



**FINAL REPORT OF**  
**THE IMPLEMENTATION COMMISSION**  
*CONSTITUTED UNDER ARTICLE 270 AA*  
*OF THE CONSTITUTION OF THE ISLAMIC REPUBLIC OF PAKISTAN*

**INTER PROVINCIAL COORDINATION DIVISION**  
**SECRETARIAT OF IMPLEMENTATION COMMISSION**

# FINAL REPORT OF THE IMPLEMENTATION COMMISSION

## Overview of the Constitution (Eighteenth Amendment) Act, 2010

1. The Eighteenth Amendment to the Constitution of the Islamic Republic of Pakistan, a landmark event in the constitutional history of Pakistan, was passed unanimously with support from all political parties in the Parliament and lauded by the provinces. The Constitution (Eighteenth Amendment) Act, 2010, received the assent of the President on April 19, 2010 and was promulgated on the following day. The Act includes a total of 102 amendments, which have amended, substituted, added or deleted various provisions of the Constitution (**Annex-I**).

2. With the abolition of the Concurrent Legislative List, the long-standing demand of the people of Pakistan for provincial autonomy has come to fruition, and the provinces have at the same time been provided legitimate constitutional rights in governance, and in managing and utilisation of their natural resources.

## **Significant Changes in the Constitution for Devolution and Empowerment of the Provinces**

3. The most significant amendments in the Constitution were the deletion of the Concurrent Legislative List, addition of subjects in Part-II of the Federal Legislative List and joint-ownership of oil, gas and territorial waters. The Federal Legislative List and the Concurrent List prior to the Eighteenth Amendment are at **Annex-II**, whereas the post-devolution Federal Legislative List is at **Annex-III**.

### **A. Deletion of Concurrent Legislative List**

4. The Constitution (Eighteenth Amendment) Act, 2010, has deleted the Concurrent Legislative List from the Fourth Schedule of the Constitution of the Islamic Republic of Pakistan. The erstwhile Concurrent List featured forty-seven subjects on which both the Parliament and a Provincial Assembly could legislate. All other subjects that did not appear either in the Federal Legislative List or the Concurrent Legislative List were residuary in nature and powers to legislate on such matters vested solely in the provinces. Out of forty-seven subjects that appeared on the Concurrent List, one item, i.e. Boilers, appearing at Serial No. 29 thereof, has been

shifted to Part-I of the Federal Legislative List, whereas the following two items have been shifted to Part-II of the Federal Legislative List:

- Electricity, and
- Legal, medical and other professions.

5. Omission of the Concurrent Legislative List has granted the provincial assemblies with exclusive powers to enact laws in respect of any matter that does not appear on the Federal Legislative List. In addition, Article 142(b) of the Constitution has vested the provinces with concurrent jurisdiction to legislate in respect of criminal law, criminal procedure and the law of evidence. Article 142(c) provides that a Provincial Assembly shall and Majlis-e-Shoora (Parliament) shall not have power to make laws with respect to any matter not enumerated in the Federal Legislative List. After the constitutional amendment, in terms of Article 142(a), the Majlis-e-Shoora (Parliament) can now only legislate on subjects contained in the Federal Legislative List. As a consequence thereof, a large number of subjects and activities previously being handled by Ministries/Divisions in the Federal Government are now being administered exclusively by the provincial governments.

#### **B. Addition of Subjects in Federal Legislative List Part-II**

6. The Eighteenth Amendment has strengthened the concept of participatory management by the Federation and the federating units and has enhanced the role of the Council of Common Interests. Article 154(1) of the Constitution provides that the Council of Common Interests 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. Meetings of the Council of Common Interests are chaired by the Prime Minister and the Council of Common Interests must meet at least once in ninety days. The following subjects have been shifted from the Federal Legislative List Part-I to Part-II of the Federal Legislative:

- "Major ports, that is to say, the declaration and delimitation of such ports, and the constitution and powers of port authorities therein;

- Census;
- 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, and
- National Planning and National Economic Coordination including Planning and Coordination of Scientific and Technological Research.”

7. New subjects added to the Federal legislative List Part-II through the Eighteenth Amendment are:

- “All regulatory authorities established under a Federal law;
- Supervision and management of public debt;
- Standards in institutions for higher education and research, scientific and technical institutions, and
- Inter-Provincial Matters and Coordination.”

### **C. Sharing of Ownership in Oil, Gas and Territorial Waters**

8. Clause (2) of Article 172 of the Constitution has been amended as follows, inserting the word “beyond” before the words “the territorial waters”:

“All lands, minerals and other things of value within the continental shelf or underlying the ocean [beyond] the territorial waters of Pakistan shall vest in the Federal Government”.

9. The following new Clause (3) has also been added in Article 172:

“[Subject to the existing commitments and obligations, mineral oil and natural gas within the province or the territorial waters adjacent thereto shall vest jointly and equally in that province and the Federal Government]”.

10. The afore-mentioned amendments have accordingly enhanced the rights of ownership of the provinces in respect of oil and gas.

### **Implementation of the Eighteenth Amendment**

11. Clause 8 of Article 270 AA provides that “on the omission of the Concurrent Legislative List, the process of devolution of the matters mentioned in the said List to the provinces shall be completed by the thirtieth day of June, two thousand and eleven”. Clause 9 of Article 270 AA of the Constitution states that “for purposes of the devolution process under clause (8), the Federal Government shall constitute an Implementation Commission, as it may deem fit within fifteen days of the commencement of the Constitution (Eighteenth Amendment) Act, 2010”.

### **Notification of the Implementation Commission**

12. In pursuance of Clause 9 of Article 270AA, the Federal Government constituted an Implementation Commission and its Terms of Reference on May 4, 2010 (**Annex-IV**). The Commission comprised the following members of Parliament:

#### **COMPOSITION OF THE IMPLEMENTATION COMMISSION**

i.	Senator Mian Raza Rabbani	Chairman
ii.	Senator Muhammad Ishaq Dar	Deputy Chairman*
iii.	Senator Afrasiab Khattak	Member
iv.	Senator Rehmatullah Kakar	Member
v.	Mr. Aftab Ahmad Khan Sherpao, MNA	Member*
vi.	Syed Naveed Qamar, MNA	Member
vii.	Dr. Muhammad Farooq Sattar, MNA	Member
viii.	Senator Dr. Abdul Malik,	Member
ix.	Haji Khuda Bux Rajar, MNA	Member**
x.	Senator Wasim Sajjad	Member

\* Resigned \*\* Replaced late Senator Abdul Razzaq A. Thahim

## **Powers of the Commission**

13. The Implementation Commission had the power to co-opt experts, serving or retired members of the civil service or any other person for a specified purpose and time on such terms and conditions as the Implementation Commission may have deemed fit, with prior approval of the Federal Government. In this context, the Commission, with the approval of the Prime Minister, engaged the services of Justice (Retd.) Muhammad Raza Khan, former Chief Justice of Peshawar High Court, and Mr. Abdul Ghafoor Mirza, Retired Federal Secretary, as Experts to assist the Commission. Mr. Ahmed Mahmood Zahid, former Secretary, Inter Provincial Coordination Division, assisted the Commission as an Honorary Expert after his retirement on March 21, 2011.

14. The Implementation Commission had the powers to make or pass such directions, orders, undertake proceedings or require the making of amendments to regulations, enactments, notifications, rules or orders as may have been necessary to further the objectives of Clause 8 of Article 270AA of the Constitution and in this regard, could require the attendance of any official of the Federal or Provincial Governments or of the Federal Government Ministries/Divisions, or their attached departments, offices or subordinate organisations.

## **Terms of Reference of the Commission**

15. The Terms of Reference of the Commission were as follows:

- "i. The Implementation Commission shall perform such functions as may be necessary for the implementation of Clause 8 of Article 270(AA) of the Constitution of the Islamic Republic of Pakistan and such other steps needed for the implementation of the Constitution (Eighteenth Amendment) Act, 2010;
- ii. To examine the policy, programmes, capacity building and other measures that are required to be taken by the Federal Government and/or the Provincial Governments for the implementation of the devolution process;

- iii. Review all laws, rules and regulations being affected as a consequence of this transition;
- iv. To create and monitor the mechanism and institutional procedures required to complete the process of devolution by June 30, 2011;
- v. To assess the financial implications of such devolution and to provide guidance for financial mechanism that will make it sustainable;
- vi. To review and examine the existing administrative structures at the level of the Federal Government relating to the subjects being devolved as a result of omission of the Concurrent Legislative List from the Fourth Schedule of the Constitution, other related Articles/provisions and to suggest a mechanism for a smooth transition to the provinces;
- vii. To take any or all such actions and steps which may be necessary to perform the functions as specified above.”

### **Secretariat of the Commission**

16. The Inter Provincial Coordination Division was designated as the Secretariat of the Commission with the approval of the Prime Minister. In order to regulate and organise its meetings, the Commission at the very outset framed and approved its Rules of Procedure (**Annex-V**).

### **Some Initiatives by the Commission for Implementation of the Eighteenth Amendment**

17. The Commission took various initiatives to ensure timely implementation of various provisions of the Eighteenth Amendment to the Constitution, which among others include:

- Notifying fresh composition of National Economic Council on May 26, 2010. Composition of the National Economic Council before and after the advice of the Commission are placed at **Annex VI** and **Annex VII** respectively;

- Amendments in the Rules of Business of the provincial governments so as to enable the provincial government departments to deal with devolved functions and organisations;
- Drafting of provincial laws to replace or amend federal laws relating to devolved functions;
- Taking of fresh oaths by the Speakers of the Provincial Assemblies;
- Ensuring calendar of sessions of the Senate of Pakistan and the National Assembly in accordance with the provisions of the Constitution, and
- Notifying fresh Rules of Procedure of the Council of Common Interests, with the prior approval of the Council. The Rules of Procedure of the Council of Common Interests before and after the intervention of the Commission are at **Annex VIII** and **Annex IX**, respectively.

18. The Commission also advised the Federal Board of Revenue to ensure that no taxation proposal is processed in relation to a subject that is not included in the Federal Legislative List or which pertained to a subject that was included in the erstwhile Concurrent Legislative List.

19. On a reference from the Election Commission of Pakistan, the Commission was informed of the need for fresh appointment of members of the Election Commission of Pakistan in terms of Clauses 2(A) and 2(B) of Article 213, as the existing members of the Election Commission of Pakistan had ceased to hold office from the date of commencement of the Constitution (Eighteenth Amendment) Act, 2010.

20. The Commission went through the Constitution (Eighteenth Amendment) Act, 2010, clause by clause and identified relevant provisions which should be conveyed to various offices for their information and necessary action. These extracts were accordingly sent to the President's Secretariat, the Prime Minister's Secretariat, the Chairman of the Senate, the Speaker of the National Assembly,



the Governors and Chief Ministers of the provinces, the Speakers of the Provincial Assemblies, and the Chief Secretaries of all the provinces. On the advice of the Commission, all provinces promulgated laws governing industrial relations so as to fill the void created by lapsing of the Industrial Relations Act, 2008, in April 2010 due to a sundown clause.

21. In addition, the Commission restrained the Ministries/Divisions and their subordinate organisations that were subject to devolution from creating fresh liabilities or making appointments or processing cases of promotion that could create liabilities for the government after completion of the process of devolution. The restriction on making fresh appointments was imposed in view of the fact that a number of Ministries/Divisions and subordinate organisations were likely to be wound up, thereby rendering the employees surplus. Accordingly, vacancies had to be preserved for dislocated employees. The Commission did permit fresh appointments in some organisations in the interest of work.

### **Briefing to the Council of Common Interests**

22. In the meeting of the Council of Common Interests (CCI) held on July 18, 2010 under the Chairmanship of the Prime Minister, a summary on “**Implementation of Eighteenth Amendment**” was included as one of the agenda items of the meeting. The Council was briefed about the relevant constitutional provisions, the setting up of the Implementation Commission and actions taken till that time by the Commission to implement the constitutional amendments. Progress regarding composition of Implementation/Coordination Cells in the provinces, and the status on promulgation of Industrial Relations Ordinance/Act was brought to the notice of the Council. The Council was also briefed on the future plan of action of the Commission.

### **Actions taken by the Commission**

23. The Commission in its first meeting held on May 5, 2010 evolved a strategy to initiate the spadework for the smooth transition of the devolution process. Ministries/ Divisions that were likely to be affected by the abolition of the Concurrent List were asked to undertake a self-appraisal exercise of their activities and

inform the Commission about transition consequences and suggest a road map for devolution. The Establishment Division was advised to give a broad overview of the effects on the transfer of officers and staff of the ministries whose activities were to be devolved to the provinces.

24. In order to sensitise the bureaucracy on the consequences of the Eighteenth Amendment, the Chairman of the Implementation Commission held a meeting with the Federal Secretaries on May 20, 2010. Issues that were raised during the meeting and suggestions made by the Federal Secretaries pertaining to the devolution process were shared with the members of the Commission in the second meeting of the Implementation Commission held on May 28, 2010.

25. The Commission approved the Rules of Procedure of the Implementation Commission on June 8, 2010. The draft Rules of Procedure of the Council of Common Interests were also cleared with some modifications for vetting by the Law Division and for seeking approval of the Prime Minister to place these on the agenda of the next meeting of the Council of Common Interests. The said Rules were approved by the Council in its meeting held on July 18, 2010.

26. During the course of its deliberations over a period of thirteen months, the Commission constituted a number of sub-committees or expert panels to submit recommendations to the Commission on laws/rules to be amended or enacted as a consequence of devolution, adjustment of employees that would be rendered surplus after winding-up of various Ministries/Divisions and subordinate organisations, making budgetary provisions for clearing liabilities of devolved organisations, creating a Devolution Cell under the Cabinet Division to administer assets of devolved Ministries/Divisions and subordinate organisations, distribution of such assets and allocation of buildings or offices of devolved organisations to other Federal Government organisations. The Commission also appointed a sub-committee to examine the legal, administrative and financial aspects relating to the transfer of employees of different categories and to suggest measures including amendments in laws, rules and regulations, for their

absorption and career progression. Recommendations of the said Sub-Committee are at **Annex "X"**.

### **Aspects of Devolution**

27. In order to have a focused approach, the Commission decided to examine the following three dimensions of devolution:

- **Financial** --- pertaining to management of projects and other assets and liabilities;
- **Administrative** --- pertaining to transfer of manpower and question of their absorption or being on deputation;
- **Legal** --- framing of new laws and rules by the provinces to manage devolved functions and activities, and
- **International** --- impact of devolution on international treaties, conventions and agreements signed and/or ratified by the Government of Pakistan and honouring of such diplomatic or international obligations.

### **Activities of the Commission for Devolution**

28. The Commission identified various Ministries/Divisions whose activities were to be partly or completely devolved. Article 97 of the Constitution provides that the executive authority of the Federation extends to the matters with respect to which Majlis-e-Shoora (Parliament) has power to make laws. Under Article 70(4), Majlis-e-Shoora (Parliament) can legislate only on matters mentioned in the Federal Legislative List. There were some Ministries in the Federal Government whose activities were neither included in the Concurrent List nor in the Federal Legislative List. All such functions thus needed to be devolved. For this purpose, the Commission initially focused on examination and revision of Schedule-II of the Rules of Business.

29. The Establishment Division and the Cabinet Division, in consultation with the Ministries/Divisions concerned, undertook an exercise in this context and made presentations to the Commission in its subsequent meetings held on June 18, 29 and 30, July 7, 8, 20, 29 and 30, August 2 and 16, and September 15, 2010. The

Commission examined for revision various activities allocated to the Ministries/Divisions under Schedule II of the Rules of Business, 1973. The Implementation Commission thereby completed spadework for thirty-four federal Ministries/Divisions.

30. The Commission ensured that any legislation, activity or function to be retained in the Federal Government had support from one or the other entry in the Federal Legislative List or any Article of the Constitution and thus did not encroach on subjects that were purely provincial in terms of the Constitutional provisions.

### **Setting Up of the Committee of the Commission**

31. The Commission set up a Committee on July 7, 2010 under its Deputy Chairman, Mr. Ishaq Dar, and consisting of Senator Rahmatullah Kakar, Syed Naveed Qamar, MNA, and Dr. Muhammad Farooq Sattar, MNA as members, to be assisted by the Secretary Cabinet, Secretary Establishment and Secretary Finance, to prepare options on the financial aspects involved in the devolution process. Terms of Reference of the said Committee are at **Annex-XI**.

32. On instructions of the Committee, the Finance Division identified current budgetary allocations for various Ministries for the financial year 2010-11 and indicated issues and modus pertaining to transfer of budgetary allocations, assets and liabilities to the provincial governments, if so decided by the Federal Government. For this purpose, a special core team was set up in the Finance Division. The Planning and Development Division identified development budgetary allocations for projects and various options regarding funding of projects that could be devolved to the provinces. The Committee held six meetings but could not complete its assigned task due to the resignation of Senator Ishaq Dar.

### **Meetings with the Concerned Ministers and Provincial Governments**

33. The Commission invited concerned Ministers and Secretaries, in the meetings of the Commission for their views on the activities of their Ministries/Divisions to be retained or devolved.

The Commission also held meetings with Chief Secretaries of the provinces and the concerned Provincial Secretaries to know the preparedness of the provincial governments to take over the activities of the Ministries/Divisions being devolved. Federal teams visited the provincial headquarters to check about steps taken by the provincial governments to assume devolved functions.

### **Meetings of the Commission Chaired by the Prime Minister**

34. Four meetings of the Commission were held under the Chairmanship of the Prime Minister on June 17, October 5, November 15 and December 1, 2010. The meetings on June 17 and December 1, 2010, were attended by the Chief Ministers. In the meeting held on June 17, 2010, the Prime Minister conveyed the commitment and sincerity of the Federal Government towards implementation of the Eighteenth Amendment and reaffirmed the desire to meet the constitutional timeframe.

35. It was approved in principle in the meeting of October 5, 2010 that devolution of functions of various Ministries/Divisions would be made in phases. The first and second phases of the devolution process would include five Ministries each, while the remaining devolution would be completed before June 30, 2011. In the meeting of November 15, 2010, it was decided that the matter of devolution of activities of five Ministries would be placed before the meeting of Implementation Commission chaired by the Prime Minister and attended by the Chief Ministers. It was decided further that the Cabinet too must be taken on board about the devolution of the activities of the five Ministries in a special meeting of the Cabinet.

36. In pursuance of the recommendation of the Commission, the issue of financing of the devolved organisations and projects beyond June 30, 2011, was discussed in the meeting of Council of Common Interests held on February 1, 2011. The Council decided to constitute a Committee comprising Secretary Finance and the Chief Secretaries to work out the financial impact of devolution and suggest various possible scenarios to meet the said liability by the Federal Government and the provinces. The Committee held a number of meetings and presented its report before the Council of Common Interests in its meeting held on April 28, 2011. On the

recommendations of the Committee, the following decisions were consequently taken by the Council on the financial impact of devolution:

- i. Current expenditures of the devolved institutions/organisations/departments shall be borne by the provincial governments beyond June 30, 2011;
- ii. Federal Government will provide funding only for the vertical programmes in Health. The vertical programmes of the Ministry of Food and Agriculture being of physical nature and creating assets for the provinces would be funded by the provinces themselves,. Financing for the development programme of Population Welfare beyond June 2011 would depend upon the approval of ECNEC for this programme;
- iii. Provinces would also finance the development projects of the devolved Ministries transferred to them. Provinces would be at liberty to continue or otherwise, these projects;
- iv. Funding for the implementation of President's/Prime Minister's directives shall continue to be made by the Federal Government, and
- v. Financing for current expenditure of universities as hitherto would be picked up by the Federal Government till the period of the current NFC Award. Federal Government would during this period also pick up the development expenditure of the universities depending upon the resources available with the Federal Government.

### **Recommendations of the Commission for the First Phase of Devolution**

37. The Implementation Commission recommended winding up of the following five Ministries in the first phase of devolution, transfer of provincial subjects to the provinces and reallocation of remaining functions to other Ministries/Divisions in the Federal Government:

- i. Ministry of Local Government and Rural Development;
- ii. Ministry of Population Welfare;
- iii. Ministry of Special Initiatives;
- iv. Ministry of Youth Affairs, and
- v. Ministry of Zakat & Ushr.

38. The functions so devolved to the provinces by these ministries or reallocated to other Ministries/Divisions of the Federal Government are indicated at **Annex-XII**.

### **Recommendations of the Commission for the Second Phase of Devolution**

39. In the second phase of devolution, the Implementation Commission recommended winding up of the following five Ministries, transfer of provincial subjects to the provinces and reallocation of the remaining functions to other Ministries/Divisions in the Federal Government:

- i. Ministry of Culture;
- ii. Ministry of Education;
- iii. Ministry of Livestock and Dairy Development;
- iv. Ministry of Social Welfare and Special Education, and
- v. Ministry of Tourism.

40. Some functions of the following Ministries pertained to various entries in the Concurrent Legislative List or related to some entries in the Federal Legislative List that stood deleted through the Eighteenth Amendment:

- i. Ministry of Communications;
- ii. Ministry of Finance;
- iii. Ministry of Interior;

- iv. Ministry of Law, Justice and Parliamentary Affairs;
- v. Ministry of Ports and Shipping, and
- vi. Revenue Division.

41. The functions so devolved to the provinces by these ministries or reallocated to other Ministries/Divisions of the Federal Government are indicated at **Annex-XIII**. The Commission recommended creation of a new Division under the Cabinet Secretariat to deal with functions and activities of the devolved Ministries specific to the Islamabad Capital Territory. Some of the offices of devolved Ministries located in Islamabad have subsequently been placed under the newly-created Capital Administration and Development Division, which was notified on March 31, 2011.

#### **Recommendations of the Commission for the Third Phase of Devolution**

42. The Implementation Commission recommended winding up of the following five Ministries in the third and final phase of devolution, transfer of provincial subjects to the provinces and reallocation of the remaining functions to other Ministries/Divisions in the Federal Government:

- i. Ministry of Environment;
- ii. Ministry of Food and Agriculture;
- iii. Ministry of Health;
- iv. Ministry of Labour and Manpower;
- v. Minorities Affairs Division;
- vi. Ministry of Sports, and
- vii. Ministry of Women Development.

43. The functions so devolved to the provinces by these ministries or reallocated to other Ministries/Divisions of the Federal Government are indicated at **Annex-XIV**.



44. During the third and final phase of devolution, the Commission endorsed a new Industrial Relations Act, 2011, prepared by the Ministry of Labour and Manpower to deal with resolution of industrial disputes pertaining to the Islamabad Capital Territory and of trans-provincial nature, and registration of trade unions in the Islamabad Capital Territory and national-level trade federations. The Industrial Relations Ordinance, 2011, was consequently promulgated by the Federal Government with the assent of the President of Pakistan in July 2011. The Commission, in consultation with the concerned ministries, drafted a draft bill to enact the National Commission for Women Act, 2011, so as to replace the National Commission on the Status of Women Ordinance, 2000, amendments in the Pakistan Environmental Protection Act, 1997, and the Pakistan Sports Board Rules. At the same time, the Commission also supported a new law to establish the Drug Regulatory Agency of Pakistan in consultation with the provinces, and formulated proposals for the Higher Education Commission, which are placed at **Annex-XV**, suggesting at the same time draft legislation to repeal the Higher Education Commission Ordinance, 2002, with enactment of a new law, or amendments thereto so as to ensure conformity with the Eighteenth Amendment. As approved by the Federal Cabinet, a draft bill in line with these proposals to amend the Higher Education Commission Ordinance, 2002, shall be submitted for the consideration of the Cabinet in due course of time.

#### **Manner of Devolution Proposed by the Commission**

45. The Commission recommended devolution of functions of devolved organisations in the following manner:

- “i. Employees working in various field organisations under the aforesaid devolved Ministries/Divisions will be transferred to the respective administrations of the provinces and federal areas (Islamabad Capital territory, Federally Administered Tribal Areas and Gilgit-Baltistan) under Section 10 of the Civil Servants Act, 1973, pending formulation of a new enabling law on the subject;
- ii. Employees working in any Ministry being abolished and not taken by the provinces/federal areas will be

- adjusted in other Ministries/ Divisions. None of the employee will be retrenched/laid-off;
- iii. Funds for transferred activities and manpower of devolved ministries budgeted in the year 2010-11 will be transferred to the provinces/federal territories on *pro rata* basis;
  - iv. Development projects of these Ministries/Divisions will also be transferred to the provinces/federal territories along with project employees and unreleased part of revised allocation of funds for these projects in the year 2010-11;
  - v. Office buildings, furniture, fixture, equipment and transport in use of these offices will be handed over to the provinces, and
  - vi. Final determination of issues relating to assets and liabilities shall be decided with the approval of the Federal Cabinet.”

46. The Commission instructed that inventories of moveable and immovable assets should be maintained and that moveable assets may be transferred on “as is where is” basis. It was decided further that actual transfer of immovable assets would be done after evaluation and this task was assigned to a Committee set up earlier under Senator Mohammad Ishaq Dar.

### **Approval of the Cabinet to Devolution Proposals**

47. The Federal Cabinet in its meeting held on December 1, 2010, approved the recommendations of the Implementation Commission for devolution of five ministries in the first phase. Devolution of five ministries and partial devolution of six Ministries in the second phase was approved by the Federal Cabinet on March 28, 2011. Proposals of the Implementation Commission relating to the functions of the remaining seven ministries in the third and final phase of devolution were approved by the Federal Cabinet in its meeting held on June 28, 2011.

48. In pursuance of the approval of the Cabinet, activities of seventeen ministries have been devolved to the provinces and the

ministries have been abolished. Employees of these ministries working in the Secretariat or in subordinate organisations or projects have been adjusted in other Ministries/Divisions and no employee has been retrenched/laid-off. A total of 61,231 federal government employees thus had to be repositioned. Details of employees affected by the process of devolution in each phase of devolution are placed at **Annex “XVI”**, **Annex “XVII”** and **Annex “XVIII”**, respectively.

49. The Commission held a total of sixty-eight meetings during the period May 5, 2010 to June 23, 2011, out of which four were chaired by the Prime Minister. The Commission also held a large number of informal internal meetings as also sessions with the Secretaries of the Ministries/Divisions that were to be devolved. The Implementation Commission was thus able to complete its assigned task by the cut-off date of June 30, 2011 set in the Eighteenth Amendment to the Constitution. Minutes of the meetings of the Implementation Commission shall be compiled and released for public consumption separate to this Report.

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