

IN THE NAME OF ALLAH, MOST GRACIOUS, MOST MERCIFULL



ANNUAL REPORT

ON

THE COUNCIL OF COMMON INTERESTS

UNDER ARTICLE 153 (4)

**OF THE CONSTITUTION OF THE
ISLAMIC REPUBLIC OF PAKISTAN**

(2011-2012)

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

IN THE NAME OF ALLAH, MOST GRACIOUS, MOST MERCIFULL



ANNUAL REPORT

ON

THE COUNCIL OF COMMON INTERESTS

UNDER ARTICLE 153 (4)

OF THE CONSTITUTION OF THE

ISLAMIC REPUBLIC OF PAKISTAN

(2011-2012)

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

INDEX

| Sr. No | | Contents | Page No |
|--------|-----------|--|---------|
| | | Preface | (iii) |
| 1. | Chapter-1 | Constitutional Provisions regarding Council of Common Interests (CCI) | 1-2 |
| 2. | Chapter-2 | Present Composition of CCI | 3 |
| 3. | Chapter-3 | Meeting of the Council of Common Interests held on August 27, 2011 | 4 |
| | | 3.1 Address by the Prime Minister | 4-6 |
| | | 3.2 Cases considered by the Council of Common Interests and Impact Analysis of Implementation of its Decisions | 6-11 |
| | | 3.3 List of Participants | 12-13 |
| 4. | Chapter-4 | Meeting of the Council of Common Interests held on February 9, 2012 | 14 |
| | | 4.1 Address by the Prime Minister | 14-15 |
| | | 4.2 Cases considered by the Council of Common Interests and Impact Analysis of Implementation of its Decisions | 15-22 |
| | | 4.3 List of Participants | 23-24 |
| 5. | | Analysis of submission of Cases to the CCI | 25 |
| 6. | | Abbreviations | 26 |

PREFACE

Consequent upon the passage of Eighteenth Constitutional Amendment in April 2010, the Concurrent Legislative List was abolished and Federal Legislative List Part-II was introduced. This expanded the purview and strengthened the role of the Council of Common Interests and introduced the concept of participatory management both by the Federation and the Federating Units through the forum of CCI. This was the major breakthrough in the Constitutional History of Pakistan.

2. The Secretariat of the Council of Common Interests (IPC-Division) circulates decisions and follows up their implementation regularly to ensure its supervision and control over related institutions. Under Article 153 (4), the Council of Common Interests is responsible to {Majlis-e-Shoora (Parliament)} and has to submit an Annual Report to both Houses of Majlis-e-Shoora (Parliament). The objective of this report is to inform both the Houses about the implementation and impact of decisions taken by the Council during its second functional year. The contribution of officials of CCI Secretariat in coordination of CCI meetings and consequently compilation of this report is acknowledged with gratitude.

3. In terms of Article 153 (4) of the Constitution as approved by the Council of Common Interests, the Report for year 2011-12 is laid before the Parliament of Pakistan.

**FARIDULLAH KHAN
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.

Articles 155 and 157 authorize the Council to deal with complaints as to interference with water supplies or reservoirs and to resolve disputes with respect to construction of hydro or thermal power stations in any Province and laying of Inter-Provincial transmission lines.

CHAPTER-2

PRESENT 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 November 21, 2011, with the following composition:

| | | |
|--------|---|----------|
| (i) | The Prime Minister | Chairman |
| (ii) | The Chief Minister, Balochistan | Member |
| (iii) | The Chief Minister, Khyber Pakhtunkhwa | Member |
| (iv) | The Chief Minister, Punjab | Member |
| (v) | The Chief Minister, Sindh | Member |
| (vi) | Mir Changez Khan Jamali, Minister for Science & Technology | Member |
| (vii) | Dr. Arbab Alamgir Khan, Minister for Communications | Member |
| (viii) | 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 27, 2011



Prime Minister Syed Yusuf Raza Gilani chairing the meeting of Council of Common Interest (CCI) at Prime Minister's Secretariat, Islamabad on 27th August, 2011

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 27, 2011, Prime Minister Syed Yusuf Raza Gilani said, "At the very outset, I would welcome all the members of the Council of Common Interests and thank them for attending the meeting during the Holy Month of Ramadan.

2. Let me share with you some themes of my political perspective. I am a great believer in politics of consensus and reconciliation. Actually these are the attributes constituting the essence of democracy. It is, however, a path having pitfalls and obstacles. Achieving consensus requires sacrifice, understanding, patience and commonality of purpose. The political leadership must be equipped with these qualities of mind and heart. This approach to politics has only one basis and that is constitutionalism. The remedies for relief and mechanisms of dispute resolution are all embedded in our constitution. Council of Common Interests is one prominent example. You will be happy to note this is the 7th time we are meeting at this forum after the passage of 18th amendment.

3. I may here, therefore, reaffirm the importance of this august forum of the Council of Common Interests which involves the Provincial Governments in formulation and regulation of policies particularly in relation to matters appearing in Part-II of the Federal Legislative List, which include important subjects like Electricity, Railways, Mineral, Oil and Gas, Regulatory Authorities, supervision and management of public debt and also help in resolving inter-provincial matters through formal as well as informal dialogue.

4. In today's meeting, we are going to discuss important subjects including Distribution of Zakat, Public Debt Management and supervision Policy and imposition of a new levy/cess. We shall also have the opportunity to be briefed about the 6th Housing Census. Privatization of power sector entities will also come in focus in the agenda.

5. I believe it is our collective responsibility to ensure implementation of the decisions taken by this August House in letter and spirit.

6. The Government is striving to strengthen democracy, which is evident from 7th National Finance Commission Award, unanimous passage of 18th Constitutional Amendment and devolution of 17 Federal Ministries in consequence thereof. This is a major structural change in the governance since Independence, and shall strengthen federalism by assigning constitutional role and responsibilities to the Provinces.

7. While we are all engaged in efforts to strengthen democracy, anti-democratic forces, and anti-state elements are also busy in creating situations that are detrimental to economic growth & stability. We need to raise our guard against these disruptive forces so as to move forward unimpeded.

8. Karachi is now our biggest challenge. I take this opportunity, in the presence of all the four Chief Ministers, to urge the nation to support Government of Sindh's operation. It is a provincial initiative which will have full backing of the Federal Government. Solution of Karachi lies within rule of law.

9. With this I conclude and request for start of formal proceedings of the CCI meeting”.

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 2011-12 and Impact Analysis of Implementation of its decisions is mentioned hereunder:

| | |
|---|---|
| Case No. CCI. 1/4/2011 Dated August 27, 2011 | Approval of the Council of Common Interests of Pakistan for Special Economic Zones Bill, 2011 |
|---|---|

DECISION

The Council of Common Interests considered the Summary dated July 22, 2011, submitted by Board of Investment on "Approval of the Council of Common Interests of Pakistan for Special Economic Zones Bill, 2011" and noting that it had the support of all provinces and the Government of Gilgit-Baltistan, approved the Special Economic Zones Bill, 2011.

Implementation Status:

Implemented

Impact

The enactment of SEZ will open doors in all Provinces of the Country for the foreign investments and will also attract domestic investment from Pakistani investors to all over the country. The investment projects will create new jobs and will lead to economic development.

| | |
|---|---|
| Case No. CCI. 2/4/2011 Dated August 27, 2011 | Distribution of Zakat Funds to Federal Areas and Provinces and Distribution of Arrears of Unutilised Zakat Funds Claimed by the Provinces |
|---|---|

DECISION

The Council of Common Interests considered the Summary dated August 12, 2011, submitted by the Ministry of Religious Affairs on "Distribution of Zakat Funds to Federal Areas and Provinces and Distribution of Arrears of Unutilised Zakat Funds Claimed by the Provinces" and decided that Zakat being a provincial subject, the provincial governments should hold discussions to evolve a mechanism for collection and distribution of Zakat. It was decided further that the present system of distribution of funds may continue till formulation of a consensual procedure.

Implementation Status:

Implemented

Impact

The decision of the Council of Common Interests provided guidance for resolution of 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. 3/4/2011 Dated August 27, 2011 | Co-financing of Citizen's Damage Compensation Programme-II |
|---|--|

DECISION

The Council of Common Interests considered the Summary dated August 18, 2011, submitted by the Finance Division on "Co-financing of Citizens' Damage Compensation Programme-II" and decided that:

