td>
<td>5.2</td>
<td>2.3</td>
<td>2.5</td>
<td>1.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Transition Grant (Temporary)</td>
<td>4.7</td>
<td>1.0</td>
<td>1.3</td>
<td>0.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>66.9</td>
<td>16.3</td>
<td>12.8</td>
<td>4.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Ambivalence and reluctance of Provincial Government to allocate matching financial resources to devolved set-up during recent years can be explained from a number of
perspectives. First and foremost, provincial government in Punjab had only reluctantly opted for setting up local governments (after apex court’s directions) and had little appetite to transfer resources away from provincial level. Secondly, the last decade saw proclivity of Punjab Government for undertaking large and complex infrastructure projects in power and mass transit sectors in large cities. Such mega-projects invariably consumed huge amounts of provincial resources, leaving with limited fiscal space for provincial government to transfer resources to local governments. Last but not the least, the out-going provincial government appeared to had gone in “election mode” since last few years whereby strengthening devolved set-up was seen less of a priority and more a “necessary burden”. All these factors resulted in a situation where Interim PFC Award 2017 saw lesser allocable resources going to devolved set-up over last couple of years.

With coming to power of a new provincial government in Punjab (which enjoys substantive decentralization related credentials in KP province between 2013-2018) it will be interesting to see how the issue of granting fiscal autonomy and precedence to devolved structures in the forthcoming local governance framework will be addresses.
PFC Award: Issues and Challenges in Punjab

The transfer of financial powers to local governments has not seen a smooth sailing in Punjab ever since the idea of devolution was floated and pursued vigorously in the year 2000 and the Local Government Ordinance was promulgated in 2001. The local government elections were held in 2001 but the local government rules were framed in 2003. This delay also hampered process of financial devolution. It was no surprise that first PFC Award in Punjab was announced as late as 2006 and till that time, stop gap arrangements were put in place to provide fiscal resources to local governments. Following its smooth functioning, the decentralization system experienced major jolt in its second tenure after 2008 general elections when new elected government in Punjab hinted at changing the local government system. According to section 120-F(2) of the LGO 2001 a finance award had be announced for three years. Punjab saw only three PFC awards from 2001 to 2016; it was January 1, 2017 when Local Government Act 2013 came into effect while Punjab Local Government Ordinance 2001 was repealed and local governments constituted under it dissolved the same day.

1. Delay in transfer of powers:

After passing of new law in 2013 and holding of local government elections in 2015 the local governments were still being steered by the provincial government nominated administrators till end of 2016. The elected chairpersons of the local governments took charge of their offices on January 2, 2017; notification for this purpose was issued on January 1, 2017. This was the first time when the elected representatives got opportunity to take care of the financial matters of local governments in Punjab after 2009.

2. Failure to announce PFC Award:

After promulgation of The Punjab Local Government Act 2013 the provincial government of Punjab did not constitute Punjab Finance Commission hence Punjab province did not have a PFC award till December 2016. To compensate for delay, the Punjab government approved an interim PFC award on 30th of December 2016 that would last only for 6 months. Later the government constituted the commission that held its inaugural meeting in July 2017 to initiate it’s working. The process did not complete in time and the Punjab government could not announce the fourth award before end of its tenure in May 2018. The absence of the PFC award has been a major impediment in financial devolution in the province.

3. Absence of Permanent Commission:

The Punjab Local Government Act 2013 requires establishment of ‘Punjab Finance Commission’ that would come up with a formula for resource distribution but the law remains silent about the tenure of the commission. This implies that the commission is not of permanent nature and government would constitute the commission on its desire.

---

7 The first interim PFC award in Punjab was an interim award issued June 2002, second was announced in 2006 and the third again an interim award finalized in 2016 and notified on 1st of January 2017.

Notification of PLGA 2013 coming into effect on 1st of January 2017

Notification for dissolution of local governments established under PLGO 2001


11 https://punjab.gov.pk/node/2167 announcement of interim PFC Award on official website
This notion is supported by the fact that the commission did not exist for more than four years after promulgation of the PLGA in 2013. This obligation was partially fulfilled by constitution of Interim Provincial Finance Committee in 2016 that finalized its recommendations on December 8, 2016\textsuperscript{12}. Previous sections of this report have already shared the contents of this Interim Award and fund flow mechanism covering various tiers of local governments.

\textbf{4. District not treated as one administrative unit in PFC:}

District is the most important administrative unit for municipal service delivery and basic health and education services. True and effective financial devolution cannot be possible without making resources available to the district for development planning and execution according to its own needs. Reading through the interim PFC award\textsuperscript{13} and the resultant funds released in February 2017\textsuperscript{14} it appears that district itself is not at the center of this financial devolution; instead different local government bodies are addressed separately. No allocation has been made to the districts to cater for its needs as one administrative unit with authority to steer the local governments in district.

\textbf{5. Lack of financial authority and responsibility at local level:}

The resource distribution formula and the available record of development funds allocation shows that various tiers of local governments in Punjab have not been given substantive authority and responsibility in the devolution of financial resources under the latest Interim Award. The distribution formula deals with different layers of the local government system directly and disburses resources directly. This clearly means that the district itself (as one entity alike LGO 2001) has limited financial authority and responsibility to perform important roles in service delivery at all. Lack of financial authority at district level in the latest PFC is hence a major impediment in the way of an integrated development approach at district level.

\textbf{6. Financial devolution low in priority:}

Review of the devolution process in Punjab reveals that the financial devolution has been very low in priorities of the consecutive governments of Punjab province. The last elected local governments (LG) completed tenure in 2009. The Punjab government neither held new local government elections nor did it bring new local government law. After laps of four years, the Punjab assembly passed LG Act 2013 but execution remained too slow. In 2015 the LG elections were held but the new law came into effect in January 2017. Between 2009 and January 2017 the local governments remained in provincial government’s control through its nominated administrators. Ironically, the last PFC award was announced in 2006 for three years but the government did not take adequate steps to formulate new formula. There has been no PFC award in the province for more than eleven years now, except for an interim arrangement that lasted between January and June 2017. These are clear indications that the financial devolution has never been a priority of the provincial government during the last ten years.

\textsuperscript{12} https://punjab.gov.pk/node/2167 official announcement of the interim PFC Award on 30\textsuperscript{th} of December 2016 refers in its first paragraph about interim finance committee that finalised its recommendations on 8\textsuperscript{th} of December 2016.

\textsuperscript{13} https://punjab.gov.pk/node/2167 salient features of the interim PFC award

\textsuperscript{14} https://lgcd.punjab.gov.pk/system/files/selection\%20\%281\%22.pdf the detail of first development fund release based on interim finance award
7. Emerging Scenario:

A new provincial government has assumed power in Punjab following 2018 elections in Pakistan. The present provincial government is headed by the political party which designed and implemented a better version of local government system in KP province where it remained in power between 2013-2018. Latest information from Punjab reveals that Provincial Government is actively working on a new local government system for the province which in all likelihood will be predicated upon the model of local governance which was employed in KP province during last tenure. It is pertinent to mention that latest Local Government system in KP had unprecedented level of fiscal decentralization as there was legally binding provision to transfer at least 30% of provincial ADP resources to different tiers of local governments under a laid down formula.

It will be interesting to note how the new and soon-to-be –introduced local government system in Punjab handles the issue of fiscal decentralization. Similarly, it will also be interesting to see whether a new PFC award is announced or the existing Interim award is tweaked to serve the purpose of financial devolution. These decisions will largely shape the nature of local governance system and its effectiveness towards strengthening democracy in the province in coming years.
Conclusion

Provincial Finance Commission Awards has great significance in the devolution process. Amicable distribution of resources among the province and the local governments is not possible in absence of the PFC award. The debate does not end at the formula itself; the mechanism to formulate the formula and the ways and means to execute it are also equally important. The discussion in preceding chapter brings us to following conclusion.

1. **Timeframe for transfer of power to new LGs:**

   The local government Act does not set any timeframe for establishment of new local governments and complete transfer of powers and resources. The provincial government must set a timeframe for such transfer. The Local Government Act must clearly determine in what duration the new local government should take over and financial matters be transferred to it.

2. **Constitution of permanent Finance Commission:**

   The new government in Punjab should give immediate attention to the financial devolution for strengthening of local government. This cannot be achieved without the Punjab Finance Commission that would then devise resources sharing formula. A permanent Finance commission should immediately be established so that ambiguity about financial devolution ends in the province. The provincial assembly should set specific tenure for technical members and a clear term for one award so that the commission and its recommendations get a permanent nature.

3. **Strengthening of the PFC:**

   The idea of permanent finance commission is incomplete without a permanent secretariat and dedicated staff. The commission should also be equipped with an active research team to keep a watch on changing demography, economic conditions, financial performance of local governments and social indicators. This team would also be responsible to provide reliable data to the commission for future recommendations by the PFC for new awards. The commission should also be responsible to review status of funds distribution according to the formula and should have the powers to take corrective measures in case of any violations of the formula or unnecessary delays in release of funds to a particular local government is noticed. The commission should also have the power to entertain complaints regarding matters related to financial devolution and the execution of the PFC formula.

4. **Immediate announcement of new PFC award:**

   The previous government had initiated the process to devise a new PFC formula. The Punjab Finance Commission was constituted in last parliamentary year but the formula was never announced. It is the responsibility of the new government to immediately expedite the process and facilitate earliest announcement of the PFC award so that: (i) the formula for distribution of resources can be made available before the next financial year; and (ii) uncertainty about availability of resources to the local governments is removed, allowing them to initiate their development planning in time.

5. **District to be made centre of the distribution formula:**

   The current PFC mechanism is sector wise focused and provides a formula for health, education authorities, municipal corporations / committees and rural areas dominated district councils. This distribution mechanism does not help a district to plan for its development priorities and exercise its administrative, political and financial authority and
responsibility and one administrative and political unit. It is recommended that the new PFC mechanism focuses on devising formulas for determining share of the districts and the districts be given that right to make need based budget allocations to their health, education and municipal services delivery.

6. **Delegation of financial authority and responsibility:**

The delegation of financial authority and responsibility it not only restricted to allocation of resources for a local government, it is much more than that. The local government should have access to the financial resources, should be able to plan its development agenda based on these promised resources, should have ways and means to implement its development agenda while remaining with in the available resources and reasonable restrictions. The new government should fulfil its promises by actually delegating financial responsibility and authority to the local governments in its true manifestation.

7. **Declaration of devolution as a priority subject:**

The provincial government should follow the footsteps of its party chairman and declare devolution as one of its top most priorities. This declaration is very important in the current scenario when the elected local governments could not function for more than 7 years and a formula to determine their rightful share in provincial resources is still awaited. The provincial government should immediately take up the issue of financial devolution and make it part of its local government reforms that it had already promised.

8. **Increase in share of the local government:**

The interim PFC award issued in December 2016 promised devolution of 44% of Net Provincial Consolidated Fund to local governments\(^\text{15}\). This percentage needs to be increased to at least 50%. Punjab has a total of 36 districts that have diverse demography. Some are huge and some are very small. PFC formula may have a percentage share of a smaller district as low as around 1% of the allocable amount. Increase in the percentage of the allocable amount in Provincial Consolidated Fund will automatically guarantee a larger amount for relatively smaller districts, hence promoting more financial devolution.

Resolution of the issues related to the PFC and its award is need of the hour. It is important that the provincial government takes up these issues immediately and builds a level of trust regarding its commitment with devolution of administrative, political and financial authority and responsibility to the elected representatives of the local governments at district level as desired by the constitution of Pakistan.

\(^{15}\) [https://punjab.gov.pk/node/2167](https://punjab.gov.pk/node/2167) the announcement of interim PFC on provincial government website showing 44% share to the local governments.
Centre for Peace and Development Initiatives (CPDI) is an independent, non-partisan and a not-for-profit civil society organization working on issues of peace and development in Pakistan. It is registered Under Section 42 of the Companies Ordinance, 1984 (XLVII of 1984). It was established in September 2003 by a group of concerned citizens who realized that there was a need to approach the issue of peace and development in an integrated manner. CPDI is a first initiative of its kind in Pakistan. It seeks to inform and influence public policies and civil society initiatives through research-based advocacy and capacity building in order to promote citizenship, build peace and achieve inclusive and sustainable development. Areas of special sectoral focus include promotion of peace and tolerance, rule of law, transparency and access to information, budget watch, media watch, election watch and legislative watch and development.