

Study on Budget  
Making Process at  
District Level in Punjab  
(2014-15)

Citizens Network for Budget Accountability

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# **Study on Budget Making Process at District Level in Punjab (2014-15)**

**Citizens Network for Budget Accountability (CNBA)**

**&**

**Centre for Peace and Development Initiative (CPDI)**

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## Executive Summary

Transparent, accountable and rule-based government is the key pre-requisites of a well-functioning of democracy throughout the world. Government Budgets being the main pillar of any government to deliver services to its citizens; need also to be based on the above mentioned pre-requisites. Current study is an attempt to analyze the budget making process at district level in the province of Punjab and provide concrete policy recommendations to achieve the full potential of public spending to achieve poverty reduction and growth objectives.

This study is based on the survey conducted in all districts of Punjab to study the budget making process at district level. The process is being analyzed keeping in view the Punjab District Government & Tehsil Municipal Administration Budget Rules, 2003. These rules have laid out in clear terms the rules and procedures for the formation and approval of budget at the district level. This study is an investigation to find out the level of compliance of district governments to procedures and timelines enshrined there in the rules.

The survey results revealed very depressing trends though an overall improvement over a similar kind of survey. A total of only 14 districts issued the Budget Call Letters (BCL) before 31<sup>st</sup> October, 2013 though according to the budget rules, it should be sent by end-September of each year. On account of submission of estimates of expenditure and receipts, majority of the districts fall short of the deadline. Only in 11 districts, all Drawing and Disbursement Officers (DDOs) submitted the estimates of expenditure on time. Similarly, The Collecting Officers (COs) of only 8 districts out of 36 districts have prepared and submitted the estimates of receipts for the coming fiscal year.

Most of the districts in the province are working with inefficient budget staff that has little capacity to prepare the budget well in time. There are only nine (9) districts where the budget branch is in excellent condition and can efficiently manage the budget branch while the remaining districts lack capacity to carry out smooth functioning of the process of the budget making in district. With a total sanctioned strength of 535 persons in the budget branch, only 289 (just above half) are active employees in 36 districts. The data shows that half of the districts governments are managed by below the bare requirement to run the budget branch of the district government. Only Five districts are working with full sanctioned strength. 13 districts are without any budget officers, only 2 districts have research staff, 13 districts are working with untrained staff, and 4 districts has no internet facility on their computers. Similarly only 10 district governments have functional websites and even here only 6 districts have uploaded their annual budgets to the websites.

On public participation in the budget making process, most of the district governments are very week. According to our index, 32 districts are either week or very week on engaging the public in budget making process. Only 13 districts did some kind of consultation with stakeholders before issuing the BCL. Only 10 districts planned or held pre-budget consultations. Similarly only 10 districts either planned or released Citizen Budget Statement to the public. There were only 2 districts which shared the timetable of different stages of budget formulation with the general public.

Poor performance of district governments as depicted in these survey results may be indicative of lack of political oversight over the district governments. To make them accountable, local government elections are the only solution to increase the public participation in the budget making process.

## Acknowledgement

The credit for the second “Study of Budget Making Process at District Level in Punjab- (2014-15)” goes to the untiring efforts of the entire team. Under the apt supervision of Syed Kausar Abbas, Program Manager, the members of Citizen Network for Budget Accountability (CNBA) have immaculately carried out the interviews of Executive District Officers (Finance and Planning) of all districts of Punjab and undertaken the task.

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## 1. Introduction

People's participation in the decision making process of the government is a key feature of any working democracy. Public pressure can make the elected representative accountable and responsive to the needs of the people. Budget Making is also a key government task and participation of public can address the governance issues positively. However, active involvement of general public and stakeholders can only be achieved through an informed and aware civil society. The reasons that budget making process in Pakistan is very close and restricted is due to the same fact that people are unaware of their rights and responsibilities. People in general have very little opportunity to participate in the budget process and thus are unable to change their living standards directly.

National and international organizations works in the field of budget transparency to compel the governments at different levels to open up their budget making process for the general public to participate in the process. According to the International Budget Partnership, (an international organization which collaborates with civil society around the world), budget analysis and advocacy can be used as a tool to improve effective governance and reduce poverty;

“In countries throughout the world, few public decisions have a greater impact on people's lives than decisions about public budgets and spending. It is here that governments make fundamental choices about the quality of education that children will receive the availability of health care to the poor, the course of development, and laying the groundwork for their national future. It is for that reason that it is vital for citizens and civil society organizations (CSOs) to be engaged in those decisions. That involvement rests on three fundamental tasks — getting access to budget information, understanding the implications of the choices involved, and, through advocacy, taking action to help shape those budget choices.”

Budget Transparency is thus seen as a pillar of good governance for the overall welfare of the public around the world. In Pakistan, a lot of secrecy is involved around the budget and thus this culture need to be changed through researched based advocacy. This research will be a step towards that direction and will enable the CSOs to advocate for more public participation in the budget making process at districts level in Punjab.

## 2. Objective of Study

While Federal and provincial government budgets in Pakistan are widely discussed and debated, there is a dearth of a discourse on District Budgets in Pakistan. Very little is known about how district budgets are being prepared and debated let alone to know about whether the budget rules are followed or not while making district budgets. The objective of the current study is to analyze district budget making process through a comprehensive survey carried out with the help of Citizens Network for Budget Accountability (CNBA). As provincial government has to conduct local government elections as per constitution, this study will help local government representatives and other stakeholders in future to understand the process of budget making and loopholes in it. Similarly all Civil Society Organizations (CSOs) working in field of budget advocacy and transparency can benefit from the findings of this study. This study aims to provide research based evidence to support budget advocacy, strengthening the

ability of civil society organizations (CSOs) and the public to influence decisions on tax and expenditure policies of the district governments in the province of Punjab.

### 3. Methodology

This report will present research based evidence regarding District budget making processes in Punjab through analyzing a comprehensive survey carried out by CPDI throughout all districts in Punjab. The survey is based on an extensive questionnaire designed by CPDI and carried out by 20 different Civil Society Organizations (CSOs) through Citizen Network for Budget Accountability (CNBA). The survey questionnaire was designed to monitor district budget performance for the following four broader objectives.

1. People's participation in Budget making process at District level
2. District government following the procedures as prescribed in the Budget Rules 2003
3. District governments meeting the timelines as defined in the budget calendar
4. Openness and capacity of the district governments in its budget making process

All survey questions were designed to capture major guidelines issued in the Punjab District Government Budget Rules, 2003. The survey instruments consisted of questions related to the budget timeliness, budget cycle, budget documents, and participation of citizens in budget making process, competitiveness of district budget branch and connectivity of the district budget to the internet. The main respondents were Executive District Officers (EDOs), Finance & Planning and District Officers (DOs), Budget. If these two officers were unable district budget staff was asked to fill the questionnaires.

Based on the above survey, some simple tables and charts were drawn to analyze the performance of districts against important indicators. Wherever necessary, indexes of different indicators were prepared using multiple questions of the survey. Districts ranking based on these indexes were prepared and compared to the last year performance wherever it was possible.

## 4. District Budget Calendar:

The following two tables are taken from the Punjab District Government and Tehsil Administration (Budget) Rules, 2003 which provide the detail of the steps involved in the preparation of annual budget. The survey instruments used during this study is based on these timelines and procedures.

Table 1.1: Budget Calendar: Processing of Development Schemes		
Sr.No	Activity	Target Date
1	Submission of schemes by Councils and other Stakeholders etc.	August - January
2	Review of proposals by concerned offices	
3	Approval of Nazim concerned to prepare project proposal	
4	Preparation of project proposal by concerned offices	
5	Administrative Approval of project proposal by District Development Committee or Tehsil Development Committee as the case may be.	
6	Preparation of detailed estimates and accordance of Technical sanction	
7	Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget	April
8	Approval of Budget by Council	June
9	Implementation of projects by executing agencies	July

Table 1.2: Budget Calendar: Current & Development		
Sr.No	Activity	Target Date
1	Issue Call letter and guidelines to concerned offices.	September
2	i) Submission of Schemes by CCBs (Copy to Evaluation Committee of Council).	1st March
	ii) Submission of prioritized list of schemes by concerned offices along with Administrative Approval /technical sanction for inclusion in ADP.	
3	i) Excesses and Surrenders Statement	March
	ii) Revised Estimates and Supplementary Budget if required.	
	iii) Statement of New Expenditure	
	iv) Consolidation of draft Budget (current and Development) for next financial year. Finalization by Nazim.	
4	Submission of draft Budget to Council based on initial estimates provided by the Provincial Government	1st April
5	Review of Draft Budget by Council.	April
6	Input from Government and Public on the proposals agreed by the Council.	1st May to 1st June
7	Revisions and Changes by Head of Offices and Finalization..	May - June
8	Submission of final Budget to Council based on final estimates provided by the Provincial Government	June
9	Approval of Final Budget by Council.	June
10	Communications of Current Budget Grants to concerned Offices and Accounts Offices.	July
11	Final Accounts previous year.	October

## 5. Issuance of Budget Call Letter:

The very first step in the preparation of any budget document is to prepare and issue the Budget Call Letter (BCL) after consultation with the relevant stakeholders. BCL is also called Budget Call Circulars (BCCs). The Finance and Budget Officer at each district shall issue the BCLs along with the budget calendar and other necessary guidelines to each head of offices in the district. BCL is an official notification issued by the department of finance to other departments inviting them to formulate and submit budget estimates for the next Fiscal Year (FY). It also explains the procedure for the preparation of budget estimates. BCL comprises of instructions and guidelines for preparing budget estimates and calendar of budget related activities. BCL is also accompanied by a number of forms on which the line departments draw their budget estimates for next fiscal year.

According to the rules prescribed in the budget calendar, the BCL should be issued in the month of September each year. Results of our survey question on BCL are reported in Table 2. We have relaxed the budget rules, just for analysis purpose, and allow BCL to be issued by end-October as acceptable.

As shown in Table 2, 14 districts have issued the BCL before 31<sup>st</sup> October, 2014 while 17 issued it

<b>BCL Issuance</b>	<b>Districts</b>	<b>Total</b>
No, BCL is not issued till March 31, 2014	Multan, Hafizabad, Rajanpur, Faisalabad, Pakpattan	5
Yes, BCL has been issued between Nov 1, 2013 and March 31, 2014	Kasur, Gujranwala, Sahiwal, Narowal, Attock, Gujrat, Okara, Jhang, Sialkot, D.G.Khan, Nankana Sahib, Lahore, Sheikupura, Toba Tek Singh, Khushab, Vehari, Rawalpindi	17
Yes, BCL has been issued before Oct 31, 2013	Rahmiyar Khan, MandiBahauddin, Khanewal, Bhakkar, Sargodha, Lodhran, Jhelum, Chakwal, Muzaffargarh, Chiniot, Mianwali, Bhawalpur, Layyah	14

between 1<sup>st</sup> November, 2013 and 31<sup>st</sup> March, 2014. Only Five districts were such which did not issue the BCL even by 31<sup>st</sup> March, 2014. It should be noted that an overall improvement is being observed as compared to the results we reported for the previous fiscal year<sup>1</sup>. Last fiscal year only 5 districts issued the BCL before November, while this year 14 districts issued the BCL before 31<sup>st</sup> October. Similarly, last year, 15 districts either did not issue the BCL at all or did not share the information with CSOs. While this year only 5 districts did not issue the BCL till 31<sup>st</sup> March. This can be attributed to the active advocacy efforts of this organization over budget transparency in Punjab. It was also noted that of 31 districts which issued the BCL, 20 districts were such that they did send the Budget Calendar with BCL as required under the laws.

<sup>1</sup> 'Studying Budget Making Process at District Level (2013-14)', published jointly by Citizens Network for Budget Accountability (CNBA) & Centre for Peace & Development Initiative (CPDI), Islamabad.

## 6. Submission of Estimates of Expenditure:

As per budget 2003 rules, estimates of both development and non-development expenditures should be made after the issuance of BCL. It was observed (Table 3) during the survey that only in 11 districts, all Drawing and Disbursing Officers (DDOs) have submitted their estimates of expenditure as per budget rules. In the remaining districts, either some (16) DDOs in the district have submitted their estimates of expenditures or no (9) DDO have submitted the estimates on time as given in the Budget Calendar. This shows that a large number of DDOs in the district were unable to follow the budget rules, 2003. Comparing to the last fiscal year report where only DDOs in 12 districts had submitted the estimates of expenditure, this year 27 DDOs have submitted some or all estimates of expenditure. However, even this time 16 districts were such that only some DDOs have submitted the estimates of expenditure.

Status of Estimates of Expenditures	Districts	Total
No, estimates are not submitted by any DDO	Rahimyar Khan, Bhakkar, Sahiwal, Rajanpur, Gujrat, Nankana Sahib, Sheikupura, Khushab, Pakpattan	9
Yes, estimates are submitted by all DDOs	Kasur, Mandi Bahauddin, Khanewal, Hafizabad, Okara, Muzaffargarh, Chiniot, Lahore, Faisalabad, Rawalpindi, Layyah	11
Yes, estimates are submitted by some DDOs	Gujranwala, Multan, Sargodha, Lodhran, Narowal, Attock, Jhelum, Jhang, Sialkot, D.G.Khan, Chakwal, Mianwali, Toba Tek Singh, Vehari, Bhawalpur, Bhawalnagar	16

## 7. Submission of Estimates of Receipts:

As for the Budget Rules 2003, estimates of receipts should be submitted by all Collecting Officers (COs) to the head of offices. COs of 35 districts answered the question while CO of Bahawalpur did not answer the question. Table 4 below shows the status of the submission of receipts by district departments to EDO/F&P. It was observed (Table 4) during the survey that only in 8 districts, all Collecting Officers (COs)

Status of Estimates of Receipts	Districts	Total
No, estimates are not submitted	Rahimyar Khan, Gujranwala, Multan, Bhakkar, Hafizabad, Sahiwal, Rajanpur, Narowal, Sialkot, Chakwal, Nankana Sahib, Sheikupura, Khushab, Faisalabad, Bhawalpur, Pakpattan	16
Yes, estimates are submitted by some COs	Sargodha, Lodhran, Attock, Gujrat, Okara, D.G.Khan, Chiniot, Mianwali, Lahore, Toba Tek Singh, Vehari	11
Yes, estimates are submitted by all COs	Kasur, Mandi Bahauddin, Khanewal, Jhelum, Jhang, Muzaffargarh, Rawalpindi, Layyah	8
Information not shared	Bhawalpur	1

have submitted their estimates of receipt as per budget rules. In the remaining districts, either some (11) COs in the district have submitted their estimates of receipts or no (16) COs have submitted the

estimates on time as given in the Budget Calendar. This shows how a large number of COs in the district were unable to follow the budget rules, 2003.

## 8. Capacity of Budget Branch:

The competent and motivated budget staff is essential for an accurate, error free, and timely budget making process. This study uses a number of indicators and parameters to judge the effectiveness of the budget branch in the budget process at district level. The indicators include the number of people working out of the total sanctioned strength, availability of research and trained staff, availability of computers and internet and training taken by the budget staff during last three years. Weights assigned to these parameters are given in annexure and the districts were ranking according to scores given in Table 5.

<b>Table 5: Ranking of the Competitiveness of the Budget Branch of Districts</b>		
<b>Competitiveness</b>	<b>Districts</b>	<b>Total</b>
Excellent	Khanewal, Bhakkar, Hafizabad, Jhelum, Jhang, Lahore, Faisalabad, Bhawalpur, Layyah	9
Very Good		0
Good	Kasur, Mandi Bahauddin, Gujranwala, Multan, Sargodha, Sahiwal, Rajanpur, Attock, Okara, Chiniot, Nankana Sahib, Sheikupura, Toba Tek Singh, Khushab, Rawalpindi	15
Average	Lodhran, Gujrat, Chakwal, Mianwali, Vehari, Pakpattan	6
Poor	Rahimyar Khan, Sialkot, D.G.Khan, Muzaffargarh	4
Very Poor	Narowal, Bhawalnagar	2

**Excellent:** score above 80 of 100; **Very Good:** score between 71 & 80; **Good:** score between 61 & 70; **Average:** score between 50 & 60; **Poor:** score between 33 & 49; **Very Poor:** Score below 33

## 9. Public Participation:

According to the District Budget Rules of 2003, it is the duty of all district governments in Punjab to arrange pre-budget seminars and consultation sessions with relevant stakeholders. The same rules also defines the stakeholders and include Councils, elected representatives, general public, women's organization, private sector, Citizen Community Boards, District Mushawarat Committee, Non-Government Organizations, Community Based Organizations and other relevant organizations. District governments are required, by law, to incorporate feedback from the above stakeholders in the final budget. However, it was observed during the study that most of the district governments paid no attention towards public participation in the budget making process. Table 6 give a summary detail of districts on their consultation sought during the budget making process.

Consultation with Stakeholders	Districts	Total
One Consultation Made with Stakeholders	Sargodha, Lodhran, Sahiwal	3
More than One Consultation Made	Rahimyar Khan, Mandi Bahauddin, Narowal, Jhelum, Chakwal, Chiniot, Mianwali, Lahore, Vehari, Bhawalnagar	10
No Consultation Made	Kasur, Khanewal, Gujranwala, Multan, Bhakkar, Attock, Gujrat, Okara, Jhang, Sialkot, D.G.Khan, Muzaffargarh, Nankana Sahib, Sheikupura, Toba Tek Singh, Khushab, Bhawalpur, Rawalpindi, Layyah	19
Not responded	Hafizabad, Rajanpur, Faisalabad, Pakpattan	4

Another indicator of public participation is Statement of Citizen Budget for the consumption of general public. Citizen Budget is a document of district budget which is easy to understand and a simplified version to be released for the general public.

Citizen Budget Status	Districts	Total
Citizen Budget Neither Prepared Nor Planned	Rahimyar Khan, Kasur, Gujranwala, Bhakkar, Hafizabad, Lodhran, Sahiwal, Rajanpur, Okara, Jhelum, Jhang, Sialkot, D.G.Khan, Chakwal, Muzzafargarh, Chiniot, Nankana Sahib, Mianwali, Lahore, Sheikupura, Toba Tek Singh, Khushab, Faisalabad, Vehari, Bhawalnagar, Pakpattan	26
Citizen Budget Not Prepared but Planning to Release	Khanewal, Multan, Attock, Gujrat, Bhawalpur, Rawalpindi, Layyah	7
Prepared and Released	Mandi Bahauddin, Sargodha, Narowal	3

## 10. District Governments with or without functional Website:

The internet has revolutionized the flow of information as more and more people are now connected to the internet to access and disseminate information. The online presence of government organization is also increasing with each passing day and people share this information on social media. A healthy discourse can develop with increasing availability of online information about the functioning of governments. Proactive approach to disclose maximum information is the hall mark of transparent government and is necessary for increasing accountability of the government policies and priorities.

While in Pakistan, federal and provincial governments have its functional websites; most of the district governments in Punjab are still not having their websites. There are pages of almost every district on the provincial website but sharing only some brief profile and history of respective districts without any details of functioning of district government. Currently only 10 districts (names given below in Table 8) have functional and interactive websites. However, only 8 districts have their districts budgets uploaded to their websites. However, the situation is improved over the previous year when only 6 districts had functional websites. There is an urgent need for functional and interactive websites for the districts in Punjab which don't have any website at all.

<b>Table 8: Districts with or without Functional Websites</b>		
<b>Website Status</b>	<b>Districts</b>	<b>Total</b>
Districts with Functional Websites	Rahimyar Khan, Multan, Lodhran, Jhelum, Chakwal, Muzaffargarh, Toba Tek Singh, Khushab, Faisalabad, Bhawalpur, Sargodha	11
Districts without Functional Websites	Mandi Bahauddin, Khanewal, Gujranwala, Bhakkar, Hafizabad, Sahiwal, Rajanpur, Narowal, Attock, Gujrat, Okara, Jhang, Sialkot, D.G.Khan, Chiniot, Nankana Sahib, Mianwali, Lahore, Sheikhpura, Vehari, Rawalpindi, Bhawalpur, Layyah, Pakpattan, Kasur	25

## 11. Openness & Capacity of District Governments

Openness of a government refers to the full disclosure of information for public discourse and discussion. Open governments present themselves for public accountability of which open public budget to the general public is a major part. The main objective of an open budget is to make government budgeting more transparent and participatory, more responsive to national priorities, better able to resist corruption, and more efficient and effective. National and international organization working with civil society advocates for open budget and produce independent analysis of government budgets to initiate discussions around budget and its transparency. In Pakistan, budgets at the district level are considered as secret documents and district officials often deny access to information on budget. Unless the public has access to budget information, they can't participate in the budget making and analyzing process.

Research has shown that greater openness and transparency in budgets may respond to the public demands and can have a positive impact on poverty reduction and growth. Participatory budget making process incorporate citizen and stakeholders' feedback in the budget and thus more responsive to the public needs. Based on a mix of indicators, Table 9 ranked different districts in Punjab with respect to its score on openness and capacity of district governments. Our findings show that most of the district governments in Punjab are very weak on openness and capacity of the district governments on budget related processes.

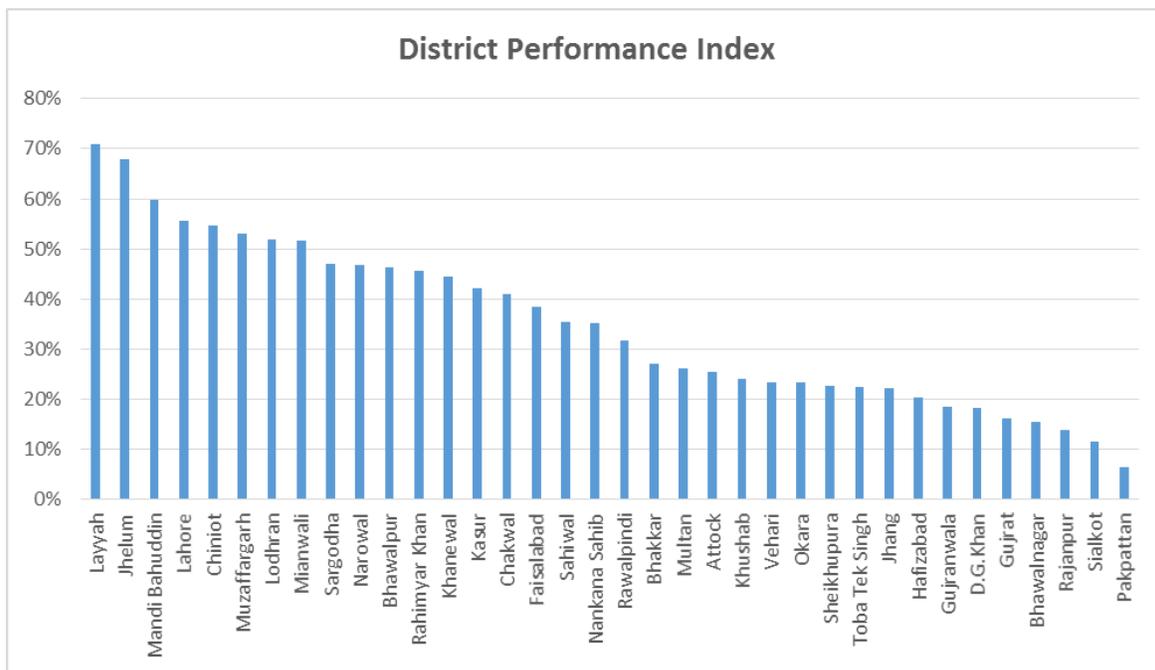
<b>Table 9: Openness and Capacity of District Governments</b>					
<b>S.No</b>	<b>Districts</b>	<b>Public Engagement</b>	<b>Timelines Followed</b>	<b>Competitiveness of Budget Branch</b>	<b>Openness in the Budget Process</b>
1	Rahimyar Khan	Weak	very Weak	Very Weak	Weak
2	Kasur	Weak	very Weak	Moderate	Very Weak
3	Mandi Bahuddin	Strong	Moderate	Moderate	Strong
4	Khanewal	very weak	Weak	Strong	Very Weak
5	Gujranwala	very weak	very Weak	Moderate	Very Weak
6	Multan	very weak	very Weak	Moderate	Very Weak
7	Bhakkar	very weak	very Weak	Strong	Very Weak
8	Hafizabad	very weak	very Weak	Strong	Very Weak
9	Sargodha	Average	very Weak	Moderate	Very Weak
10	Lodhran	very weak	Moderate	Weak	Very Weak
11	Sahiwal	very weak	very Weak	Moderate	Very Weak
12	Rajanpur	very weak	very Weak	Moderate	Very Weak
13	Narowal	Moderate	Weak	Very Weak	Weak
14	Attock	very weak	very Weak	Moderate	Very Weak
15	Gujrat	very weak	very Weak	Weak	Very Weak
16	Okara	very weak	very Weak	Moderate	Very Weak
17	Jhelum	Weak	very Weak	Strong	Weak
18	Jhang	very weak	very Weak	Strong	Very Weak
19	Sialkot	very weak	very Weak	Very Weak	Very Weak
20	D.G.Khan	very weak	very Weak	Very Weak	Very Weak
21	Chakwal	very weak	very Weak	Weak	Very Weak
22	Muzaffargarh	very weak	Moderate	Very Weak	Very Weak
23	Chiniot	very weak	Moderate	Moderate	Very Weak
24	Nankana Sahib	very weak	very Weak	Moderate	Very Weak
25	Mianwali	Weak	Moderate	Weak	Very Weak
26	Lahore	very weak	Moderate	Strong	Very Weak
27	Sheikhupura	very weak	very Weak	Moderate	Very Weak
28	Toba Tek Singh	very weak	very Weak	Moderate	Very Weak
29	Khushab	very weak	very Weak	Moderate	Very Weak
30	Faisalabad	very weak	Weak	Strong	Very Weak
31	Vehari	very weak	very Weak	Weak	Very Weak
32	Bhawalpur	very weak	Moderate	Strong	Very Weak
33	Rawalpindi	very weak	very Weak	Moderate	Very Weak
34	Bhawalnagar	very weak	very Weak	Very Weak	Very Weak
35	Layyah	Average	Moderate	Strong	Very Weak
36	Pakpattan	very weak	very Weak	Weak	Very Weak

**Strong:** score above 80 of 100; **Moderate:** score between 60 & 80; **Weak** score between 50 & 59; **Very Weak:** Score below 50

## 12. District Performance Index

A consolidated Index was calculated using all questions in the survey instruments to get an overall picture of the district performance and present a comparative picture of intra-district variation in the performance on budget related indicators. Different weights were assigned to each question contained in the questionnaire according to transparency, efficiency, timeliness, rules-followed and public engagement.

Based on our calculations, Districts of Punjab are ranked according to their performance index in the chart below. Only eight districts (Layyah, Jhelum, Mandi Bahauddin, Lahore, Chiniot, Muzaffargarh, Lodhran and Mianwali performs above average (more than 50%) while remaining 28 districts perform poorly.



## 13. Conclusion

Current study is the second connective study of CPDI on the budget making process at district level in the province of Punjab. On many fronts, the budget making process has improved but only marginally as most of the indicators are still stagnant at the previous year level. Government officials at the district level are still reluctant to share budget related information with Civil Society Organizations (CSOs). Lack of elected local representatives in the form of local district government is the main reason behind the lower efficiency of the district government budgetary offices.

This study mainly focused on the budget process as prescribed under the budget rules for District Governments. Survey instruments were designed from those rules and detail questionnaires were designed and filled from the district offices. The CSOs filled the questionnaire forms with great difficulty

though better than the last year when some districts outrightly refuse to share any information. This year, only few districts were reluctant to share the information.

The results and findings of the survey suggest a grim situation in terms of all indicators for the conduct of a smooth budget making process at the district level. Budget time lines are not followed as mentioned in the budget rules, very low public and stakeholder's participation in the budget making process, thus ignoring the important input from the final recipients of the budgetary spending and taxation. The district governments have very low online visibility in this age of information and dissemination of information. Moreover, the budget officers lack technical and professional efficiency to carry out on time and accurate budget preparation. Low political oversight over the district offices is the main reason behind the poor performance and there is a strong need to conduct the local government elections in the province.

## 14. Policy Recommendations

The current study shows that there exist huge gaps in the performance of district governments in Punjab during the budget making process and propose the following recommendations to achieve the full potential of the districts.

- I. **Follow the Guidelines & Rules as Prescribed in the Budget Rules 2003:** During the study, it was observed that most of the rules were not followed in letter and spirit thus causing low performance of the district governments. Elected local governments should be brought in through local government elections which can guarantee monitoring of the district budget officers. Due to lack of political oversight, the bureaucracy at the district level is lethargic and not accountable.
- II. **Enhance of Public Participation:** The budget making process should incorporate the local voices and thus people participation should be increased to prepare people centric budgets. The participation should start at the time of Budget Call Letter and should go through the end where finalization of budget documents is done by district budget officers. Feedback from the common citizens and major stakeholders, as prescribed in budget rules 2003, should be incorporated in the final budget documents of the districts.
- III. **Produce Citizen Budget:** Currently one few districts produce citizen budgets and thus there is a strong need to produce Citizen Budget. As the literacy level is very low in Pakistan and normal budgets are very difficult to comprehend, even for educated class, easy to understand Citizen Budget should be prepared and disseminated among the citizens via available means. Citizen Budgets will be an important instrument of public accountability and people can raise questions about the spending heads in the budget.
- IV. **Timely issuance of Budget Timetable for the Public:** In order to get feedback from the people and stakeholders, budget timetable should be prepared and distributed on time among the general public. This will improve the budget making process via increase public participation.
- V. **Enhance the capacity of the Budget Branch:** The study finds out that most the districts are working below the sanctioned strength of the budget branch thus causing serious shortcomings in the budget making. There is a need to fill the vacant posts and import technical and professional training to the budget staff. Proper budget officers should be posted in the budget

branch with analysis and research wing at his/her disposal. Computer and internet availability should be ensured for smooth functioning of the budget branch.

- VI. **Information Sharing:** All district budget offices should be directed to share budget related information with academia, students, researchers and civil society organizations for accountability and feedback in the forms of valuable inputs. Students of economics and finance in universities in the districts should be given assignment related to budget preparation and analysis.
- VII. **Functional Websites Launching:** In this information age, even small shops have very active websites to facilitate their costumers while most of district governments in Punjab have no functional websites. It is strongly advices that well-functioning websites of all district governments should be launched with access to full information on the budget of the districts. Sectoral allocations and shares should be shared via these websites so that people can easily access and analyze this information. This will also put pressure on the elected representatives to deliver on the services sides, especially in education and health sector. A well-functioning website is the hallmark of openness and transparency and will strengthen the district governments.

## 15. Citizens Network for Budget Accountability (CNBA)

Citizens Network for Budget Accountability (CNBA) is a web of 20 Civil Society Organizations (CSOs) and activists from districts of the Punjab province. These organizations work in development sector on issues of human rights, poverty alleviation, accountability and socio-economic justice in different parts of the Punjab province. All of them may not be working on the issues around budgets but have shown a keen interest in engaging with us in the budget work at district level.

Names of these organizations are listed below in alphabetical order:

<b>Table : Citizens Network for Budget Accountability (CNBA)</b>	
<b>S.No</b>	<b>CNBA Organizations</b>
1	Al- Mustafa Development Organization
2	Aman Welfare Organization
3	Be Fare
4	Citizens Relations Group
5	CPDI
6	DARE
7	GLAD
8	Good Thinkers Organization for Human Development
9	Peace and Development Foundation
10	Public Democratic Forum
11	Punjab Lok Sujag
12	Research & Community Development Organization
13	SAIBAN
14	Sangat
15	Sanjh Foundation
16	Sanjh Preet Organization
17	Shape
18	Sun Community Development Foundation
19	UFAQ Development Organization
20	United Social Welfare Society

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 a 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, legislative watch and development.



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