

**IN THE NAME OF ALLAH, MOST GRACIOUS, MOST
MERCIFUL**



ANNUAL REPORT

ON

THE COUNCIL OF COMMON INTERESTS

UNDER ARTICLE 153 (4)

OF THE CONSTITUTION OF THE

ISLAMIC REPUBLIC OF PAKISTAN

(2012-2013)

**INTER PROVINCIAL COORDINATION DIVISION
SECRETARIAT OF COUNCIL OF COMMON INTERESTS**

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PREFACE

I consider it my pride and privilege to prepare the third report of the Council of Common Interests for presentation to both the houses of the Parliament i.e. Senate and the National Assembly under Article 153 (4) of the Constitution of Islamic Republic of Pakistan.

2. With the political consensus, participatory democracy and federalism has gained roots in the country and the democratic system has been strengthened. The Federal Government has placed very vital subjects in the Federal Legislative List (Part-II) extending the purview and authority of the CCI over them under Article 154 of the Constitution. This has resulted in the growth of confidence and promoted mutual understanding between the federation and the federating units. It is also a fact that this participation of federating units in the matters of vital importance relating to the federation has strengthened federalism through holding of regular meetings of the CCI. During the functional year 2012-13 the Council has held three meetings and considered 18 items. Most of them were of great national importance and have long lasting effects on the country's socio-economic development.

3. As approved by the Council of Common Interests, the Report for year 2012-13 is laid before the Senate and the National Assembly of Pakistan, in terms of Article 153 (4) of the Constitution.

Muhammad Ejaz Chaudhry
SECRETARY

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 ²(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

COMPOSITION OF THE COUNCIL OF COMMON INTERESTS

In accordance with Article 153 (2), with the approval of the President of Pakistan, the CCI was re-constituted vide Notification No.1(2)/2010-CCI dated July 13, 2012, with the following composition:

- | | |
|---|----------|
| 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. Mir Changez Khan Jamali,
Minister for Science & Technology | Member |
| 7. Dr. Arbab Alamgir Khan,
Minister for Communications | Member |
| 8. Mir Hazar Khan Bijarani,
Minister for Inter Provincial Coordination | Member |

2. All Provincial Governments have now equal representation in the forum of Council of Common Interests.

CHAPTER-3

MEETING OF THE COUNCIL OF COMMON INTERESTS HELD ON AUGUST 8, 2012



PRIME MINISTER RAJA PERVEZ ASHRAF CHAIRING CCI MEETING AT PM SECRETARIAT, ISLAMABAD ON AUGUST 8, 2012

3.1 ADDRESS BY THE PRIME MINISTER

In his address at the Council of Common Interests meeting held at the Prime Minister Secretariat on August 8, 2012, Prime Minister Raja Pervez Ashraf welcomed the Chief Ministers and the Members of the Council of Common Interests and thanked them for making it convenient to attend this meeting in the holy month of Ramadan. He mentioned that the Council of Common Interests after its reconstitution as a consequence of Eighteenth Constitutional Amendment has entered in its third functional year. The Council held eight meetings during the last two years and today it was meeting for the ninth time.

2. The Prime Minister appreciated the fact that due to wisdom of all the political forces the system is gaining strength and the nation heading towards next elections. He further indicated that in its eight meetings, the Council overall considered fifty issues from federal as well as provincial governments and most of its decisions were implemented. He mentioned that in its last meeting, the Council besides other policy matters also approved its Annual

Report for the year 2010-11 which was laid before both the houses of the Parliament as required under Article 153(4) of the Constitution. He referred to the agenda of the meeting and mentioned that there were important items from Federal as well as Provincial Governments including Ministry of IPC, Ministry of Railways and Ministry of Petroleum and Natural Resources and expressed his confidence that the Council will contribute through meaningful deliberations on these national issues. He thereafter asked the Secretary, IPC Division, to take up the formal agenda.

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

Cases considered by the Council in its first meeting in the functional year 2012-13 and Impact Analysis of Implementation of its decisions is mentioned hereunder:

Case No. CCI. 1/2/2012 dated August 8, 2012	Report on Implementation of Council of Common Interests (CCI) Decisions
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DECISION

The Council of Common Interests considered the Summary dated July 17, 2012, submitted by Inter Provincial Coordination Division (Secretariat of Council of Common Interests) on "Report on Implementation of Council of Common Interests (CCI) Decisions" and noted the progress and expressed its satisfaction on the implementation of the decisions and issued directions as under :-

- i) Cabinet Division to submit the Summary on IPO-Pakistan issues in the next meeting of the Council of Common Interests.
- ii) Minister for Finance alongwith Secretaries of Finance and Planning Divisions to hold meetings with provincial Chief Secretaries for deciding on provisions of funds for provincial Population Welfare Programmes on the basis of accurate strength of the employees existing as on 30-06-2010.

- iii) On the remaining item, the Council noted the implementation position.

Implementation Status

Implemented.

Impact

- i. The Standing Committee of CCI in its meeting held on 24th December, 2012 unanimously decided to exclude Agenda Item No.4 i.e. "Jurisdiction of the CCI vis-à-vis IPO-Pakistan" from the CCI meeting as IPO-Pakistan does not have any regulatory functions and thus does not fall in the domain of CCI.
- ii. The implementation of the above CCI decision, resolved the financial issues of the provinces regarding Population Welfare Programmes.

NON-AGENDA ITEM OF THE COUNCIL OF COMMON INTERESTS MEETING HELD ON AUGUST 8, 2012

DECISION

The Council of Common Interests on a non-agenda item held elaborate discussions on national energy crises and as a short term measure decided to work out a transparent and workable formula for judicious load management. The Council unanimously approved constitution of a Committee under the Chairmanship of Minister for Water and Power, the Secretary Water and Power Division and all the four Chief Secretaries and one technical member from each province as members. The committee shall submit its recommendations and proposal within one week to the Chairman Council of Common Interests, the Prime Minister of Pakistan.

- 2. The Chief Ministers were also given responsibility to help expediting recoveries of energy receivables from public and

private sectors. The Council also adopted a resolution proposed by the Chief Minister Punjab which is reproduced as under:-

"The meeting of Council of Common Interests expresses concern over the situation arising out of the shortage of electricity and consequent load-shedding in the country and believes that efforts be made to resolve this crises in an effective and result oriented manner".

The CCI through this resolution decides that in order to strengthen the federation and promote solidarity among the people of the country, a system for equitable and judicious distribution of electricity be devised in light of the decisions taken during the energy conferences held in Islamabad and Lahore".

Implementation Status

Implemented.

Impact

The decision of the Council provided a way forward to the Government for making efforts to overcome energy crises in the Country.

Case No. CCI. 2/2/2012 dated August 8, 2012	Approval of Petroleum (Exploration & Production) Policy, 2012
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DECISION

The Council of Common Interests considered the Summary dated April 5, 2012, submitted by Ministry of Petroleum and Natural Resources on "Approval of Petroleum (Exploration and Production) Policy 2012" and approved the Policy subject to following conditions /rectifications:

- i) In accordance with the provisions of the Constitution of Islamic Republic of Pakistan giving joint ownership and equal control to the Federal Government and provinces over mineral oil and natural gas under

Article 172 read with Article 154, the benefit of Windfall levy will be shared over and above the base price of US\$40 per barrel and distributed among the Federal Government and the concerned province on 50 : 50 basis.

- ii) Bidding process will be open and transparent without any preferential treatment.

Implementation Status

Implemented.

Impact

The approval of Petroleum (Exploration & Production) Policy, 2012 has ushered a new era in the development of petroleum and natural resources in the country. This will attract the investment and the investment projects will create new job opportunities and also lead to economic development.

Case No. CCI.3/2/2012 dated August 8, 2012	Approval of National Mineral Policy, 2012
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DECISION

The Council of Common Interests considered the Summary dated July 6, 2012, submitted by Ministry of Petroleum and Natural Resources on “Approval of National Mineral Policy, 2012” and deferred its consideration as it involved issues of constitutional jurisdiction and necessary consultation of stakeholders including vetting by Ministry of Law and Justice.

Implementation Status

Deferred.

Impact

The decision provided guidance for resolution of issues of constitutional jurisdiction with respect to Mineral exploration and exploitation in a transparent manner.

3.3 LIST OF THE PARTICIPANTS OF CCI MEETING HELD ON AUGUST 8, 2012

Federation

1. Dr. Arbab Alamgir Khan, Minister for Communications
2. Mir Changez Khan Jamali, Minister for Science & Technology
3. Mir Hazar Khan Bijarani, Minister for Inter Provincial Coordination

Provinces

1. Mian Muhammad Shahbaz Sharif, Chief Minister Punjab
2. Syed Qaim Ali Shah, Chief Minister Sindh
3. Mr. Ameer Haider Khan Hoti, Chief Minister Khyber Pakhtunkhwa
4. Nawab Muhammad Aslam Raisani, Chief Minister Balochistan

By Special Invitation

1. Dr. Abdul Hafeez Shaikh, Minister for Finance, EAD, and P&D
2. Syed Naved Qamar, Minister for Defence
3. Dr. Asim Hussain, Adviser for Petroleum & Natural Resources
4. Mrs. Nargis Sethi, Secretary Cabinet Division
5. Mr. Abdul Wajid Rana, Secretary Finance Division
6. Mr. Muhammad Javed Malik, Secretary Planning and Development Division
7. Mr. Muhammad Ayub Qazi, Principal Secretary to the Prime Minister
8. Dr. Waqar Masood Khan, Secretary Petroleum & NR Division
9. Mr. Zafar Mahmood, Secretary, Water and Power Division
10. Mr. Arif Azim, Secretary, Railways Division
11. Chaudhry Muhammad Azam Samma, Secretary, Religious Affairs Division
12. Mr. Javed Iqbal, Secretary, Economic Affairs Division
13. Mr. Nasar Hayat, Additional Secretary, Education and Trainings Division
14. Mr. Muhammad Azam Warraich, Legislative Adviser, Law & Justice Division

Provinces

1. Mr. Nasir Mahmood Khosa, Chief Secretary Punjab
2. Raja Muhammad Abbas, Chief Secretary Sindh
3. Mr. Ghulam Dastgir Khan, Chief Secretary Khyber Pakhtunkhwa
4. Mr. Babar Yaqoob Fateh Muhammad, Chief Secretary Balochistan

CCI Secretariat

1. Mr. Anisul Hasnain Musavi, Secretary, IPC Division
2. Mr. Shahzad Iqbal, Sr. Joint Secretary (CCI)
3. Rana M. Sajjad Anwar, Section Officer (CCI)

CHAPTER-4

MEETING OF THE COUNCIL OF COMMON INTERESTS HELD ON NOVEMBER 8, 2012



Prime Minister, Raja pervez Ashraf, chairing the 10th meeting of the Council of Common Interest (CCI) at Prime Minister Secretariat, Islamabad on November 8, 2012.

4.1 ADDRESS BY THE PRIME MINISTER

Addressing to the Council of Common Interests meeting held at the Prime Minister Secretariat on November 8, 2012, the Prime Minister Raja Pervez Ashraf welcomed the Chief Ministers and the Members of the Council of Common Interests and thanked them for making it convenient to attend the tenth meeting of the Council since its re-constitution through Eighteenth Constitutional Amendment. He mentioned that in its nine meetings the Council discussed and took decisions in very vital matters of the national importance.

2. The Prime Minister added that the Government was fully committed to its political and constitutional obligations and believed in strengthening of institutions in their own spheres. He said that with the collective wisdom of federal as well as provincial governments, democracy is strengthening.

3. The Prime Minister further indicated that the Government honors the decisions of the honorable courts and appreciated the role played by them in strengthening of institutions and democracy in the country. The Government is also committed to

hold free and fair elections so that people of Pakistan could exercise their free will to choose their government for next five years, he added.

4. The Prime Minister emphasized that the Council of Common Interests as an institution is an icon of federalism which has strengthened the confidence of all the federating units. The Council in its last nine meetings considered fifty-four issues from federal as well as provincial governments and most of its decisions were implemented.

5. He indicated that today, we have important items from the Federal as well as Provincial Governments besides Council's second annual report, required to be placed before both the houses of the Parliament under Article 153 (4) of the Constitution, on the agenda and expressed his confidence that the Council as usual would contribute through meaningful deliberations on these national matters. He thereafter asked the Secretary, IPC Division, to take up the formal agenda.

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

Cases considered by the Council in its second meeting in the financial year 2012-13 and Impact Analysis of Implementation of its decisions is mentioned hereunder:

Case No. CCI. 1/3/2012 dated November 8, 2012	Annual Report of the Council of Common Interests for the year 2011-12
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DECISION

The Council of Common Interests considered the Summary dated November 2, 2012, submitted by Inter-Provincial Coordination Division (Secretariat of Council of Common Interests) on "Annual Report of the Council of Common Interests (CCI) for the Year 2011-12" and approved the Report and authorized its laying before both the houses of the Parliament as required under Article 153 (4) of the Constitution. It was further decided that Finance Division and the Provincial Governments shall urgently work out a proposal on the borrowing limits of the Provinces and guarantees

related thereto for approval by the National Economic Council. Thereafter, the matter will be placed before the CCI for consideration/information.

Implementation Status

Implemented.

Impact

1. The unanimous approval of the Annual Report of the Council is evident of CCI's significance, strengthening federalism and functioning after Eighteenth Constitutional Amendment. The decision facilitated laying of second Annual Report of the Council before the Senate and the National Assembly.
2. The decision of the CCI related to "Public Debt Management and Supervision Policy" is helpful in managing public debt in multiple ways.
3. Debt management was fragmented and this decision of CCI brought cohesiveness in documentation which would help in effective and efficient debt management.
4. The decision created consensus among all stakeholders and resulted into organized approach towards debt management.
5. Parliamentary Supervision through CCI would improve monitoring and public debt management.
6. Political leadership will be regularly briefed through CCI keeping them up to date.

Case No. CCI. 2/3/2012 dated November 8, 2012	Report on Implementation of Council of Common Interests Decisions
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DECISION

The Council of Common Interests considered the Summary dated November 2, 2012, submitted by Inter-Provincial Coordination Division (Secretariat of Council of Common Interests)

and noted the progress on Implementation of Council of Common Interests Decisions. The Council also unanimously adopted a proposal made by Government of the Punjab that collection of Zakat may remain centralized with Federal Government till the next NFC award. 7% of the total collected Zakat be retained by the Federal Government for federal areas i.e. ICT, FATA and GB, while the remaining 93% be distributed among provinces in accordance with the formula in vogue prior to 2008 i.e. Punjab 57.36%, Sindh 23.71%, KPK 13.82% & Balochistan 5.11%. Thereafter further decision will be taken in consultation with the provinces as deemed appropriate.

Implementation Status

Implemented.

Impact

The decision of the Council of Common Interests resolved an outstanding issue of “Distribution of Zakat Funds to Federal Areas and Provinces and Distribution of Arrears of Unutilised Zakat Funds Claimed by the Provinces” after Eighteenth Constitutional Amendment.

Case No. CCI.3/3/2012 dated November 8, 2012	Setting up of the Committee of the Council of Common Interests (CCI)
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DECISION

The Council of Common Interests considered the Summary dated September 11, 2012, submitted by Inter-Provincial Coordination Division (Secretariat of Council of Common Interests) on “Setting up of the Committee of the Council of Common Interests (CCI)” and approved the set up of the committee with the following composition and Terms of References (TORs) :-

- Secretary IPC Division : Chairman
- Secretary Law & Justice Division or his representative not below BS-21 : Member
- Representative of Ministry/Division concerned not below the rank of Joint Secretary (BS-20) : Member

- Secretaries of the provincial IPC Departments : Member
- Joint Secretary (CCI) : Member/ Secretary

Terms of References (TORs) of the Committee

- i). to examine and scrutinize the cases/issues enumerated in Federal Legislative List (Part-II) which are to be placed before the Council of Common Interests.
- ii). to recommend cases/issues for the consideration of the CCI.
- iii). to oversee whether cases/issues submitted by the Federal Government/ Provincial Governments are in the purview of the CCI.
- iv). to return cases/issues to concerned stakeholder which are not in the purview of the CCI. In case a Federal Ministry /Provincial Government in such cases still persists that it needs to be placed before the CCI, the decision of the committee will be overruled and the matter will be brought in the next meeting of the CCI.
- v). to examine/scrutinize any other case/issue specifically assigned to the Committee.

The Committee shall hold its meetings twice a month or on need basis or on the request of the Provincial Governments/Federal Government, and the Secretariat support to the Committee shall be provided by the Inter Provincial Coordination Division.

Implementation Status

Implemented.

Impact

Setting up of the Standing Committee of the CCI was a vital decision of the Council to enhance its functional capacity. The Committee would act as a filter clinic/ clearing house for the CCI and facilitates the Council in effective decision making.

Case No. CCI.4/3/2012 dated November 8, 2012	Working and Functioning of National Electric Power Regulatory Authority (NEPRA)
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DECISION

The Council of Common Interests considered the Summary dated September 13, 2012, submitted by Cabinet Division on “Working and Functioning of National Electric Power Regulatory Authority (NEPRA)” and approved Para-2 of the Summary in the form of report submitted by its sub-committee constituted under the Chairmanship of Syed Naveed Qamar, Federal Minister, with the directions to the Ministry of Water and Power to expedite the proposed Electricity Act. The Government of Khyber Pakhtunkhwa, however, did not subscribe to the findings so reflected in different annexures particularly Annex-C of the report. The Council also directed Secretary Water & Power in her capacity as Secretary Cabinet Division to pursue the NEPRA to finalize determination of upfront tariffs for bagasse, solar and coal generations.

Implementation Status

Implemented.

Impact

The decision of the Council provided guidance to NEPRA for determination of upfront tariffs for different resources i.e. bagasse, solar, coal, wind and bio-gas etc. thus promoted exploitation of non-conventional generation facilities.

Case No. CCI.5/3/2012 dated November 8, 2012	Jurisdiction of the Council of Common Interests (CCI) <i>vis-à-vis</i> the Intellectual Property Organiza- tion of Pakistan (IPO-Pakistan)
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DECISION

The CCI agreed to the request of Secretary Cabinet Division for withdrawal of their Summary dated October 25, 2012 on “Jurisdiction of the Council of Common Interests (CCI) *vis-à-vis* the Intellectual Property Organization of Pakistan (IPO-Pakistan)” with the direction to re-submit for the next meeting of the Council.

Implementation Status

Deferred.

Impact

Standing Committee of the CCI in its first meeting held on 24th December, 2012 unanimously recommended deletion of Agenda item No.4: i.e “Jurisdiction of the Council of Common Interests (CCI) *vis-à-vis*- the intellectual property Organization of Pakistan (IPO-Pakistan)” from the CCI meeting as IPO-Pakistan do not have any regulatory functions and thus do not fall in the domain of CCI.” Therefore, no further action on this agenda item is required on the part of the Cabinet Division.

Case No. CCI.6/3/2012 Dated November 8, 2012	Renaming of Ministry of Professional and Technical Training as Ministry of Education and Trainings
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DECISION

The Council of Common Interests considered the Summary dated August 6, 2012, submitted by Government of Sindh on “Renaming of Ministry of Professional and Technical Training as Ministry of Education and Trainings” and decided that the Ministry of Education and Trainings will continue to function with the subjects already assigned to it. The Council further decided to

constitute a Committee under the Federal Minister for Law and Justice with Minister for Education & Trainings and Federal Secretaries of the Cabinet, Law, Inter-Provincial Coordination, and Education & Trainings Divisions and Chief Secretaries of the Provincial Governments as its member to look into the role of Federal Government vis-à-vis Education keeping in view the provisions of the Constitution, the Supreme Court's judgment dated 25-11-2011 and views of all stakeholders.

Implementation Status

Under Process.

Case No. CCI.7/3/2012 Dated November 8, 2012	Provincial Representation in Federal Entities
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DECISION

The Council of Common Interests considered the Summary dated April 10, 2012, submitted by Government of Khyber Pakhtunkhwa on "Provincial Representation in Federal Entities" and decided that the issue of Provincial Representation in the Federal Entities established under Entry-3 of the FLL Part-II will be examined by the CCI standing committee set up under the Chairmanship of the Secretary IPC within a period of three months and submit its report to the CCI for further consideration and decision.

Implementation Status

Under Process.

Impact

The decision has a long term impact keeping in view extremely low quantum of provincial representation on the Management Boards of the Regulatory Bodies/Federal Entities controlled by the Federal Government.

Case No. CCI.8/3/2012 Dated November 8, 2012	Approval of National Mineral Policy - 2012
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DECISION

The Council of Common Interests considered the Summary dated November 5, 2012, submitted by Ministry of Petroleum and Natural Resources on “Approval of National Mineral Policy – 2012” and approved the Policy in principle subject to the concurrence of the Government of Sindh.

Implementation Status

Implemented.

Impact

The National Mineral Policy provides guidelines for mineral exploration, bringing in foreign investment and showcasing Pakistani minerals at international level besides, benefiting from the knowledge and resource of Geological Survey of Pakistan.

Case No. CCI.9/3/2012 dated November 8, 2012	Equitable Distribution of Electricity
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DECISION

The Council of Common Interests considered the Summary dated November 5, 2012, submitted by Ministry of Water and Power on “Equitable Distribution of Electricity” and while approving recommendations submitted by the committee advised that modalities for withdrawal of 350 megawatts from KESC and financing of oil bill required to be provided to KESC for activating its idle capacity may be worked out. The sale purchase agreement of KESC also needs to be looked into to determine the responsibility of KESC for adding to generation. The same committee may also include Principal Officer, Finance Division and a representative of Ministry of Petroleum and Natural Resources as members. The decision of the committee be implemented forthwith and a progress report be submitted in the next meeting of the CCI.

2. The Council also directed that Federal and Provincial Governments should clear their current electricity bills promptly. If any person or body has any complaints about over billing, it should be settled within a month.

Implementation Status

Implemented.

Impact

Unanimous approval of the recommendations of the committee constituted by the CCI is a vital step towards resolving energy crises in the Country. The decision facilitated Equitable Distribution of Electricity throughout the Country.

Case No. CCI.10/3/2012 dated November 8, 2012	Briefing on the Working of Pakistan Railways
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DECISION

The Council of Common Interests considering the importance of the issue of Working of the Railway which was likely to emanate a good discussion however due to the paucity of time decided to defer the consideration of the Summary dated May 21, 2012 submitted by Ministry of Railways on "Briefing on the Working of Pakistan Railways" for consideration in the next meeting of the Council.

Implementation Status

Deferred.

**4.3 LIST OF THE PARTICIPANTS OF THE CCI MEETING
HELD ON NOVEMBER 8, 2012**

Federation

1. Dr. Arbab Alamgir Khan, Minister for Communications
2. Mir Changez Khan Jamali, Minister for Science & Technology
3. Mir Hazar Khan Bijarani, Minister for Inter Provincial Coordination

Provinces

1. Mian Muhammad Shahbaz Sharif, Chief Minister Punjab
2. Syed Qaim Ali Shah, Chief Minister Sindh
3. Mr. Ameer Haider Khan Hoti, Chief Minister Khyber Pakhtunkhwa
4. Nawab Muhammad Aslam Raisani, Chief Minister Balochistan

By Special Invitation

1. Dr. Abdul Hafeez Shaikh, Minister for Finance, EAD, and P&D
2. Syed Naved Qamar, Minister for Defence
3. Haji Ghulam Ahmed Bilour, Minister for Railways
4. Sheikh Waqas Akram, Minister for Education and Trainings
5. Dr. Asim Hussain, Adviser to Prime Minister on Petroleum and NR
6. Mrs. Nargis Sethi, Secretary Cabinet Division / Water and Power Division
7. Mr. Abdul Wajid Rana, Principal Officer Finance Division
8. Mr. Muhammad Javed Malik, Secretary Planning and Development Division
9. Mr. Muhammad Ayub Qazi, Principal Secretary to the Prime Minister
10. Mr. Qamar Zaman Ch., Secretary, Education and Trainings Division
11. Mrs. Yasmeen Abbasey, Secretary, Law and Justice Division
12. Mr. Arif Azim, Secretary, Railways Division
13. Mr. Javed Iqbal, Secretary, Economic Affairs Division
14. Ch. Muhammad Azam Samma, Secretary, Religious Affairs Division
15. Dr. Waqar Masood Khan, Secretary Petroleum and Natural Resources Division
16. Mr. Ghiasuddin Ahmed, Chairman NEPRA

Provinces

1. Mr. Nasir Mahmood Khosa, Chief Secretary Punjab
2. Raja Muhammad Abbas, Chief Secretary Sindh
3. Mr. Ghulam Dastgir Khan, Chief Secretary Khyber Pakhtunkhwa
4. Mr. Babar Yaqoob Fateh Muhammad, Chief Secretary Balochistan

CCI Secretariat

1. Mr. Shahzad Iqbal, Sr. Joint Secretary (CCI)
2. Dr. Qazi Mujtaba Kamal, Deputy Secretary (CCI)
3. Mr. Mulazim Hussain Mujahid, Deputy Education Adviser
4. Rana M. Sajjad Anwar, Section Officer (CCI)

CHAPTER-5

MEETING OF THE COUNCIL OF COMMON INTERESTS HELD ON JANUARY 23, 2013



Prime Minister Raja Pervez Ashraf addressing a meeting of Council of Common Interest (CCI) at Prime Minister's Secretariat Islamabad on January 23, 2013.

5.1 ADDRESS BY THE PRIME MINISTER

Addressing to the Council of Common Interests meeting held at the Prime Minister Secretariat on January 23, 2013, the Prime Minister Raja Pervez Ashraf welcomed the Governor Balochistan, the Chief Ministers, Members of the Council and thanked them for making it convenient to attend the eleventh meeting of the Council after Eighteenth Constitutional Amendment. The Chair said that the Government was fully committed to its political and constitutional obligations and believed in strengthening the institutions in their own spheres. With the collective wisdom of federal as well as provincial governments, democracy is gaining strength in the country, he added. The Chair indicated that the National and Provincial Assemblies would be completing their tenure successfully within few weeks.

2. The Chair mentioned that the nation is approaching towards general elections, scheduled to be held within the next couple of months. The Government is committed to hold free, fair and

transparent elections in accordance with the provisions of the Constitution and laws on the subject. This would enable the people of Pakistan to exercise their free will to elect a government of their choice for the next term. The present Government has demonstrated its belief in a policy of reconciliation and handled and solved all significant national issues in this spirit.

3. The policy of reconciliation had been introduced by the Pakistan People's Party with an aim of bringing the country out of crisis. He expressed that the current government does not believe in politics of victimization and the proof of this reality is that there are no political prisoners in the country. Politics of reconciliation is being pursued by the government, whereas politics of hatred and victimization has altogether ended. All political parties were taken on board on almost all national issues internal as well as external. The spirit and essence of democracy has been observed and maintained through-out the tenure of the present Government.

4. The Chair also mentioned that the present government gave respect to all democratic institutions, the proof of which was the amicable solution of the issue of the Long March. The Government took a lot of care of the participants of the Long March, engaged them in peaceful dialogue with an open heart. Resultantly, the Long March ended in a peaceful way. The Government condemns the loss of precious lives in Quetta on 10th January. The decision to impose Governor's Rule in Balochistan was also based on consensus and taken after consultation with all the stakeholders. In view of the deteriorating security situation, Article 234 of the Constitution was invoked and Governor's Rule was declared in the Province of Balochistan.

5. The Chair further pointed out that the CCI is a symbol of federalism and has strengthened the confidence of all the federating units. He reminded the participants that it has always been the desire of the Government to settle all outstanding issues through the CCI. Adding that, we are committed to the charter of democracy and have implemented most of its points. The Chair expressed that the Council in its earlier meetings discussed pivotal issues of national importance and took decisions with consensus

through active participation of the federating units. The Council considered sixty-four issues presented by the federation as well as the provinces. Most of its decisions have been implemented and quite a few are in various phases of implementation. Its second annual report as approved by the Council will soon be placed before the Parliament as required under Article 153 (4) of the Constitution.

6. In his concluding remarks, the Chair said that today, we have important items on the agenda including Pakistan Railways and non/delayed payments to sugarcane growers. The Chair desired that the Council, as usual, will contribute through meaningful deliberations on these significant national matters and asked the Secretary, IPC Division, to take up the formal agenda.

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

Cases considered by the Council in its third meeting in the functional year 2012-13 and Impact Analysis of Implementation of its decisions is mentioned hereunder:

Case No. CCI. 1/1/2013 dated January 23, 2013	STATUS REVIEW OF IMPORTANT DECISIONS OF THE CCI MEETINGS
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i). "Status Review of Thar-coal Project"

DECISION

After detailed deliberations, the Council of Common Interests directed the Ministry of Finance to process the case regarding Thar coal project for issuance of sovereign guarantee for approval in the next ECC of the Cabinet. It was decided that instead of exclusive use of Thar coal in upcoming conversion and new coal based thermal power projects, blend of Thar coal and imported coal will be used. Ministry of Water & Power may take necessary actions to conclude an agreement with the Asian Development Bank to launch a project of 600 MW at Jamshoro on blended coal as a fuel to be used on emergent basis. Details to be worked out by the Ministry of Water & Power in consultation with the ADB and Thar Coal Development Board.

Implementation Status

Decision regarding issuance of guarantee relates to Finance Division. Subsequent to decision of CCI, the ECC of the Cabinet on a summary submitted by the Finance Division on 04-03-2013 had decided that Finance Division will issue sovereign guarantee in favor of Thar Coal and Energy Board/Sindh Energy Coal Mining Company Limited (SECMC) for raising financing in the range of \$ 600 – 700 million for financing the construction of mining projects of Thar Coal including the one proposed by M/s SECMC, a joint venture between Government of Sindh and Engro Corporation. The issuance of the guarantee by the Finance Division was made conditional upon the holding of majority shares by the Government of Sindh in the SECMC. Subsequently on the request of Thar Coal and Energy Board/SECMC, Finance Division has advised the board on 31-05-2013 to approach the financial institutions/ commercial banks for financing proposals by observing competitive bidding process. The guarantee of the Finance Division for above amount will be issued after signing of loan agreement and fulfillment of ECC condition to increase the majority shares of the Government of Sindh in the SECMC. Further, the guarantee for \$ 600-700 million will be included under the Fiscal Responsibility and Debt Limitation Act-2005 at the time of the issuance of guarantee.

Impact

The decision of the Council facilitated in making the Country energy self-sufficient in general and province of Sindh in particular.

- ii). “Status Review of the Functioning of NEPRA on Determination of upfront Tariffs”*

DECISION

The Chair directed the Secretary Water & Power in her capacity as Cabinet Secretary to pursue NEPRA for expeditious determination of upfront tariff for bagasse, solar, coal, wind and bio-gas generation etc.

Implementation Status

Implemented except determination of upfront tariff for generation from Solar which is under process.

Impact

The decision of the Council supported NEPRA for determination of upfront tariffs for different resources i.e. bagasse, solar, coal, wind and bio-gas etc.

iii). “Status Review of Recommendations of National Energy Conference”

DECISION

The Council after elaborate discussion noted the progress made so far and directed the Ministry of Water & Power to take further necessary steps to implement the recommendations of the Energy Conference for energy conservation and finalize necessary laws/rules and put necessary systems in place to capture its fullest potential.

Implementation Status

Partially Implemented.

II).	Case No.CCI.2/3/2010 dated November 8, 2010	Implementation Mechanism and Post-Flood Reconstruction (Power Companies Receivables)
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DECISION

The Council supported that arrangements be made to clear all receivables outstanding and constituted a committee comprising Federal Ministers, Syed Khursheed Ahmed Shah and Dr. Abdul Hafeez Shaikh to reconcile the figures within a week's time between Federal government and provinces and develop a mechanism to ensure that there was no discrepancy in figures. The Secretary Water and Power was directed to assist the Committee and provide secretarial support.

Implementation Status

Under Process.

III).	Case No.CCI.1/3/2011 dated June 1, 2011	Harmonisation of Agriculture Income Tax Policy in the Provinces
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DECISION

The CCI after detailed deliberations on the matter directed all the provincial governments to complete necessary formalities enabling the coming government to decide the matter. The Finance Division was directed to coordinate the matter.

Implementation Status

Pursuant to the decision of the CCI, the Governments of the Punjab and Khyber Pakhtunkhwa have notified necessary amendments in the Income Tax Laws. While the implementation from Governments of Sindh and Balochistan is awaited.

Impact

The decision of the Council has facilitated the Provinces to complete necessary formalities to regulate the Amendments in the Laws relating to Agricultural Income Tax.

IV).	Case No.CCI.3/3/2012 dated November 8, 2012	Setting up of the Standing Committee of the Council of Common Interests (CCI)
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DECISION

The CCI noted the progress made by the CCI Standing Committee and directed that the Standing Committee should complete its exercise upon Provincial Representation in the Federal Entities before next meeting of CCI and submit its recommendations.

Implementation Status

Under Process.

V).	Case No.CCI.9/3/2012 dated November 8, 2012	Equitable Distribution of Electricity
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DECISION

The CCI directed the Ministry of Water & Power to expedite implementation of its decision and also obtain assistance from Government of Sindh to ensure withdrawal of 350 megawatts from KESC and coordinate with M/o Petroleum and Natural Resources for necessary fuel arrangement to activate its idle capacity.

Implementation Status

Under Process.

Case No.CCI.2/1/2013 dated January 23, 2013	REGULARIZATION OF LADY HEALTH WORKERS ETC
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DECISION

The Council of Common Interests considered the Summary dated January 17, 2013 submitted by Ministry of Inter Provincial Coordination (Secretariat of CCI) on "Regularization of Lady Health Workers etc" and decided that Federal Government will keep on financing the LHWs Program till June 30, 2017. Pension liability which will accrue after ten years from the date of regularization i.e. June 30, 2022 will be settled in a separate meeting. The Council also directed the provincial governments to finalize the necessary legislation regarding their service structure and terms and conditions etc; as soon as possible keeping continuity of the spirit of original scheme in view.

Implementation Status

In pursuance of CCI decision, the ICT, FATA Secretariat, Governments of the Punjab, Khyber Pakhtunkhwa, Sindh, Balochistan and Azad Jammu & Kashmir have notified the regularization of Lady Health Workers & Supervisors (LHWs), Account Supervisors, Drivers and PMU Staff of the National Programme for Family Planning & Primary Health Care w.e.f. July 01, 2012. The decision stands implemented.

Impact

The decision of the CCI resolved an outstanding issue of Regularization of Lady Health Workers etc. The explicit decision of CCI by endorsing the funding of the LHW Programme up to 30th June, 2017 has laid positive impact on functioning and activities of the said Programme in terms of continuity and financial assurance till 30th June, 2017.

Case No.CCI.3/1/2013 dated January 23, 2013	ISSUE OF NON/DELAYED PAYMENTS BY SUGAR MILL OWNERS TO SUGARCANE GROWERS
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DECISION

The Council of Common Interests considered the Summary dated January 11, 2013, submitted by Inter-Provincial Coordination Division (Secretariat of Council of Common Interests) on "Issue of Non/Delayed Payments by Sugar Mill Owners to Sugarcane Growers" and directed the provincial governments to impress upon the Sugar Mill Owners to ensure payment to the cane-growers within the given time frame. They should also take necessary measures to protect Cane Growers from all mal-practices they face in sale of their Cane to the Sugar Mills.

Implementation Status

Mostly Implemented.

Impact

The decision of the CCI helped in resolving the disputed issue of Non/Delayed Payments by Sugar Mill Owners to Sugarcane Growers. It was an important move towards settlement of disputed issues through the forum of CCI which has also strengthened the confidence of the Public/Private Sector on the forum.

Case No. CCI. 4/1/2013 dated January 23, 2013	BRIEFING ON THE WORKING OF PAKISTAN RAILWAYS
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DECISION

The Council of Common Interests considered the Summary dated January 10, 2013, submitted by Ministry of Railways regarding "Briefing on the Working of Pakistan Railways" and directed that immediate attention be paid to revitalization of Pakistan Railways through adopting PPP Mode on the line of Japan Railways which is led by private sector profit maximization philosophy. The Council stressed for early resolution of respective Railway lands title vis-à-vis provincial claims, and also recommended installation of necessary safety structures at all level crossings which are unmanned on cost sharing basis with the provinces.

Implementation Status

In pursuance of CCI decision held on 23rd January, 2013 and on the basis of latest information received from Railway Headquarters, there are a total of 2,382 unmanned level crossings across the system, out of which 126 are in the Punjab, 935 are in Sindh, 146 are in Khyber Pakhtunkhwa and 9 are in Balochistan. The enclosed statement indicates that the total number of vulnerable unmanned level crossing is presently 404 and the estimated cost of upgrading shall be Rs. 6,868 million. Moreover, the number of vulnerable level crossing is expected to increase rather than decrease on account of public awareness, due to changing traffic patterns and increasing motor vehicles.

Impact

The decision shows keen interest of the Council in resolving important national issues within its constitutionally assigned mandate. The decision also reflects efforts of the Council for bringing back Pakistan Railways on profitable track.

5.3 LIST OF THE PARTICIPANTS OF THE CCI MEETING HELD ON JANUARY 23, 2013

Federation

1. Dr. Arbab Alamgir Khan, Minister for Communications

2. Mir Changez Khan Jamali, Minister for Science & Technology
3. Mir Hazar Khan Bijarani, Minister for Inter Provincial Coordination

Provinces

1. Sardar Zulfiqar Magsi, Governor Balochistan
2. Mr. Ameer Haider Khan Hoti, Chief Minister Khyber Pakhtunkhwa
3. Syed Qaim Ali Shah, Chief Minister Sindh
4. Rana Sanaullah, Law Minister, Govt. of Punjab on behalf of Chief Minister

By Special Invitation

1. Dr. Abdul Hafeez Shaikh, Minister for Finance, EAD, and P&D
2. Syed Khurshid Ahmad Shah, Minister for Religious Affairs/
Chairman Cabinet Sub-committee on regularization of employees
3. Haji Ghulam Ahmed Bilour, Minister for Railways
4. Mrs. Nargis Sethi, Secretary Cabinet Division / Water and Power
Division
5. Mr. Abdul Wajid Rana, Principal Officer Finance Division
6. Mr. Javed Akhtar, Additional Secretary Planning & Development
Division
7. Mr. Muhammad Ayub Qazi, Principal Secretary to the Prime Minister
8. Mr. Arif Azim, Secretary, Railways Division
9. Mr. Shafqat Hussain Naghmi, Secretary Industries Division
10. Mr. Iftikhar Rao, Additional Secretary, Economic Affairs Division
11. Representative of Asian Development Bank
12. Mr. Ahmar Malik, Cane Commissioner, Government of the Punjab
13. Mr. Riaz Hussain Soomro, Cane Commissioner, Government of Sindh
14. Mr. Muhammad Anwar Khan, Cane Commissioner, Govt. of Khyber
Pakhtunkhwa
15. Mr. Rizwanullah, President, Kissan Board, Khyber Pakhtunkhwa

Provinces

1. Mr. Nasir Mahmood Khosa, Chief Secretary Punjab
2. Raja Muhammad Abbas, Chief Secretary Sindh
3. Mr. Ghulam Dastgir Khan, Chief Secretary Khyber Pakhtunkhwa
4. Mr. Babar Yaqoob Fateh Muhammad, Chief Secretary Balochistan

CCI Secretariat

1. Mr. Faridullah Khan, Secretary
2. Mr. Shahzad Iqbal, Sr. Joint Secretary
3. Dr. Qazi Mujtaba Kamal, Deputy Secretary
4. Rana M. Sajjad Anwar, Section Officer
5. Mr. Mansoor A. Shirazi, Section Officer
6. Syed Mudassar Hussain Shah, Stenotypist
7. Mr. Farhan Ahmad Ch., Assistant

Abbreviations :

CCI	Council of Common Interests
EAD	Economic Affairs Division
FATA	Federally Administered Tribal Areas
IPO	Intellectual Property Organization of Pakistan
ICT	Islamabad Capital Territory
NEPRA	National Electric Power Regulatory Authority
KESC	Karachi Electric Supply Company
ECC	Economic Coordination Committee
LHWs	Lady Health Workers
PPP	Public Private Partnership
P&D	Planning and Development