

CHAPTER-1

**CONSTITUTIONAL PROVISIONS REGARDING
COUNCIL OF COMMON INTERESTS**

The Constitutional provisions relating to the Council of Common Interests (CCI) are as under:-

Article 153.(1) There shall be a Council of Common Interests, in this Chapter referred to as the Council, to be appointed by the President.

(2) The Council shall consist of —

- (a) the Prime Minister who shall be the Chairman of the Council;
- (b) the Chief Ministers of the Provinces; and
- (c) Three members from the Federal Government to be nominated by the Prime Minister from time to time.

(3) [Omitted]

(4) The Council shall be responsible to {Majlis-e-Shoora (Parliament)} and shall submit an Annual Report to both Houses of Majlis-e-Shoora (Parliament).

Article 154 – Functions and rules of procedure.— (1) The Council shall formulate and regulate policies in relation to matters in Part II of the Federal Legislative List and shall exercise supervision and control over related institutions.

(2) The Council shall be constituted within thirty days of the Prime Minister taking oath of office.

(3) The Council shall have a permanent Secretariat and shall meet at least once in ninety days:

Provided that the Prime Minister may convene a meeting on the request of a Province on an urgent matter.

(4) The decisions of the Council shall be expressed in terms of the opinion of the majority.

(5) Until [Majlis-e-Shoora (Parliament)] makes provision by law in this behalf, the Council may make its rules of procedure.

(6) [Majlis-e-Shoora (Parliament)] in joint sitting may from time to time by resolution issue directions through the Federal Government to the Council

generally or in a particular matter to take action as [Majlis-e-Shoora (Parliament)] may deem just and proper and such directions shall be binding on the Council.

(7) If the Federal Government or a Provincial Government is dissatisfied with a decision of the Council, it may refer the matter to {Majlis-e-Shoora (Parliament)} in a joint sitting whose decision in this behalf shall be final.

Article 155 – Complaints as to interference with water supplies.— (1) If the interests of a Province, the Federal Capital or the Federally Administered Tribal Areas, or any of the inhabitants thereof, in water from any natural source of supply or reservoir have been or are likely to be affected prejudicially by—

- (a) any executive act or legislation taken or passed or proposed to be taken or passed; or
- (b) the failure of any authority to exercise any of its powers with respect to the use and distribution or control of water from that source;

the Federal Government or the Provincial Government concerned may make a complaint in writing to the Council

(2) Upon receiving such complaint, the Council shall, after having considered the matter, either give its decision or request the President to appoint a commission consisting of such persons having special knowledge and experience in irrigation, engineering, administration, finance or law as he may think fit, hereinafter referred to as the Commission.

(3) Until [Majlis-e-Shoora (Parliament)] makes provision by law in this behalf, the provisions of the Pakistan Commissions of Inquiry Act, 1956, as in force immediately before the commencing day shall apply to the Council or the Commission as if the Council or the Commission were a commission appointed under that Act to which all the provisions of section 5 thereof applied and upon which the power contemplated by section 10A thereof had been conferred.

(4) After considering the report and supplementary report, if any, of the Commission, the Council shall record its decision on all matters referred to the Commission.

(5) Notwithstanding any law to the contrary, but subject to the provisions of clause (5) of Article 154, it shall be the duty of the Federal Government and the Provincial Government concerned in the matter in issue to give effect to the decision of the Council faithfully according to its terms and tenor.

(6) No proceeding shall lie before any court at the instance of any party to a matter which is or has been in issue before the Council, or of any person

whatsoever, in respect of a matter which is actually or has been or might or ought to have been a proper subject of complaint to the Council under this Article.

Article 157 – Electricity.— (1) The Federal Government may in any Province construct or cause to be constructed hydro-electric or thermal power installations or grid stations for the generation of electricity and lay or cause to be laid inter-Provincial transmission lines.

(2) The Government of a Province may—

- (a) to the extent electricity is supplied to that Province from the national grid, require supply to be made in bulk for transmission and distribution within the Province;
- (b) levy tax on consumption of electricity within the Province;
- (c) construct power houses and grid stations and lay transmission lines for use within the Province; and
- (d) determine the tariff for distribution of electricity within the Province.

(3) In case of any dispute between the Federal Government and a Provincial Government in respect of any matter under this Article, any of the said Governments may move the Council of Common Interests for resolution of the dispute.

CHAPTER - 2

INSTITUTIONAL HISTORY

The Article 130 of Constitution of 1956 provided for Inter-Provincial Council. The Constitution of 1962 totally ignored the need of any such forum and refrained from the very use of the word 'Federal'. The Constitution of 1973 created the Council of Common Interests (CCI) to 'conform to the spirit of federalism'.

2. In the scheme of Pakistani federalism the Council of Common Interests (CCI) was created in 1973 to harmonize federal-provincial relations and bolster national unity & cohesion. It was a new approach towards addressing Federal-Provincial issues after bitter experiences of One Unit characterized by highly centralized decision making and denial of provincial rights which led to East Pakistan tragedy in 1971. Even after this woeful episode the Pakistani federal experience had been marred by continued conflicts and crisis between the Federation and Provinces for greater autonomy and control over natural resources. It is in this context that the 18th Constitutional Amendment has tried to reform and restructure the CCI to promote a culture of participatory federalism.

3. The 18th Amendment made two major headways: (i) it expanded the scope of Federal Legislative List-II and (ii) it revitalized the composition of the Council of Common Interests (CCI). In the new scenario the Council has emerged as one of the most important forums in the federal institutional framework. It is envisaged to become an effective dispute resolution, economic planning and development forum to further the cause of participatory federalism.

4. Since its creation in 1973 the CCI has been a less utilized constitutional body till the passage of 18th Constitutional Amendment in 2010. Before the Constitution and institutions flowing out of it could solve federal-provincial issues, it was held in abeyance in 1977 by imposing martial law, and in 1985 through the 8th Amendment its federal spirit was mutilated. In 1999, it was again put on hold and in 2003 vide the 17th Amendment it was given a quasi-presidential form. As such, in the absence of constitutionality, the CCI remained a dormant body. During 37-year of its existence since its inception in 1973, it could meet only 11 times upto 2010 as follows:-

1 st meeting	August 7 – 9, 1975
2 nd meeting	December 27–28, 1975
3 rd meeting	December 31, 1976
4 th meeting	January 12, 1991
5 th meeting	March 21, 1991
6 th meeting	September 16, 1991
7 th meeting	September 12, 1993
8 th meeting	May 29, 1997

9 th meeting	May 9, 1998
10 th meeting	December 22, 1998
11 th meeting	August 6, 2006

5. After the 18th Constitutional Amendment in April 2010, the CCI held 20 meetings, the last being in May 2017, and taken up dozens of issues of federal-provincial importance:-

12 th meeting	July 18, 2010
13 th meeting	September 6, 2010
14 th meeting	November 8, 2010
15 th meeting	February 1, 2011
16 th meeting	April 28, 2011
17 th meeting	June 1, 2011
18 th meeting	August 27, 2011
19 th meeting	February 9, 2012
20 th meeting	August 8, 2012
21 st meeting	November 8, 2012
22 nd meeting	January 23, 2013
23 rd meeting	July 23, 2013
24 th meeting	July 31, 2013
25 th meeting	February 10, 2014
26 th meeting	May 29, 2014
27 th meeting	March 18, 2015
28 th meeting	February 29, 2016
29 th meeting	March 25, 2016
30 th meeting	December 16, 2016
31 st meeting	May 02, 2017

6. The increasing number of meetings and proactive approach after passage of 18th Constitutional Amendment explains the efficacy of the CCI and functionality of the notion of 'shared responsibilities'. The rationale of the CCI is anchored in the federal concept of Inter-Governmental Relations. In federal dispensation, the methods of such coordination, communication, cooperation and conflict resolution are often described as 'Inter-Governmental Relations (IGR)'.

7. Composition of the CCI has representation of the Federal and four Provinces i.e. Prime Minister with three Federal Ministers nominated as members of CCI by the Prime Minister from Federal Government and all the four Chief Ministers representing their respective governments. The re-strengthened role of the Council was a progressive leap of tremendous proportions towards Inter – Governmental relations.

CHAPTER - 3

RULES OF PROCEDURE OF CCI, 2010

In exercise of the powers conferred by clause 5 of Article 154 of the Constitution of the Islamic Republic of Pakistan, the Council of Common Interests has made the following Rules of Procedure, namely:-

RULES OF PROCEDURE OF THE COUNCIL OF COMMON INTERESTS

1. **Short Title and commencement.—** (1) These rules shall be called the Rules of Procedure of the Council of Common Interests, 2010.

(2). These rules shall come into force at once.

2. **Definitions.—** In these rules, unless there is anything repugnant to the subject or context;—

- (a) "Article" means an Article of the Constitution;
- (b) "Chairman" means the Chairman of the Council of Common Interests;
- (c) "Constitution" means the Constitution of the Islamic Republic of Pakistan;
- (d) "Council" means the Council of Common Interests constituted under Article 153;
- (e) "department" means a department of a Provincial Government;
- (f) "Division" means a self-contained administrative unit of the Federal Government responsible for the conduct of its business in a distinct and specified sphere and declared as such by the Federal Government;
- (g) "Federal Government" means the Government of Pakistan;
- (h) "Provincial Government" means the Government of a Province;
- (i) "Secretariat" means the Secretariat of the Council established under rule 3;
- (j) "Secretary" means the Secretary of the Council appointed under rule 3; and

(k) "Schedule" means schedules to these rules.

3. Secretariat of the Council.— (1) There shall be a permanent Secretariat of the Council. The Federal Government, with the approval of the Chairman, shall appoint Secretary of the Council:

Provided that till such time a separate Secretariat is established, the Inter Provincial Coordination Division of the Federal Government shall act as the Secretariat of the Council and till such time a Secretary of CCI is appointed, the Secretary, Inter Provincial Coordination Division shall act as Secretary of the Council.

(2) The Secretary shall be the administrative head of the Secretariat of the Council and shall be responsible for its efficient functioning.

(3) The Secretary shall appoint such other officers and officials for the Secretariat, as he may think appropriate, in accordance with the rules prescribed by the Council:

Provided that appointment to the posts in BS-20 and above shall be made with the approval of the Chairman:

Provided further that representation of all the Provinces and regions in the service of the Council shall be ensured on the basis of provincial and regional quotas.

4. Functions of the Council.— The Council shall formulate and regulate policies in respect of matters given in the Schedule I and shall exercise supervision and control over related institutions.

5. Meetings of the Council.—(1) The Chairman may summon the meetings of the Council, to meet at such time and place as he thinks fit.

(2) The Council shall meet at least once in ninety days:

Provided that the Chairman may convene a meeting on the request of a Province on an urgent matter.

(3) The meetings of the Council shall be attended by its members.

(4) The Chairman may permit any other Federal Minister, or a Provincial Minister and any official to attend the meeting of the Council by special invitation.

(5) In a meeting of the Council, four members, shall form the quorum; provided that at least two Chief Ministers are present:

Provided further that a matter relating to a Province shall not be discussed unless the Chief Minister of that Province is present in the meeting.

(6) No case shall be discussed nor any issue be raised in a meeting unless summary relating to it has first been circulated:

Provided that the Chairman may dispense with this requirement in exceptional circumstances.

(7) Notice for the meeting shall ordinarily be issued at least ten working days in advance.

(8) For inclusion in the agenda of a meeting summary relating to the case shall reach the Secretary at least fifteen days in advance of the meeting:

Provided that, if a case is urgent and is required to be taken up at a short notice, the Secretary of Division or Chief Secretary of the concerned Province shall obtain approval of the Chairman for its inclusion in the agenda before it is transmitted to the Secretary.

(9) The Secretary of the Division or Chief Secretary of the Province concerned shall attend the meeting of the Council for the purpose of the case relating to his Division or Province. However, these officers may be asked to withdraw from the meeting before the Council starts discussion on the issue.

(10) The decisions of the Council shall be expressed in terms of the opinion of the majority.

6. Circulation and confirmation of minutes and decisions.—The Secretary shall circulate to the members, within seven working days of the meeting, a copy of the minutes and decisions of the Council for perusal. The members shall return the aforesaid copy of the minutes and decisions to the Secretary within fifteen working days of issue. The Secretary shall also supply to the Secretary of the Division or the Chief Secretary of the Province concerned for action, a copy of the relevant decision of the Council, and wherever considered necessary, of the relevant excerpts of the points made during the discussion.

7. Committees of the Council.—The Council may constitute its standing committees or special committees laying down their terms of reference and membership.

8. Procedure regarding Committees of the Council.—Meetings of a Committee of the Council shall be convened by the chairperson of the Committee concerned who shall also preside over such meetings:

Provided that the procedure for the meetings of the Council shall apply mutatis mutandis for the meetings of the Committees except that the recommendations of the Committee shall be placed before the Council.

9. Cases to be submitted to the Council.—The Council shall consider the cases mentioned in Schedule-I of these rules or those notified by the Federal Government from time to time in the Gazette of Pakistan.

10. Manner of submission of cases to the Council.—The manner of submission of the cases before the Council and preparation of summaries therefor shall be as given in Schedule-II and Schedule-III to these rules, respectively or as notified by the Secretariat from time to time.

11. Implementation of decisions of the Council.—(1) When a case has been decided by the Council, the Federal Government or Provincial Government concerned shall take prompt action to give effect to the decision unless it conveys its intention to make reference to the Parliament within fifteen days of its communication.

(2) When the decision of the Council is received by the Secretary of the Division or the Chief Secretary of the concerned Province, he shall —

- (a) acknowledge the receipt of the decision in the form provided;
- (b) transmit the decision to his Division or Department for action;
- (c) keep a register with him of the decisions received, for the purpose of ensuring that prompt and complete action is taken on those decisions; and
- (d) coordinate actions with any other Division or a Province, which may be concerned with the decision.

(3) The Secretary shall monitor the implementation of decisions and the Secretary of the Division or Chief Secretary of a Province concerned shall supply to the Secretary such documents as the latter may, by general or special request, require, enabling him to complete his record of the case and to satisfy himself that the decision of the Council has been fully implemented.

12. Correction of minutes and decisions of the Council.—If a Member considers that there has been a mistake or omission in recording the minutes or decisions of the Council, he shall point it out to the Secretary in writing within fifteen working days of their issuance. The Secretary shall obtain orders of the Chairman and circulate the same to Members.

13. Reference against the decisions of the Council.—If the Federal Government or a Provincial Government is not satisfied with a decision of the Council, it may refer the matter to the Parliament in a joint sitting whose decision in this behalf shall be final.

14. Repeal.—The Rules of Procedure for the Council of Common Interests 1991, are hereby repealed.

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SCHEDULE-I

[See rule 4]

CASES TO BE SUBMITTED TO THE COUNCIL

1. Railways;
2. Mineral oil and natural gas, liquids and substances declared by Federal law to be dangerously inflammable;
3. Development of industries, where development under Federal control is declared by Federal law to be expedient in the public interest; institutions, establishments, bodies and corporations administered or managed by the Federal Government immediately before the commencing day, including Water and Power Development Authority and Pakistan Industrial Development Corporation and all undertakings, projects and schemes of such institutions, establishments, bodies and corporations; industries, projects and undertakings owned wholly or partially by the Federation or by a corporation set up by the Federation;
4. Electricity;
5. Major ports, that is to say, the declaration and delimitation of such ports, and the constitution and powers of port authorities therein;
6. All regulatory authorities established under a Federal law;
7. National planning and national economic coordination including planning and coordination of scientific and technological research;
8. Supervision and management of public debt;
9. Census;
10. Extension of the powers and jurisdiction of members of a police force belonging to any Province to any area in another Province, but not so as to enable the police of one Province to exercise powers and jurisdiction in another Province without the consent of the Government of that Province; extension of the powers and jurisdiction of members of a police force belonging to any Province to railway areas outside that Province;
11. Legal, medical and other professions;
12. Standards in institutions for higher education and research, scientific and technical institutions;
13. Inter-provincial matters and co-ordination;
14. Council of Common Interests;

15. Fees in respect of any of the matters specified in Part-II of the Federal Legislative List but not including fees taken in any court;
 16. Offences against laws with respect to any of matters in Part-II of the Federal Legislative List;
 17. Inquiries and statistics for the purposes of any of the matters in Part-II of the Federal Legislative List;
 18. Matters incidental or ancillary to any matter enumerated in Part-II of the Federal Legislative List;
 19. Complaints as to interference with water supplies (Article 155);
 20. Implementation of the directions given by the Parliament for action by the Council under Article 154(6);
 21. Submission of Annual Report to both Houses of Parliament (Article 153(4); and
 22. Resolution of disputes with respect to construction of Hydro electric station in any Province (Article 157(3)).
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SCHEDULE-II

[See rule 10]

MANNER OF SUBMISSION OF CASES TO THE COUNCIL

1. In respect of all cases to be submitted to the Council, Secretary of the Division or Chief Secretary of the Province concerned, shall transmit to the Secretary a concise, lucid and printed Summary, giving the background and relevant facts, points for decision and recommendations of the Federal Government or Provincial Government concerned, as the case may be.
2. The Summary shall be self-contained as far as possible, not exceeding two printed pages and may include as appendices only such relevant papers as are necessary for proper appreciation of the case.
3. Where a reference is made to a previous decision of the Council, the decision of the Council shall invariably be reproduced in the Summary or annexed to it.
4. Where a case concerns more than one Division or the Province, the Summary shall normally not be submitted to the Council until it has been considered by the Divisions and/or the Provinces concerned. In case of difference of opinion, the point of difference should be stated in the Summary.
5. The Provinces and the Divisions concerned of the Federal Government should furnish their comments or views on the summaries for the Council circulated for the purpose, within two weeks. The requirements of prior consultation may be waived in very exceptional circumstances but the Summary must, in that case, be sent to others concerned with the request to send their views direct to the secretariat of the Council by a given date. The secretariat would circulate the views, if received in time, alongwith or in continuation of the Summary.
6. It shall be the duty of the Secretary to satisfy himself that the summary submitted by the Federal or a Provincial Government is complete and in the prescribed form. He may return a case until the requirements of these rules, have been complied with.

SCHEDULE-III

[See rule 10]

PREPARATION OF SUMMARIES AND DOCUMENTS

A Summary for the Council shall include—

- (a) name of the sponsoring Division of the Federal Government or Department of the Provincial Government;
- (b) subject of the case;
- (c) name and designation of the officer submitting the Summary (Secretaries/Additional Secretaries-in-Charge of Divisions concerned in case of Federal Government and Chief Secretaries in case of Provincial Government);
- (d) place and date of submission; and
- (e) serial number.

(2) The words "SUMMARY FOR THE COUNCIL OF COMMON INTERESTS" shall invariably appear at a prominent place, above "Subject". It shall be marked as "SECRET" at the top right corner on first page.

(3) All papers submitted to the Council shall be marked "SECRET" until discussion on them has taken place in the meeting. Thereafter, unless the Council has decided otherwise, the sponsoring Government shall decide the de-classification of these documents under intimation to the secretariat.

(4) The members shall return to the Secretary —

- (a) the summaries supplied to them for decision by discussion in a meeting of the Council or a Committee of the Council immediately after the discussion has taken place; and
- (b) minutes and decisions circulated by the Secretary immediately after they have perused them, but not later than fifteen days.

[F.No.1(1)/2010-IPC-III date 19th July, 2010]

CHAPTER - 4

LANDMARK ACHIEVEMENTS / DECISIONS OF THE CCI

Before 18th Amendment

- Apportionment of Indus Waters to the Four Provinces (The Water Accord of 1991);
- Privatization of Utilities and Other State Owned Entities; (1993, 1997 and 2006)
- National Water Resources Development Programme (1991 & 1998)

After 18th Amendment

- Approval of Rules of Procedure of Council of Common Interests, 2010;
- National consensus for construction of Diamer Basha Dam Project;
- Rehabilitation of Flood Affected Areas;
- Financing for the Organizations/Projects transferred to the Provinces;
- Tight Gas (Exploration & Production) Policy, 2011;
- Privatization of Power Sector Entities;
- Clarification of Article 157 of the Constitution lifting bar on provinces regarding power generation;
- Private Power and Infrastructure Board (PPIB) Bill, 2010
- Policy Guidelines for Power Generation through Small Independent Power Projects (SIPPs) below 50 MW Capacity.
- Approval of Securities & Exchange Commission of Pakistan Bill;
- Special Economic Zones Bill, 2011;
- Regulation and Distribution of Zakat;
- Co-financing of Citizens' Damage Compensation Programme-II;
- Public Debt Management and Supervision Policy;
- Annual Reports of the Council of Common Interests (CCI) for the Year 2010-11 to 2015-16
- Financing for the Population Welfare Programme;
- National Science, Technology & Innovation Policy - 2012;
- Petroleum, Exploration and Production Policy 2012;
- Financial Autonomy of Indus River System Authority;
- Approval of National Mineral Policy – 2012;
- Constitution of Standing Committee of CCI;

- Working and Functioning of National Electric Power Regulatory Authority (NEPRA)
- Renaming of Ministry of Professional and Technical Training as Ministry of Education and Trainings;
- Equitable Distribution of Electricity;
- Briefing on the Working Of Pakistan Railways;
- Regularization of Lady Health Workers etc
- National Energy (Power) Policy, 2013-2018;
- Legislations pertaining to Offences & Penalties Relating to Electricity & Gas Theft Control.
- Amendment in the Petroleum Policy, 2012;
- Inter-Provincial Transfers and Fiscal Discipline.
- The Pakistan Engineering Council (Amendment) Bill 2014
- Privatization of Lakhra Power Generation Company Limited - LPGCL (GENCO - IV)
- Mechanism for at source deduction of outstanding power sector payables of Provinces
- Power Sector Reforms i.e. Privatization of Distribution Companies
- Sixth Population and Housing Census
- Public Debt Management & Supervision Policy.
- Pakistan Energy Efficiency & Energy Conservation (PEEC), Bill, 2014.
- Amendment in the Code of Criminal Procedure 1898 for Restoration of Executive Magistracy.
- Framework for Eleventh Five Year Plan (2013-18)
- Pakistan Vision 2025.
- Power Generation Policy, 2015
- National Forest Policy, 2015
- Settlement of Net Hydel Profit issue between WAPDA & Government of Punjab
- Amendment in Regulation of Generation Transmission & Distribution of Electric Power Act, 1997
- Flare Gas (FG) utilization Guidelines 2016 and Revision of Tight Gas (Exploration & Production) Policy, 2011
- Formulation of National Flood Protection Plan – IV (2015-2025)
- Import of Liquefied Natural Gas (LNG)

CHAPTER - 5

INSTITUTIONAL ANALYSIS

The Council of Common Interests (CCI) was created after the promulgation of the 1973 Constitution of Pakistan. Various dimensions of functioning of the Council including its membership and rules of engagement are covered in the said constitution.

2. Article 154 of the Constitution authorized the CCI to formulate and implement policies on matters covered in Part-II of the Federal Legislative List (FLL). The Council also has jurisdiction in the matters pertaining to electricity (entry 34 of erstwhile Concurrent Legislative List) in so far as it relates to the affairs of the Federation.

3. The 1973 Constitution made CCI accountable to the Parliament, simultaneously empowering it to amend any aspect of functioning of the CCI. The Parliament can by law frame rules of procedure for the Council. It can also, in its joint session, issue general or specific directions to the Council. It is also authorized to hear the references of the Federal or the provincial governments against the decision of the Council.

4. After a wait of 37 years, the federal provisions of the 1973 Constitution were amended when the 18th Amendment came into force in 2010. Prior to the passage of this amendment, only eleven meetings of CCI could be held where forty four items pertaining to centre-province relations were discussed. The Council for the first time framed its own Rules of Procedure in 1991 i.e. after eighteen years of its inception.

5. Since the creation of CCI, the Federal or Provincial Governments have never questioned any decision of the CCI by making a reference to the Parliament. After a gap of thirty seven years, significant changes were made to the composition, role and responsibilities of the Council.

6. The CCI is now chaired by the Prime Minister. Previously any of the Federal Ministers could be nominated by the President to be the chairman of the Council. [Article 153(2), Now omitted].

7. Since its creation, the CCI has been accountable to the Parliament. However, the modalities and operationalization of this accountability were not clearly defined in the Constitution. The 18th Amendment directed the Council to submit annual reports to both Houses of Parliament. [Article 153(4)]

8. Earlier, the 1973 Constitution authorized the President to appoint members of CCI without mentioning any time frame. Inordinate delays thus occasioned in setting up of CCI. The 18th Amendment compelled the President to constitute the CCI within thirty days of the Prime Minister's oath of office. [Article 154(2)].

9. Clause 3 of Article 154 provides that the Council shall have a permanent secretariat and hold meetings at least once in ninety days. But prior to the 18th Amendment, none of the above two conditions were there. After the 18th Amendment, the Prime Minister can now convene meetings of the Council on the request of a province on an urgent matter. The jurisdiction of CCI on disputes pertaining to water usage and sharing between provinces has been expanded. Complaints about interference with water supplies as well as supply from 'reservoir' can be brought to the CCI . [Article 155].

10. In case of any dispute between the Federal Government and a Provincial Government in respect of any matter under Article 157 (pertaining to electricity), any of the said Governments can move the Council for resolution of the dispute *ibid.*

11. Previously the CCI had jurisdiction over following matters:

1. Railways;
2. Mineral oil and natural gas; liquids and substances declared by Federal law to be dangerously inflammable;
3. Development of industries, where development under Federal control, is declared by Federal law to be expedient in the public interest; institutions, establishments, bodies and corporations administered or managed by the Federal Government immediately before the commencing day, including the West 1[Pakistan Water and Power Development Authority and the West Pakistan Industrial Development Corporation]; all undertakings, projects and schemes of such institutions, establishments, bodies and corporations, industries, projects and undertakings owned wholly or partially by the Federation or by a corporation set up by the Federation;
4. Council of Common Interests;
5. Fees in respect of any of the matters in this Part but not including fees taken in any court;
6. Offences against laws with respect to any of the matters in this Part;

7. Inquiries and statistics for the purposes of any of the matters in this Part;
8. Matters incidental or ancillary to any matter enumerated in this Part.

12. Following ten subjects were added to FLL Part-II, thereby enlarging the domain of the Council to formulate and regulate policies on these issues. These include:

- 1) Electricity;
- 2) The declaration and delimitation of major ports, and the constitution and powers of port authorities therein;
- 3) All regulatory authorities established under Federal law;
- 4) National planning and economic coordination including planning for scientific and technological research;
- 5) Supervision and management of public debt;
- 6) Census;
- 7) Extension in powers and jurisdiction of members of a provincial police force to any area in another Province with the consent of the concerned government; extension of the powers and jurisdiction of members of a provincial police force to railway areas outside that Province;
- 8) Legal, medical and other professions;
- 9) Standards in institutions for higher education and research including scientific and technical institutions;
- 10) Inter-provincial matters and co-ordination

13. In the post-18th Amendment phase, twenty meetings of the Council were held (between July 2010 and May 2017) where 129 agenda items were discussed by the Council.

14. Changes were required in the Rules of Procedure 1991 due to amendments in various Articles of the Constitution pertaining to its composition, mandate and meetings. The Council approved its new Rules of Procedure in July 2010 in its very first meeting after the passage of the 18th Amendment. The new rules provide for the procedure of meetings, submission of cases, record of proceedings and process for implementation of decisions. It could be argued that the formulation and regulation of policies and exercise of supervision and control

over related institutions by the Council has taken away the powers of the Federal Government in the matters falling under the FLL Part-II. But the parliament still has the powers to legislate on all matters falling under the FLL whether these pertain to Part-I or Part-II. In view of this legal position, the executive authority of the Federation extends to all matters covered in FLL, both in Part-I and Part-II. The scope and operationalization of CCI's powers in FLL Part-II is to be decided by the Council itself. No other institution can interfere in this matter. Both the CCI and Federal Government have never raised any concerns about the modalities of sharing of powers between them. As per Rules of Business, the Council may constitute its Standing Committees or Special Committees laying down their terms of references and membership.

CHAPTER-6

COMPOSITION OF CCI

**TO BE PUBLISHED IN THE NEXT ISSUE OF GAZZATE OF PAKISATN,
EXTRAORDINARY PART-III**

GOVERNMENT OF PAKISTAN
MINISTRY OF INTER PROVINCIAL COORDINATION
(IPC DIVISION/SECRETARIAT OF COUNCIL OF COMMON INTERESTS)

Islamabad, the June 27, 2013

NOTIFICATION

No. 1(2)/2010-CCI. In exercise of power conferred upon him under Article, 153 of the Constitution, the President of Pakistan, on the advice of the Prime Minister, is pleased to re-constitute the Council of Common Interests, as under, with effect from June 25, 2013 and until further orders:

- | | | |
|----|---|----------|
| 1. | The Prime Minister | Chairman |
| 2. | The Chief Minister, Balochistan | Member |
| 3. | The Chief Minister, Khyber Pakhtunkhwa | Member |
| 4. | The Chief Minister, Punjab | Member |
| 5. | The Chief Minister, Sindh | Member |
| 6. | Pir Syed Sadaruddin Shah Rashidi,
Federal Minister | Member |
| 7. | Lt. General (Retd.) Abdul Qadir Baluch,
Federal Minister | Member |
| 8. | Sardar Muhammad Yousaf,
Federal Minister | Member |

2. This supersedes this Division's Notification of even number dated April 16, 2013.

**Sd/-
(Shahzad Iqbal)
Sr. Joint secretary (CCI)**

The Manager,
Printing Corporation of Pakistan Press,
Islamabad

CHAPTER-7

30TH MEETING OF THE COUNCIL OF COMMON INTERESTS HELD ON DECEMBER 16, 2016



Prime Minister Muhammad Nawaz Sharif chairing the meeting of Council of Common Interests (CCI) at PM Office, Islamabad on December 16, 2016

7.1 ADDRESS BY THE PRIME MINISTER

The Prime Minister/Chairman Council of Common Interests welcomed the Chief Ministers, members of the Council and other participants and thanked them for making it convenient to attend the meeting. He, thereafter, asked Sardar Muhammad Yousaf, Minister for Religious Affairs & Inter Faith Harmony for recitation from Holy Quran. After recitation, he asked the Secretary IPC, to take up the formal agenda.

7.2 AGENDA OF THE 30TH MEETING OF CCI HELD ON 16TH DECEMBER, 2016

Item No.	Subject		Presented By
1.	Status Review of Important Decisions of the CCI meetings held on February 29 & March 25, 2016:-		Ministry of IPC (Secretariat of CCI)
	(i)	Inquiry into Corruption Charges of Kacchi Canal	
	(ii)	Matters pertaining to Higher Education and other similar bodies in post-eighteenth amendment scenario	
	(iii)	Formulation of National Flood Protection Plan-IV (2015-25)	
	(iv)	Import of Liquefied Natural Gas (LNG)	
	(v)	Liquefied Petroleum Gas Production and Distribution Policy, 2015	
2.	Sixth Population and Housing Census		Statistics Division
3.	Allocation of National Security Fund out of divisible pool		Ministry of Finance
4.	<u>Allocation of 3% Federal Divisible Pool for FATA</u> Allocation For Special Areas-AJK, GB and FATA		Ministry of SAFRON & Ministry of Finance
5.	National Forest Policy		Ministry of Climate Change
6.	Flare Gas (FG) Utilization Guidelines 2016 and Revision of Tight Gas (Exploration & Production) Policy, 2011		M/o Petroleum & NR
7.	Settlement of Net Hydel Profit (NHP) Issue between WAPDA and Government of Punjab		Ministry of Water & Power
8.	Amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997		Ministry of Water & Power
9.	Annual Report of the CCI for the Year 2015-16		Ministry of IPC

7.3 CASES CONSIDERED BY THE COUNCIL OF COMMON INTERESTS AND IMPACT ANALYSIS OF IMPLEMENTATION OF ITS DECISIONS

The cases considered by the council in its meeting held on December 16, 2016 in the financial year 2016-17 and the impact analysis of implementation of its decisions is as under:

Case No. CCI. 1/3/2016 Dated 16.12.2016	Status Review of Important Decisions of the CCI meeting held on 29th Feb., 2016 & March 25, 2016
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The Secretary, CCI gave an item wise presentation on the implementation status of the following important decisions taken by CCI in its meeting held on February 29 and March 25, 2016.

Case No. CCI. 1/1/2014 Dated 10.02.2014	i) Inquiry into Corruption Charges of Kacchi Canal
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DECISION

The CCI directed the Ministry of Water and Power to ensure submission of the Inquiry Report on "Kacchi Canal Project" in its next meeting.

Implementation Status

The Committee furnished its report duly signed alongwith additional report from "Secretary Finance".

Impact

Impact will be made after final decision of CCI.

Case No. CCI. 8/1/2015 Dated 18.03.2015	ii) Matters pertaining to Higher Education and other similar bodies in post-eighteenth amendment scenario
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DECISION

The CCI directed the Committee to resolve the issue and submit its report to the Council in its next meeting.

Implementation Status

The Sub-Committee of CCI held its 4th meeting on 14.02.2017 under the Chairmanship of Federal Minister for Planning, Development & Reform at “P” Block Pakistan Secretariat. The draft Minutes were sent for approval of Chairman of the Committee on 27th February, 2017. Approval of the same is awaited.

Impact

The impact analysis will be done after final decision.

Case No. CCI. 6/1/2015 Dated 29.02.2016	iii) Formulation of National Flood Protection Plan-IV (2015-25)
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DECISION

CCI directed the Ministry of Water & Power to submit final report in the next meeting of CCI.

Implementation Status

Ministry of Water & Power informed that on the directions of CCI a high level consultative meeting was held in that Ministry under the Chairmanship of Minister for Water & Power on 10.02.2017. The forum agreed with the proposed plan subject to the following recommendations:-

- i. The original investment Plan of Rs. 177.661 billion may be submitted to CCI and considered as Phase-I of NFPP-IV to be implemented in first 5 years.
- ii. After financial close of first phase of NFPP-IV (Rs. 177.661 billion), the additional demand of Rs. 154.585 billion may be taken up as Phase-II of NFPP-IV to be implemented in the next five years, after financing of these projects, through Consultants and Technical teams of the provincial governments.
- iii. The issue of financing of NFPP-IV would be deliberated and decided upon by the CCI.

It was also informed that the final version of NFPP-IV in accordance with decisions of above meeting will be submitted in due course for consideration of CCI in its next meeting.

Impact

Impact analysis will be done after final decision is taken.

Case No. CCI. 4/1/2016 Dated 29.02.2016	iv) Import of Liquefied Natural Gas (LNG)
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DECISION

The CCI approved constitution of the committee under the Chairmanship of Federal Law Minister consisting of Provincial Law Ministers, Attorney General for Pakistan and Provincial Advocate Generals to resolve the issues pertaining to interpretation of constitutional provision.

Implementation Status

The Committee constituted by CCI held its meeting on 03.03.2017 in Ministry of Law & Justice, Islamabad. Minister for Petroleum & Natural Resources and Special Assistant to Prime Minister were specially invited. There was consensus on following decision:-

- i. The Ministry of Petroleum & Natural Resources shall place LNG Policy before the CCI; and
- ii. The Ministry of Petroleum & Natural Resources shall submit a policy paper before the CCI in respect of implementation of Articles 158 and 172(3) of the constitution.

Impact

Impact analysis will be done after final decision is taken.

Case No. CCI. 8/1/2016 Dated 29.02.2016	v) Liquefied Petroleum Gas Production and Distribution Policy, 2015
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DECISION

The CCI approved the "Liquefied Petroleum Gas Production and Distribution Policy, 2015" as such.

Implementation Status

Implemented

Impact

The positive implementation of this policy will help in formulating a structure to regulate the LPG prices both at producers and consumers level etc.

Case No. CCI. 2/3/2016 Dated 16.12.2016	Sixth Population and Housing Census
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DECISION

After detailed discussion, the CCI approved the following proposals submitted by the Statistics Division / Pakistan Bureau of Statistics in their summary dated 8th December, 2016:-

- a) Census may be held on traditional method using paper based questionnaires starting from 15th March, 2017 as per field operation plan given by Statistics Division.
- b) House Listing and Census Operation may be carried out in one go. Form-2 only may be used in the Census Operation, while Form 2-A may be filled in on sample basis, after the Census Operation is over.
- c) Census may be held in two phases, each phase may be carried out in all the provinces simultaneously.
- d) All relevant stakeholders at Federal and Provincial level may be directed to extend cooperation to PBS during Census Operation

Implementation Status

Under process.

Impact

The holding of Census will provide the correct and reliable data base for better planning and development.

Case No. CCI. 3/3/2016 Dated 16.12.2016	Allocation of National Security Fund out of divisible pool
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DECISION

The CCI considered the Summary dated 9th December, 2016 submitted by Finance Division and decided to refer the case for creation of National Security Fund to NFC.

Implementation Status

Implemented.

Impact

Creation of National Security Fund will help in strengthening the capacity of Law enforcement agencies and maintain law and order in the country.

Case No.CCI. 4/3/2016 Dated 16.12.2016	<u>Allocation of 3% Federal Divisible Pool for FATA</u> Allocation For Special Areas-AJK, GB and FATA
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DECISION

The CCI considered the Summaries dated 14th and 15th December, 2016 submitted by SAFRON and Finance Division but dropped the same due to lack of consultations amongst the stakeholders and that the subject mainly pertained to NFC.

Implementation Status

Dropped.

Case No.CCI. 5/3/2016 Dated 16.12.2016	National Forest Policy, 2015
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DECISION

The CCI considered the Summary dated 2nd April, 2016 submitted by the Climate Change Division and approved the National Forest Policy in principle with the directions that Minister for Climate Change will meet the representatives of all the provinces to address their observations and present his report to CCI in its next meeting.

Implementation Status

The Ministry of Climate Change has furnished the updated implementation status / progress report on the aforesaid matter, which is reproduced as under:-

Government of Sindh:-

The Federal Minister for Climate Change has held meeting with Chief Minister of Sindh on 13th February, 2017 at Karachi in compliance to the CCI decision.

Government of Khyber Pakhtunkhwa:-

Initial meeting of Chief Secretary, Khyber Pakutunkhwa with the Federal Minister was held on 16th February, 2017 wherein concerns of the province were discussed. The meeting of the Chief Minister, KP with federal Minister is expected soon.

Government of the Punjab:-

The Chief Minister Punjab has constituted the following committee to meet the Federal Minister:-

- a. Chief Secretary
- b. Secretary Environment
- c. Chairman Planning and Development Board

Government of the Balochistan:-

Secretary, Ministry of Climate Change has issued a letter to Secretary to Chief Minister Balochistan on 9th January, 2017. The progress shall be intimated as soon as response from the province is received.

They also informed that the final progress on the decision of CCI will be furnished after completion of consultative process.

Impact

The impact of the National Forest Policy shall be as under:-

- i. Promote ecological, social and cultural functions of forests through sustainable management
- ii. Implement a national level mass afforestation programme to expand and maintain optimum forest cover
- iii. Maximize the forest areas by investing in a available communal lands/ shamlat, and guzara forests and urban forestry
- iv. Facilitate and harmonize inter-provincial movement, trade and commerce of wood and non-wood forest products through Federal forestry board
- v. Inter-link natural forests, protected areas and wildlife habitats to reduce fragmentation
- vi. Enhance role and contribution of forest in reducing carbon emissions and enhance forest carbon pools
- vii. Facilitate implementation of international conventions and the agreements related to forestry, wetlands, biodiversity and climate change
- viii. Promote standardized and harmonized scientific planning, research and education

Case No. CCI. 6/3/2016 Dated 16.12.2016	Flare Gas (FG) Utilization Guidelines 2016 and Revision of Tight Gas (Exploration & Production) Policy, 2011
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DECISION

The CCI considered the Summaries dated 9th August and 20th October, 2016 submitted by Ministry of Petroleum & NR and approved the "Flare Gas Utilization Guidelines 2016" and "Revision in Tight Gas (Exploration & Production) Policy 2011" as proposed by Ministry of Petroleum & NR.

Implementation Status

Implemented

Impact

The policy will help to increase the production of Gas and defuse the looming energy crisis.

Case No. CCI. 7/3/2016 Dated 16.12.2016	Settlement of Net Hydel Profit (NHP), Issue between WAPDA and Government of Punjab.
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DECISION

The Council considered the Summary dated 28th November, 2016 submitted by Ministry of Water & Power on settlement of Net Hydel Profit (NHP) issue between WAPDA and Government of Punjab and approved the proposals contained in para 3 of the Summary as reproduced below:-

- GoPb claim of Rs.82.71 billion as arrears of NHP, duly endorsed by WAPDA will be the full and final settlement of GoPb claim (as on June 2016).
- To settle Rs.38.12 billion, WAPDA would issue irrevocable promissory note of one year duration to GoPb by December 31, 2016. The issuance of this promissory note will not be contingent upon tariff.
- The balance Rs.44.59 billion will be paid in three equal installments after tariff determination by CCI/NEPRA as follows;

- Rs.14.86 billion in FY 2017-18
- Rs.14.86 billion in FY 2018-19
- Rs.14.86 billion in FY 2019-20
- WAPDA would file a Tariff petition for recovery of the above arrears.
- Payment of NHP to Government of Punjab @ 1.10 per unit on the analogy of Government of KPK, generated from Hydel Power Station located in Punjab for the FY 2016-17 and onwards.

Implementation Status

Implemented

Impact

The implementation of CCI decision will increase the coordination among federation and provinces.

Case No. CCI. 8/3/2016 Dated 16.12.2016	Amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
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DECISION

The CCI considered the summary dated 8th December, 2016 submitted by M/o Water & Power and decided that the Ministry of Water & Power will ask for comments of the Provinces on the proposed amendments within 7 - 10 days and that Minister for Water & Power will convene meeting with Chief Ministers of all four provinces and submit concrete proposals to CCI in its next meeting.

Implementation Status

In pursuance of CCI decision Minister for Water & Power convened a meeting with Provincial Chief Ministers on 10.02.2017. In the meeting, it was, inter-alia, decided to review the proposed amendments by the provincial technical teams with the Ministry of Water & Power. The Technical Committee is currently deliberating upon proposed amendments. After clearance by the technical team, meeting of all provincial Chief Ministers will be convened for finalization of the recommendations and presentation to the CCI.

Impact

The impact analysis will be made after final approval of the policy.

Case No. CCI. 9/3/2016 Dated 16.12.2016	Annual Report of the CCI for the year 2015-16
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DECISION

The CCI considered the summary submitted by IPC Division/CCI Secretariat and approved the Annual Report of CCI for the year 2015-16 for its placement before both the Houses of Parliament

Implementation Status

Implemented

Impact

The unanimous approval of CCI's Annual Report will strengthen federalism. The decision facilitated laying of Annual Report of the CCI for the year 2015-16 before the both houses of the Parliament in compliance of Article 153(4) of the Constitution of the Islamic Republic of Pakistan.

7.4 LIST OF PARTICIPANTS OF 30TH CCI MEETING HELD ON 16TH DECEMBER, 2016 AT 10:00 HRS IN THE PRIME MINISTER'S OFFICE

CONSTITUTIONAL MEMBERS:

1. Mian Muhammad Nawaz Sharif,
The Prime Minister of Pakistan / Chairman CCI

Federation

2. Pir Syed Sadaruddin Shah Rashidi,
Federal Minister for Overseas Pakistanis and HRD
3. Lt. General (Retd.) Abdul Qadir Baloch,
Federal Minister for States and Frontier Regions
4. Sardar Muhammad Yousaf,
Federal Minister for Religious Affairs and Inter-faith Harmony

Provinces

5. Mian Muhammad Shahbaz Sharif, Chief Minister Punjab
6. Syed Murad Ali Shah, Chief Minister Sindh
7. Mr. Pervez Khattak, Chief Minister Khyber Pakhtunkhwa
8. Nawab Sanaullah Khan Zehri, Chief Minister Balochistan

Chief Secretaries to accompany with the Chief Ministers

9. Capt. (Retd.) Zahid Saeed, Chief Secretary Punjab
10. Mr. Rizwan Memon, Chief Secretary Sindh
11. Mr. Abid Saeed, Chief Secretary Khyber Pakhtunkhwa
12. Mr. Saifullah Chattha, Chief Secretary Balochistan

B). PARTICIPANTS OF AGENDA ITEMS: By Special Invitation

Item # 1:

Status Review of important Decisions of the CCI meeting held on 29th February & 25th March, 2016:-

1. Khawaja Muhammad Asif, Minister for Water and Power
2. Prof. Dr. Ahsan Iqbal, Minister for Planning, Development and Reform

3. Mr. Zahid Hamid, Minister for Climate Change
4. Mr. Shahid Khaqan Abbasi, Minister for Petroleum and NR
5. Mr. Yousaf Naseem Khokhar, Secretary, Planning, Development & Reform
6. Mr. Karamat Hussain Niazi, Secretary, Law & Justice Division
7. Mr. Asjad Imtiaz Ali, Chairman Federal Flood Commission
8. Maj. Gen. Asghar Nawaz, HI(M), Chairman, NDMA
9. Let. Gen. ® Muzammil Hussain, Chairman WAPDA
10. Dr. Ghulam Rasool, Director General (Met)

Item # 2: Sixth Population and Housing Census:-

1. Mr. Mohammad Ishaq Dar, Minister for Finance, Revenue, EAD, Statistics & Privatization
2. Mr. Tariq Mehmood Pasha, Secretary, Statistics Division
3. Mr. Asif Bajwa, Chief Statistician/Chief Census Commissioner

Item # 3: Allocation of National Security Fund out of Divisible Pool:-

1. Dr. Waqar Masood Khan, Secretary, Finance Division

Item # 4: Allocation of 3% of Federal Divisible Pool for FATA:-

1. Dr. Muhammad Shehzad Arbab, Secretary, SAFRON Division

Item # 5: National Forest Policy, 2015:-

1. Syed Abu Ahmad Akif, Secretary, Climate Change, Division

Item # 6: Flare Gas Utilization Guidelines 2016 and Revision of Tight Gas (Exploration & Production) Policy, 2011:-

1. Mr. Arshad Imtiaz Mirza, Secretary, Petroleum & NR Division

Item # 7: Settlement of Net Hydel Profit (NHP) Issue between WAPDA and Government of Punjab:-

1. Mr. Muhammad Younas Dhaga, Secretary, Water & Power Division

Item # 8: Amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997:-

1. Mr. Nadeem Hassan Asif , Secretary, Cabinet Division

Item # 9 : Annual Report of the CCI for the year 2015-16:-

1. Raja Muhammad Nadir Ali, Secretary, IPC & CCI

MINISTRY OF IPC / CCI'S STAFF CONDUCTING THE CCI MEETING

1. Mian Riaz Hussain Pirzada, Minister for Inter Provincial Coordination
2. Mr. Jamal Nasir , Additional Secretary (IPC & CCI)
3. Mr. Khial Zad Gul, Joint Secretary (IPC & CCI)
4. Mrs. Saima Mukhtar, Section officer (CCI)
5. Mr. Muhammad Umar, Section Officer (IPC)
6. Syed Mudassar Hussain Shah, Steno typist (with lap top for presentation)
7. Mr. Farhan Ahmad Ch., Assistant (with CPU, Printer & Record keeping)
8. Mr. Muhammad Khurshid, Cabinet Attendant
9. Mr. Muhammad Khalid, Naib Qasid
10. Mr. Zafar Aftab, Naib Qasid

CHAPTER-8

31ST MEETING OF THE COUNCIL OF COMMON INTERESTS HELD ON MAY 2, 2017



Prime Minister Muhammad Nawaz Sharif chairing Council of Common Interests (CCI) meeting at Islamabad on 2nd May, 2017.

8.1 ADDRESS BY THE PRIME MINISTER

The Prime Minister/Chairman, CCI welcomed the Chief Ministers, Members of the Council and other participants and thanked them for making it convenient to attend the 31st meeting of the Council of Common Interests. He, thereafter asked Sardar Muhammad Yousuf, Minister for Religious Affairs for recitation from the Holy Quran. After recitation, the Chair asked the Secretary, CCI to take up formal agenda of the meeting.

8.2 AGENDA OF THE 31ST MEETING OF CCI HELD ON MAY 2, 2017

Item No.	Subject	Presented By
1.	Status Review of Important Decisions of the CCI meeting held on December 16, 2016:-	Ministry of IPC (Secretariat of CCI)
	(vi) Inquiry into Corruption Charges of Kacchi Canal	
	(vii) Matters pertaining to Higher Education and other similar bodies in post-eighteenth amendment scenario	
	(viii) Formulation of National Flood Protection Plan-IV (2015-25)	
	(ix) Import of Liquefied Natural Gas (LNG)	
	(x) Sixth Population and Housing Census	
	(xi) National Forest Policy	
	(xii) Settlement of Net Hydel Profit (NHP) Issue between WAPDA and Government of the Punjab	
	(xiii) Amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997	

8.3 CASES CONSIDERED BY THE COUNCIL OF COMMON INTERESTS AND IMPACT ANALYSIS OF IMPLEMENTATION OF ITS DECISIONS

Cases considered by the council in its meeting held on May 2, 2017 in the financial year 2016-17 and impact analysis of implementation of its decisions is mentioned hereunder:

Case No. CCI. 1/1/2017 Dated 02.05.2017	Status Review of Important Decisions of the CCI meeting held on December 16, 2016
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The Secretary, CCI gave an item wise presentation on the implementation status of the following important decisions taken by CCI in its meeting held on December 16, 2016.

Case No. CCI. 1/1/2014 Dated 10.02.2014	Inquiry into Corruption Charges of Kacchi Canal
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DECISION

The CCI directed Ministry of Water & Power to implement recommendations of the inquiry report in letter and spirit and refer the case to Cabinet for decision on actions to be taken against those responsible.

Implementation Status

Under process

Impact

Action against those responsible will have a positive impact on the overall execution and completion of this project. Moreover, it will also help and support to strengthen the system of accountability within government organizations.

Case No. CCI. 18/1/2015, Dated 18th March, 2015.	Matters pertaining to Higher Education and other similar bodies in post-eighteenth amendment scenario
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DECISION

The CCI directed the Committee to finalize the issue at the earliest as the same has already been delayed inordinately.

Implementation Status

Ministry of Federal Education & Professional Training has informed that the draft minutes of the 4th meeting of Sub-Committee held on 14.02.2017 were sent to the Minister for Planning, Development & Reform / Chairman CCI Sub-Committee. Approval is still awaited.

Impact

Impact analysis will be done after final decision of CCI.

Case No. CCI. 6/1/2016, dated 29.02.2016	Formulation of National Flood Protection Plan-IV (2015-25)
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DECISION

The CCI approved the proposed NFPP-IV (2015-25) and decided that financing of the NFPP-IV would be made by the Federal and Provincial Governments @ 50:50. The provinces will decide their respective share of contribution amongst themselves and report to the Federal Government.

Implementation Status

Implemented

Impact

The Formulation of National Flood Protection Plan-IV (2015-25) will bring improvement in flood management through local and donor financed projects. It will help to save the country from flash floods including hill torrents, costal and urban flooding.

Case No. CCI. 4/1/2016 dated 29.02.2016	Import of Liquefied Natural Gas (LNG)
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DECISION

The CCI appreciated unanimous confirmation of the minutes by all the four Chief Ministers and asked Ministry of Petroleum & Natural Resources to submit the requisite summaries to CCI for consideration in its next meeting.

Implementation Status

Under process

Impact

Impact analysis will be done once final decision is taken by CCI.

Case No. CCI. 2/3/2016 Dated 16.12.2016	Sixth Population and Housing Census
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DECISION

The CCI expressed satisfaction over the ongoing process of census and directed PBS to complete the process, as per schedule, in a fair and transparent manner.

Implementation Status

Statistics Division has provided the updated implementation status as under:

The 6th Population and Housing Census has been started in phases w.e.f 15th March, 2017. The field operation of phase-I in 63 admin districts has been completed. Around 200,000 army personnel and 60,000 civilian enumerators were employed in addition to the local police and the Civil Armed Forces. Out of 63 admin districts filled-in census documents of 35 admin districts have been received in PBS HQs, Islamabad from the concerned Census District Offices (CDOs) under the Security of Armed Forces. Furthermore, the data processing of REN-2 Forms of Phase-I is also in progress.

Population & Housing Census in the 87 admin districts in Phase-II will start w.e.f 25th April, 2017, which will be completed by 25th May, 2017. In this connection, necessary arrangements such as appointment of field staff and distribution of census material etc, have already been completed.

Impact

The holding of census will provide the correct and reliable data base for better planning and development.

Case No. CCI. 5/3/2016 Dated 16.12.2016	National Forest Policy, 2015
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DECISION

The CCI expressed satisfaction over the process of consultation with the provinces to formulate “National Forest Policy” and directed Ministry of Climate Change to present the policy document during the next meeting of CCI.

Implementation Status

Under process

Impact

Impact analysis will be done after final decision is taken by CCI.

Case No. CCI. 7/3/2016 Dated 16.12.2016	Settlement of Net Hydel Profit (NHP), Issue between WAPDA and Government of Punjab.
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DECISION

The CCI expressed satisfaction over the progress to settle the NHP issue of KP and Punjab. The CCI also agreed/approved to delete the words “and onwards” from its previous decision made on 16th December, 2016 as referred to, in the preceding paras.

Implementation Status

Implemented

Impact

The implementation of CCI decision will increase the coordination among federation and provinces.

Case No. CCI. 8/3/2016 Dated 16.12.2016	Amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
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DECISION

The CCI reviewed the update and approved, in principle, the proposed Amendments to the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 subject to final clearance in the meeting to be held with Chief Ministers. However, the CCI approved amendments to Section 14, Section 31 and Section 46 of the Act *ibid* which reads as under:-

Section 14:-

<u>Section</u>	<u>Existing</u>	<u>Amendments approved by CCI</u>
14(1)	Accounts.— The Authority shall maintain complete and accurate books of accounts of its actual expenses and receipts.	
14(2)	The Accounts of the Authority shall be audited annually by the Auditor General of Pakistan.	
<u>NATIONAL ELECTRICITY POLICY AND PLAN</u>		
14A(1)		National Electricity Policy and Plan. - The Federal Government shall, from time to time, with the approval of the Council of Common Interest, prepare and prescribe a national electricity policy for development of the power markets: Provided that in the development of policies under this section, the Federal Government may seek such input and assistance from the Authority as may be required.
14A(2)		The policies referred to, in sub-section (1) shall provide for, <i>inter alia</i> :

(i)		development of systems based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy;
(ii)		development of efficient tariff structures for ensuring adequate financial stability of the power markets;
(iii)		management of financial liquidity in the power markets;
(iv)		special provisions for ensuring the development of a sustainable renewable energy market with a dedicated and gradually increasing share in the electricity power sector; and
(v)		any other matter pertaining to the development, reform, improvement and sustainability of the power sector
14A(3)		The Federal Government may, from time to time, in consultation with the Provincial Governments review or revise, the policies referred to in sub-section (1).
14A(4)		<p>The Federal Government, in consultation with the Provincial Governments, shall prepare a national electricity plan in accordance with the policies prepared and prescribed under sub-section (1) and notify such plan once in five years:</p> <p>Provided that the Federal Government, while preparing the national electricity plan shall publish the draft national electricity plan and invite suggestions and objections thereon from licensees and registered persons within thirty days of the notification.</p>

14A(5)		The Federal Government may, either on its own motion or the recommendation of the Authority, revise the national electricity plan in accordance with the policies prepared and prescribed under sub-section (1).
14A(6)		The Authority shall at all times comply with the National Electricity Policy and the National Electricity Plan.
<u>GENERATION OF ELECTRICITY</u>		
14B		Generation.- Any generation company may establish, operate and maintain a generating station without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid as may be specified.
14C(1)		<p>Captive generation.- Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:</p> <p>Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company:</p> <p>Provided further that no licence shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made thereunder and to any consumer, subject to the industry standards and codes as may be specified.</p>
14C(2)		Every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity

		<p>from his captive generating plant to the destination of his use:</p> <p>Provided that such open access shall be subject to availability of adequate transmission facility and such availability of transmission facility shall be determined by the National Grid Company:</p> <p>Provided further that any dispute regarding the availability of transmission facility shall be adjudicated upon by the Authority.</p>
14D(1)		<p>Duties of generating companies.- Subject to the provisions of this Act, the duties of a generating company shall be to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provisions of this Act or the rules or regulations made thereunder.</p>
14D(2)		<p>A generating company may supply electricity to any transmission, distribution, supply or market trader licensee in accordance with this Act and the rules and regulations made thereunder and may, subject to section 20, supply electricity to any consumer.</p>
14D(3)		Every generating company shall—
(a)		<p>submit technical details regarding its generating stations to the Authority; and</p>
(b)		<p>Co-ordinate with the National Grid Company, for transmission of the electricity generated by it.</p>

14E		<p>Notwithstanding anything contained in this Act, a holder of a generation license at the time of the coming into force of this Act, shall be deemed to be a valid generation license holder and shall be subject to all terms and conditions applicable thereon for a period of five years after the coming into force of this Act:</p> <p>Provided that the Federal Government may, after consultation with the Authority, provide a mechanism for the gradual cessation of the generation licenses for various classes of generation license holders by notification in the official gazette.</p>
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Section 31:-

TARIFF		
<u>Section</u>	<u>Existing</u>	<u>Amendments approved by CCI</u>
31(1)	<p>Tariff. (1) — As soon as may be, but not later than six months from the commencement of this Act, the Authority shall determine and prescribe procedures and standards for determination, modification or revision of rates, charges and terms and conditions for generation of electric power, transmission, inter-connection, distribution services and power sales to consumers by licensees and until such procedures and standards are prescribed, the Authority shall determine, modify or revise such rates, charges and terms and conditions in accordance with the directions issued by the Federal Government.</p>	<p>The Authority shall, in the determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services, be guided by the National Electricity Policy, the National Electricity Plan and such guidelines as may be issued by the Federal Government in order to give effect to the National Electricity Policy and National Electricity Plan.</p>

31(2)	The Authority while determining the standards referred to in subsection (1) shall—	The Authority, in the determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services shall keep in view—
(a)	protect consumers against monopolistic and oligopolistic prices;	the protection of consumers against monopolistic and oligopolistic prices;
(b)	keep in view the research, development and capital investment programme costs of licensees;	the research, development and capital investment programme costs of licensees;
(c)	encourage efficiency in licensees operations and quality of service;	the encouragement of efficiency in licensees operations and quality of service;
(d)	encourage economic efficiency in the electric power industry;	the encouragement of economic efficiency in the electric power industry;
(e)	keep in view the economic and social policy objectives of the Federal Government; and	the economic and social policy objectives of the Federal Government;
(f)	determine tariffs so as to eliminate exploitation and minimize economic distortions.	the elimination of exploitation and minimization of economic distortions; and
31(2A)		Without prejudice to the generality of the sub-section (2), the following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services:
(i)		tariffs should allow licensees the recovery of any and all cost prudently incurred to meet the demonstrated needs of their customers: provided that, assessments of licensees, prudence may not be required where tariffs are set other than cost of service basis, such as formula based tariffs that are designed to be in place for more than one year;

(ii)		tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;
(iii)		tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;
(iv)		tariffs should include a mechanism to allow licensees a benefit from, and penalties for failure to achieve the efficiencies in the cost of providing the service and the quality of service;
(v)		tariffs should reflect marginal cost principles to the extent feasible, keeping in view the financial stability of the sector;
(vi)		the Authority shall have a preference for competition rather than regulation and shall adopt policies and establish tariffs towards that end;
(vii)		tariffs may be set below the level of cost of providing the service to consumers categories consuming electric power below such consumption levels as may be prescribed, as long as such tariffs are financially sustainable;
(viii)		tariffs should, to the extent feasible, reflect the full cost of service to consumer categories with similar service requirements;
(ix)		tariffs should seek to provide stability and predictability for customers; and
(x)		tariffs should be comprehensible, free of misinterpretation and shall state explicitly each component thereof.

		Provided that the Authority shall strike a balance to the extent possible, among the general guidelines in order to optimize the benefits to all persons likely to be affected by the determination, modification or revision of rates, charges and terms and conditions.
31(2B)		Subject to sub-section 31(2) and 31(2A), the Authority shall, in the public consumer interest, determine a Uniform Tariff for distribution licensees wholly owned and controlled by a common shareholder, on the basis of their consolidated accounts.
31(3)	The procedures established under sub-section (1) shall include—	The Authority may specify procedures for the determination, modification or revision of rates, charges and terms and conditions for the provision of electric power services, including, without limitation —
(a)	time frame for decisions by the Authority on tariff applications;	
(b)	opportunity for customers and other interested parties to participate meaningfully in the tariff approval process; and	
(c)	protection for refund, if any, to customers while tariff decisions are pending.	
31(4)	Notification of the Authority's approved tariff, rates, charges, and other terms and conditions for the supply of electric power services by generation, transmission and distribution companies shall be made, in the official Gazette, by the Federal Government upon intimation by the Authority: Provided that the Federal	Notification of the Authority's approved tariff, rates, charges, and other terms and conditions for the supply of electric power services by generation, transmission and distribution companies shall be made, in the official Gazette, by the Federal Government upon intimation by the Authority: Provided that the Authority may, on a

	<p>Government may, as soon as may be, but not later than fifteen days of receipt of the Authority's intimation, require the Authority to reconsider its determination of such tariff, rates, charges and other terms and conditions. Whereupon the Authority shall, within fifteen days, determine these anew after reconsideration and intimate the same to the Federal Government;</p> <p>Provided further that the Authority may, on a monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of, any variations in the fuel charges and, policy guidelines as the Federal Government may issue and, notify the tariff so adjusted in the official Gazette.</p>	<p>monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of any variations in the fuel charges and, policy guidelines as the Federal Government may issue and notify the tariff so adjusted in the official Gazette.</p>
31(5)	<p>Each distribution company shall pay to the Federal Government such surcharge as the Federal Government, from time to time, notify in respect of each unit of electric power sold to the consumers and any amount paid under this sub-section shall be considered as a cost incurred by the distribution company to be included in the tariff determined by the Authority.</p>	
31A(1)		<p>Surcharges.— (1) The Federal Government may, in addition to the tariff determined by the Authority, impose a surcharge on such consumer categories as may be notified in the official gazette, to be collected by a licensee in the prescribed manner.</p>

31A(2)		The surcharge collected under sub-section (1) may only be imposed for the following purposes:
(i)		for discharging public service obligations of electricity consumers towards elimination of electricity poverty, including measures which are essential to achieve the goals of economic and social cohesion, environmental protection, energy efficiency, demand management, managing climate change, and promoting the security of energy supply;
(ii)		for raising funds for development projects aimed at improving provision of electric power services to consumers; and
(iii)		to give effect to any tariff rationalization or subsidy management guidelines as may be issued by the Federal Government from time to time.

Section 46:-

<u>Section</u>	<u>Existing</u>	<u>Amendments approved by CCI</u>
46(1)	Rules.— (1) The Authority may, with the approval of the Federal Government, by notification in the official Gazette, make rules to carry out the purposes of this Act.	<p>Rules.— (1) The Federal Government may, either on its own motion or on the recommendation of the Authority, by notification in the official Gazette, make rules for matters required to be prescribed under this Act:</p> <p>Provided that the power to make rules conferred by this section shall be subject to the condition of previous publication and before making any rules the draft thereof shall be published in the official Gazette for eliciting public opinion thereon within a period of not less</p>

		fourteen days from the date of publication.
46(2)	Without prejudice to the generality, of the foregoing powers, such rules may provide for: —	
(a)	the procedure for seeking nominations of members from the Provincial Governments;	
(b)	the form and manner of applications to be made for a licence for generation, transmission or distribution facilities;	
(c)	the fees and documents to be accompanied with the applications for licences;	
(d)	determination of rates, fees, charges and other terms and conditions of licences;	conditions of licences;
(e)	publication of rates and charges of electricity consumption, procedure for metering, billing and collection of electric power charges by the licensees;	publication of rates and charges of electricity consumption;
(f)	procedure for resolving disputes amongst the licensees and consumers;	
(g)	procedure for submission of various reports to the Council of Common Interests or to the Federal Government and the manner of preparation of such reports;	
(h)	procedure for inquiry and investigation into the affairs of an applicant for a licence and for any contravention of any provision of this Act;	

(i)	the manner and procedure of show cause notices;	
(j)	safe, effective and least environmentally harmful supply of electric power;	
(k)	performance and industrial standards for supply of electric power;	
(l)	standards for investment programmes or power acquisition programmes for transmission and distribution companies;	
(m)	the seeking of information, and the fines or penalties for failure to furnish information; and	the seeking of information; and
(n)	any other matter incidental or consequential to the implementation of this Act.	

Implementation Status

Implemented

Impact

The implementation of CCI decision will fulfill the requirements of Article 154(1) of the Constitution. It will also help to improve functioning of NEPRA.

8.4 LIST OF PARTICIPANTS OF 31ST CCI MEETING HELD ON MAY 2, 2017 AT THE PRIME MINISTER'S OFFICE

Constitutional Members

1. Mian Muhammad Nawaz Sharif, The Prime Minister of Pakistan/Cahirman CCI
2. Pir Syed Sadaruddin Shah Rashidi, Federal Minister for Overseas Pakistanis and HRD
3. Lt. General (Retd.) Abdul Qadir Baloch, Federal Minister for States and Frontier Regions
4. Sardar Muhammad Yousaf, Federal Minister for Religious Affairs and Inter-faith Harmony

Provinces

1. Mian Muhammad Shahbaz Sharif, Chief Minister Punjab
2. Syed Murad Ali Shah, Chief Minister Sindh
3. Mr. Pervez Khattak, Chief Minister Khyber Pakhtunkhwa
4. Nawab Sanaullah Khan Zehri, Chief Minister Balochistan

By Special Invitation

1. Mr. Mohammad Ishaq Dar, Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization
2. Prof. Dr. Ahsan Iqbal, Minister for Planning, Development and Reform
3. Mr. Zahid Hamid, Minister for Law and Justice / Climate Change
4. Khawaja Muhammad Asif, Minister for Water and Power
5. Mr. Shahid Khaqan Abbasi, Minister for Petroleum and Natural Resources
6. Rana Tanveer Hussain, Minister for Science and Technology
7. Engr. Muhammad Baligh ur Rehman, Minister of State, Federal Education and Professional Training
8. Kh. Zaheer Ahmed, Special Assistant to the Prime Minister
9. Mr. Nadeem Hassan Asif, Secretary, Cabinet Division
10. Mr. Karamat Hussain Niazi, Secretary, Law and Justice Division
11. Mr. Tariq Bajwa, Secretary, Finance Division
12. Mr. Shoaib Ahmad Siddiqui, Secretary, Planning, Development and Reform Division
13. Mr. Yousaf Naseem Khokhar, Secretary, Water and Power Division
14. Mr. Haseeb Athar, Secretary, Federal Education and Professional Training Division

15. Mr. Sikandar Sultan Raja, Secretary, Petroleum and Natural Resources Division
16. Dr. Shujat Ali, Secretary, Statistics Division
17. Syed Abu Ahmad Akif, Secretary, Climate Change Division
18. Mr. Fazal Abbas Maken, Secretary, Science and Technology Division
19. Mr. Suhail Amir, Secretary, Overseas Pakistanis and HRD Division
20. Mr. Muhammad Ashraf, AS, M/o Science and Technology

Provinces

1. Capt. (Retd.) Zahid Saeed, Chief Secretary Punjab
2. Mr. Rizwan Memon, Chief Secretary Sindh
3. Mr. Abid Saeed, Chief Secretary Khyber Pakhtunkhwa
4. Mr. Shoaib Mir, Chief Secretary Balochistan

CCI Secretariat

1. Mr. Amjad Ali Khan, Secretary, IPC & CCI
2. Mr. Jamal Nasir, Additional Secretary, IPC & CCI
3. Mr. Khial Zad Gul, Joint Secretary (CCI)
4. Mr. Javed Iqbal, Deputy Secretary (CCI)
5. Mr. Manzoor Ahmed Rana, Section Officer (CCI)
6. Dr. Muhammad Fayyaz Sheikh, Section Officer (Progress)
7. Mr. Muhammad Umar, Section Officer (IPC)
8. Ms. Saima Mukhtar, Section Officer
9. S. Nasir Ali, APS
10. Syed Mudassar Hussain Shah, Steno Typist
11. Mr. Kaleem Ullah, Steno Typist
12. Mr. Faryal Saeed, Assistant
13. Mr. Atiq Ahmad, Assistant
14. Mr. Farhan Ahmad Ch., Assistant
15. Mr. Farhan Mehmood, LDC
16. Mr. Muhammad Khurshid, Cabinet Attendant