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# INSTITUTIONAL ASSESSMENT REPORT

## DEPARTMENT OF SOCIAL WELFARE AND BAIT-UL-MAAL



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# INSTITUTIONAL ASSESSMENT DEPARTMENT OF SOCIAL WELFARE AND BAIT-UL-MAAL

Social Welfare Department: Provincial Face of Interaction and Regulation  
of NGOs

Centre for Public Policy and Governance, Forman Christian  
College (A Chartered University) Lahore



**CENTRE FOR PUBLIC POLICY  
AND GOVERNANCE**



**FORMAN CHRISTIAN COLLEGE**  
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# Foreword

The Research Team led by Maheen S Khosa and comprising of Raffat Malik, Program Manager and Muhammad Hasan, Documentation Officer has been working for over nine months on a USAID-sponsored Small Grants Project titled “Social Welfare Department: Provincial Face of Interaction and Regulation of NGOs.” Dr. Raja M. Ali Saleem was appointed as Project Advisor and steered the Research Team's work with dedication and clarity of purpose. From the very inception of this project the Centre for Public Policy and Governance (CPPG), Forman Christian College worked with the Social Welfare Department (SWD) in a spirit of partnership and close consultation. We created an Advisory Board (for composition see title page), which acted as 'mentor' for the Research Team, providing guidance, facilitating and monitoring the research effort. We received unprecedented support and cooperation from officials and staff of the SWD.

The Research Team has accomplished four tasks, going beyond its original terms of reference. It completed a baseline survey, an institutional assessment of the SWD with concrete suggestions on missing gaps and the way forward, a draft Social Welfare Policy for the Government of Punjab, and reviewed and refurbished the curriculum of the SWD Training Institute. All these tasks were completed with constant feedback and insightful comments from the relevant officials of the SWD, from the district formations and from the directorate. This not only helped the research team in rethinking some of the critical issues but also helped them in revising and calibrating the content and substance of this report, which has undergone several revisions.

The overarching theme of this report is driven by two pivotal changes regarding social welfare in Pakistan. First, the 18th Constitutional Amendment, which led to the devolution of the entire social sector to the provinces. The provinces have been empowered and transferred the whole responsibility of the management of social sector, however, the issue of their capacity building have not been adequately addressed. The 18th Amendment has enhanced the salience of SWD as a crosscutting department; the numerous social programs and multiple functions that it performs need both better appreciation and improved implementation. Recognizing this reality, the report sets the tone for capacity building, skills development and the revamping of the existing programs and infrastructure of the department. Second, the international non-governmental organizations (INGOs) Policy, 2015, which has, contributed to the securitization of the non- governmental sector. Based on extensive research, this report and the Social Welfare Policy draft shows that the NGOs are hesitant to accept the policy wholeheartedly as it has widened the gulf of mistrust between them and the Government. The report highlights the need for bridge building and identifies avenues for constructing a meaningful dialogue and collaboration between the two and the SWD has to play a critical role in it. The SWD-NGOs relationship is complex, rooted in our history and culture and works best for citizen welfare when driven by mutual trust and harmony. When this relationship is broken, neither of the two can perform well and that is a lesson both need to learn. We do hope that the findings and recommendations of this report and draft Punjab Social Welfare Policy would become the basis of a vastly improved relationship between the SWD and the NGOs.

I take this opportunity to thank each member of the Advisory Board for taking time to provide critical feedback on several earlier drafts of this report. I am particularly indebted to Mr. Haroon Rafique, Mr. Waheed Ansari, Mr. Waseem Ashraf, and Dr. Raja M. Ali Saleem in this regard.

Ms. Maheen S. Khosa has shown dedication and patience in incorporating comments and feedback from diverse sources, including two anonymous peer reviewers. Ms. Raffat Malik and Mr. Shaleem Khokhar have been instrumental in organizing host of activities related to the successful completion of this project and all of them deserve appreciation. I am also grateful to Ms. Shaheen Atiq-ur Rehman, Mr. Irfan Mufti and Ms. Bushra Khaliq for vigorously putting across the voice and perspectives of the NGOs. While we remain deeply appreciative and gratefully acknowledge the support of all those who have participated in our focus group discussions, policy dialogues and informal discussions, as they have contributed in imperceptible ways in improving the quality and content of this report, any omissions or error of facts and interpretations is the sole responsibility of the Research Team.

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We would also like to thank all the participants interviewed for this report for taking out the time to talk to us. Our gratitude is also extended to all the participants of our policy dialogues and roundtables who took precious time out of their busy schedules on our request; they were extremely critical where necessary, yet at the same time were very generous with their expertise and support.

We would like to thank the faculty and staff at the Centre for Public Policy and Governance (CPPG) for providing critical inputs and support in this study. Lastly, we would like to extend our gratitude to our director Dr. Saeed Shafqat, without whose support – both moral and intellectual – this report would not have been possible.



# Executive Summary

This report presents the findings of an institutional assessment study of the Department of Social Welfare and Bait-ul-Maal (SWD) conducted by the Centre for Public Policy and Governance (CPPG). This assessment is a part of an ongoing project titled “Social Welfare Department: Provincial Face of Interaction and Regulation of NGOs”. This report: a) assesses the SWD within the context of social welfare and protection in Punjab; b) assesses the current organizational structure, resources, systems, processes for planning and implementation, particularly from the lens of capacity constraints and consequent impact on service delivery; and c) provides recommendations and policy prescriptions going forward.

The institutional assessment was conducted over a period of nine months. A baseline survey was conducted at the outset, which formed the basis of this assessment. A multi-level methodology was used for this assessment including desk research and literature review, interviews, and policy dialogues and observational assessment. A total of 40 semi-structured interviews were conducted.

Theoretically, Social Welfare is a concept that is operationalized to cover a broad array of activities and services. For the purpose of this report and the mandate of the SWD (as given in the Government of Punjab (GOPb) Rules of Business 2011), we define social welfare as the network of services and activities that ensures equality of opportunity, welfare, and access to social justice for all citizens; in particular, provides protection to and promotes the welfare of the most marginalized, vulnerable, dispossessed and discriminated segments of society.

This study uses the Participatory Institutional Capacity Assessment and Learning Index (PICAL) matrix developed by USAID/DRC. PICAL provides a framework to assess the capacity of organizational units of national governance institutions in order to identify priorities for capacity building and monitor the effectiveness of efforts to enhance this capacity. It monitors four main themes of institutional capacity: demand for institutional performance; organizational learning capacity; administrative capacity; and institutional strengthening capacity.

The findings of this assessment have been broadly divided into the following four major areas:

1. Impact of the 18<sup>th</sup> amendment, devolution and administrative overlap;
2. Financial, human and technical resource constraints;
3. Outdated legislative framework; and
4. Capacity constraints

Each of these areas presents multiple aspects of the issues under discussion. Based on these findings, the SWD has been assessed using the PICAL matrix. The rankings assigned to the SWD in the matrix have been assigned on the basis of these findings.

This assessment, analysis of the SWD, identification of issues and key findings clearly shows that although the SWD is performing multiple welfare functions, there are significant gaps in the structure and function of the department:

1. Changes in governance structures and their improper implementation has led to significant conflicts between the SWD officers at different levels. This is especially problematic in terms of relations and coordination between the district and provincial level officers.
2. The department has a limited budget and suffers from staffing and technical resource constraints.

3. The legal framework under which the nonprofit sector functions is outdated, overly complicated and grossly ineffective. This overly complicates the functioning of the department in some areas, while leaving significant gaps in others.
4. There is very little specialized focus on capacity building in the department, despite the availability of a designated training institute.

Based on these gaps, this study recommends the following measures to improve the performance and capacity of the SWD:

1. There is a critical need for the SWD to conduct a detailed review of all existing laws, ordinances and regulations under which the department conducts its activities, and revise and update this legislative framework.
2. there needs to be a specialized focus on capacity development and skill development for SWD officers and staff, and the training curriculum needs to be updated to represent the changing requirements of SWD staff.
3. The SWD needs to develop strategies to ensure that all social welfare programmes – public and private sectors both – be adequately coordinated to avoid wastage of limited resources, and to ensure systematic delivery of social services to all deserving people.

The study strongly recommends the adoption of these measures urgently.

# List of Acronyms

ACR	Annual Confidential Reports
CPPG	Centre for Public Policy and Governance
CLA	Corporate Law Authority
CPEC	China-Pakistan Economic Corridor
DG	Director General
GOPb	Government of Punjab
HDI	Human Development Index
IDS	Institute of Development Studies
INGOs	International Non-governmental organizations
LGO	Local Government Ordinance
MDGs	Millennium Development Goals
MPDD	Management and Professional Development Department
MSSO	Medical Social Services Projects
NAP	National Action Plan
NGOs	Non-Governmental Organizations
NPOs	Non- Profit Organizations
NSPF	National Social Protection Framework
PSPA	Punjab Social Protection Authority
PICAL	Participatory Institutional Capacity Assessment and Learning Index
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SWC	Social Welfare Complex
SWD	Department of Social Welfare and Bait-ul-Maal
SWTI	Social Welfare Training Institute
TNA	Training Needs Assessment
UC	Union Councils
UN	United Nations
UNDP	United Nations Development Programme

# 1. Introduction

The Centre for Public Policy and Governance (CPPG) has conducted an institutional assessment of the Department of Social Welfare and Bait-ul-Maal (SWD). This report presents the findings of this assessment. The objectives of this report are to: a) assess the SWD within the context of social welfare and protection in Punjab; b) assess the current organizational structure, resources, systems, processes for planning and implementation, particularly from the lens of capacity constraints and consequent impact on service delivery; and c) provide recommendations and policy prescriptions for a more efficient and effective SWD.

This report is a part of an ongoing project titled “Social Welfare Department: Provincial Face of Interaction and Regulation of NGOs”. This project aims to review, assess and improve the role, function and capacity of the SWD in the context of the 18th amendment and the policy for the regulation of International Non-governmental organizations (INGOs) implemented by the federal government<sup>1</sup>. Parallel to the institutional assessment, the project also conducted a capacity building exercise with SWD officials as well as representatives of NGOs working with the department.

Social welfare itself is a fairly broad term. Globally it is thought to encompass a number of wide-ranging issues from worker rights, working conditions, government support for vulnerable communities and the provision of protection and basic services to the most marginalized groups. In both policy and academic work, it has been defined in a number of ways. Dolgoff and Feldstein attempt to narrow the term down and suggest that social welfare “includes those nonprofit functions of society, public or voluntary, which are clearly aimed at alleviating distress and poverty or at ameliorating the conditions of the casualties of society” (Dolgoff and Feldstein 1980). In a later version of this same work, they also describe it as “all social interventions intended to enhance or maintain the social functioning of human beings” (Dolgoff, Feldstein and Stolnik 1997). Taken together, these two definitions cover the entire spectrum of what social welfare entails.

It has also been defined as the “the full range of organized activities of voluntary and governmental agencies that seek to prevent, alleviate, or contribute to the solution of recognized social problems, or to improve the well-being of individuals, groups, or communities.” (National Association of Social Workers 1971). Speaking specifically about the beneficiaries of social welfare, a 1965 paper by the Government of Hong Kong suggested that “social welfare services are required by those who are not capable without help and support of standing on their own feet as fully independent or “self-directing” members of the community” (Casimir and Samuel 2015).

Perhaps the most wide-ranging and expansive definition of social welfare comes from the United Nations (UN), which in 1967 classified social welfare as “an organized function is regarded as a body of activities designed to enable individuals, families, groups and communities to cope with the social problems of changing conditions. But in addition to and extending beyond the range of its responsibilities for specific services, social welfare has a further function within the broad area of a country's social development. In this larger sense, social welfare should play a major role in contributing to the effective mobilization and deployment of human and material resources of the country to deal successfully with the social requirements of change, thereby participating in nation-building.”

The value of social welfare for a society cannot be overstated, particularly in the context of developing countries like Pakistan, where the majority of the population is – directly or indirectly – financially or socially vulnerable. There are any number of marginalized groups, which rely on the state and the civil society for support and protection. Focusing merely on macroeconomic indicators, such as GDP growth, is myopic and a reductionist view of progress. Macroeconomic growth and development cannot be complete without broad-based welfare services, which play a crucial role in empowering vulnerable or potentially vulnerable communities.

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<sup>1</sup>This policy was introduced by the Ministry of Interior (MOI) in October 2015. For complete policy, see Appendix I.

This is becoming even more apparent as the global imperative to meet the UN's Sustainable Development Goals (SDGs) picks up steam. Social welfare is, by the UN's definition given earlier, a cross-cutting field and this is reflected in the SDGs. Out of the total seventeen SDGs, seven are directly related to various aspects of the work done by the SWD: Goal 1 – No Poverty, Goal 2 – Zero Hunger, Goal 3 – Good Health and Well-Being, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth, Goal 10 –Reduced Inequalities, Goal 16—Promote Just, Peaceful and Inclusive societies, and Goal 17—Partnership for the Goals.(UNDP 2017).<sup>2</sup>

Taking into cognizance these broad and varying definitions and the mandate (given in the Government of Punjab (GOPb) Rules of Business 2011) of the SWD, for our purposes, we define social welfare as the network of services and activities that ensures quality of opportunity, welfare, and access to social justice for all citizens; in particular, provides protection to and promotes the welfare of the most marginalized, vulnerable, dispossessed and discriminated segments of society.

## 1.1 Structure of Report

In this first section of the report, the objectives and scope of the report will be presented. It will also briefly detail the methodology and conceptual framework followed for this report. The second section will provide the political and socio-economic context of Pakistan – and Punjab in particular – as well as the policy institutional context for social welfare in the province and the country. The third section will provide a detailed overview of the SWD, including an introduction to each of the areas in which the department is engaged. The fourth section will provide a detailed review of the issues and constraints faced by the department currently, within each of the departmental focus areas. This section will also include the PICAL matrix for the SWD. The final section of the report will provide policy prescriptions generally as well as specific potential areas for capacity development for the department.

## 1.2 Methodology

After a comprehensive desk review, a baseline survey was initiated at the outset of the project. The survey was conducted over a span of four months to gain a preliminary understanding of the SWD and the context within which it operates. The institutional assessment study built on the findings of the baseline survey and employed a multilevel methodology:

### i. Desk research and literature review

The baseline survey team conducted a thorough desk review and assessment of the available literature on the SWD as well as the subject matter. In particular this review covered the following major aspects:

- i.i. A review of the current legal and socio-political landscape in the country, in particular Punjab with a specific focus on all legislation relevant to the SWD. Another focus of the review was the historical and recent devolution of powers to the provincial and local governments.
- i.ii. A review of all available literature on the SWD, particularly departmental history, mandate, scope of work, hierarchy and functional contemporaries. The functional contemporaries included both governmental departments with similar (and overlapping) mandates as well as non-governmental organizations (NGOs) providing similar services to the same beneficiaries.
- i.iii. A review of the existing curriculum of the Social Welfare Training Institute (SWTI) and the nature and quantity of the training currently provided.
- i.iv. A review of the conceptual frameworks for conducting institutional assessments, particularly of public sector organizations. Some frameworks studied for this purpose were the European Commission Open Systems Approach, the USAID/DRC PICAL Index and the Institute of Development Studies (IDS) Framework for Institutional Assessment for the National Social Protection Framework (NSPF) in Nepal. For the purpose of this assessment, we have relied on the PICAL index, modified to the context of the SWD.

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<sup>2</sup>The Sustainable Development Goals (SDGs) came into effect on January 2016. They will guide the policy and funding for the United Nations Development Programme (UNDP) globally for the next 15 years. There are seventeen interconnected goals, each of which has several targets.

## ii. Interviews

The second step of this methodology is a series of semi-structured interviews with a diverse set of stakeholders. This step included interviews with the SWD officers working at different levels (particularly directorate and district level) and having dissimilar basic pay scales. Additionally, interviews with officers of other government departments and authorities with similar or overlapping mandates with the SWD – in particular, Department of Industries and the Punjab Social Protection Authority (PSPA). The third category of interviews was with the NGOs, especially those working, or having previously worked, with the SWD. A total of 40 interviews were conducted.

## iii. Policy dialogues and Observational Assessment

The third dimension of the methodology was policy dialogues, group discussions and observational assessment visits. Two policy dialogues, one group discussion and three observational visits were conducted.

# 1.3 Conceptual Framework

Institutional capacity assessment is an evolving field and there are a number of factors that need to be emphasized before embarking upon an assessment exercise. As a first step, the term 'institution' itself needs to be defined and understood. In the most literal sense, 'institution' is often used interchangeably with the term 'organization.' This definition is too restrictive as institutions can go beyond what are called organizations. Institutions may be formal organizations or they may be informal, such as social norms. "Alone or in a set of related arrangements, they are mechanisms for adjusting behavior in a situation that requires coordination among two or more individuals or groups of individuals."(Polski and Ostrom 1999). For our purposes, we will define an institution as "the set of formal and informal rules which constrain and govern the interaction of agents subject to that institution"(Khan 1995).

Another important aspect to consider is the complexity and incorporating multiple levels of perspectives and – in cases of a formal institutional setting – hierarchy into the analysis. Policy situations are rarely simple. In order to completely understand a policy area, as well as how things might proceed differently, it is important to incorporate multiple inputs and multiple policy situations in an analysis (Polski and Ostrom 1999).

There are several tools and models that have been developed to conduct institutional capacity assessments, particularly in a policy context. The European Union's open systems approach is useful as it discusses approaching the assessment within a certain context and stresses the need for identifying the vantage point of an assessment prior to commencing (European Commission 2005). Of particular utility is the **Participatory Institutional Capacity Assessment and Learning Index (PICAL) matrix** developed by USAID/DRC. **PICAL is a user-friendly tool that provides a framework to assess the capacity of organizational units of national governance institutions in order to identify priorities for capacity-building and monitor the effectiveness of efforts to enhance this capacity.** It monitors the following four themes of institutional Capacity:

- Demand for Institutional Performance
- Organizational Learning Capacity
- Administrative Capacity
- Institutional Strengthening Capacity

## 2. Country Context

### 2.1 Political and Socio-economic Context

Since 2007, Pakistan has been relatively stable, primarily in terms of sustaining democracy. The previous democratically elected government was the first one in Pakistan's history to complete its tenure and transfer power to another elected government. This was considerable improvement for a country that had seen four military coups and the dissolution of multiple elected governments before the end of their constitutionally ordained five-year tenure. The current government is in the fifth year of its tenure so this continuity of democracy has given the country much needed stability. This is particularly true for Punjab, which has seen the same party at the helm for the past nine years.

Pakistan's economy has responded to stable political environment and has maintained its momentum towards a higher growth trajectory in the last few years. An enabling policy environment was one of the key factors that contributed to this impetus (SBP 2016, 1-9). Besides introducing sector specific policy initiatives, the government also ensured better energy management; for instance, LNG imports allowed adequate gas availability for fertilizer and other industries. Additionally, the initiatives under China-Pakistan Economic Corridor (CPEC) not only attracted foreign direct investment (FDI), but also helped in reviving the confidence of local businesses (SBP 2016).

Pakistan was unsuccessful in meeting the UN's Millennium Development Goals (MDGs) and its current ranking on the UNDP's Human Development Index (HDI) is indicative of the country's poor social sector development. Ranked 147 in the world, Pakistan barely manages to stay in the Medium Human Development category (UNDP 2016).<sup>3</sup> Not only does Pakistan rank poorly on the HDI internationally, it has also fared badly relative to its regional peers such as India, Sri Lanka and Bangladesh. Discussing the HDI ranking, the report says, *"A number of factors are responsible for this low ranking, including the prolonged war on terror, policy focus on stabilization due to recurring balance of payments crises, and more importantly, inadequate budgetary resources, along with poor capacity of public institutions to formulate and implement internally consistent policies for social service delivery. Moreover, high population growth, and social exclusion of a large segment of the female population from education and labor force, also undermined social sector development in the country."* (SBP 2016, 95-96). Pro-poor spending is a key factor in the GoPb's growth strategy but spending in the social sectors remains inadequate (PERI 2017).

### 2.2. Policy Context

The SWD currently operates in a policy vacuum. While there has been significant discussion and debate about the need for social development, Punjab province does not have a social welfare policy. The State Bank of Pakistan (SBP) in its annual State of the Economy report detailed the current status of social sector development in the country and highlighted the need for a more targeted policy focus on this sector. In particular, the report emphasized the need for timely policy interventions in health, education and population planning as well as a thorough reform of the public service delivery in general (SBP 2016).

The SBP report criticized all provincial governments for prioritizing large infrastructure projects and for their lack of focus on social sectors, *"Although provinces have enjoyed a significant jump in their resources (being recipients of funds under the divisible pool), they are not able to channelize enough funds towards social sectors. One reason behind this under-spending is a disproportionate focus on infrastructure projects, including those related to transport and construction. A cursory look at provincial development spending shows that infrastructure projects (including construction-related ones) have been prioritized by provincial governments over the past few years; this has led to their relatively higher share in overall development expenditure."* (SBP 2016, 97)

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<sup>3</sup>Pakistan is currently ranked last country in the Medium Human Development Category. The Low Human Development Category starts from 148.

This disproportionate spending focus is an issue that many people have attempted to bring to the attention of policy makers but after more than four years of the current provincial administrations, the single-minded push towards infrastructure development remains unabated. Current social sector spending is consistently significantly below the minimum percentage of GDP required for the social sector (Khattak 2013). Additionally, whatever funding is available is often not utilized properly. Even development funding is often utilized towards project staff salaries and similar expenses. The SBP report also highlights the capacity issues provincial governments face in measuring social needs, formulating policy, making allocations and monitoring progress. According to the report, “... provincial governments have been allocating less on social development (due to capability issues) than what is required to bridge the service delivery gap”(SBP 2016, 97). These two factors – disproportionate spending focus and lack of capacity – are perhaps the core reasons for the lack of development in the social sector in Pakistan.

Discussing the way forward, the report says that achieving human development goals “will not be possible without a rigorous reform process in public service delivery. In addition to allocating more funds for social sectors, provincial governments also need to build capacity, and develop working relations with private practitioners to utilize their services for unbiased and accurate monitoring of state spending”(SBP 2016, 98).

The second issue in terms of policy is the lack of clear definition in terms of defining the concept of social welfare and what it entails. While the biggest factor in this has been the aforementioned lack of a cohesive policy, another major factor has been the focus on social protection at the expense of social welfare. The Planning Commission of Pakistan developed a National Framework for Social Protection, which surprisingly enough does not define the combined role of welfare and protection. Subsequent to this, the PSPA also circulated its own policy for Social Protection for the province, without defining a clear role for the SWD.<sup>4</sup>

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<sup>4</sup>The policy has not yet been finalized and is still in the review and feedback stage. A draft of this policy was shared with the project team by the SWD. For details, please see Appendix II.



## 3. Department of Social Welfare and Bait-ul-Maal

The Department of Social Welfare and Bait-ul-Maal (SWD) Punjab has a long and varied history. Since the creation of Pakistan, social services have transitioned from essentially being provided for through local social workers, volunteers and citizen philanthropy, to being a public-sector concern. Direct public sector involvement for social services delivery dates back to 1963, when the 'Directorate of Social Welfare' was first established in the West Pakistan Government, headed by a Director.

After the dissolution of the One-Unit System in West Pakistan in 1970, the former provinces of Sindh, Punjab, NWFP and Balochistan were revived. As a result, the West Pakistan Directorate General of Social Welfare and the West Pakistan Council of Social Welfare were divided into four parts. One Directorate and one Council were established in each province. These two organizations were principally being set up by the provincial governments to look after social welfare programs in their respective provinces.

The department grew in the next decade and became a separate and independent public entity in 1979. In subsequent years, the mandate of the organization evolved further with the incorporation of the 'Women Development' portfolio in 1996 and the Bait-ul-Maal (charity distribution to the needy) in 1998. In 2012, however, a women development became a separate independent department. After the 18th constitutional amendment, social welfare was one of the subjects, which was completely devolved to the provinces. All provincial government, including the Punjab government, thus had maximum autonomy over the subject of social welfare.

### 3.1 Functions

The mandate and functions of the SWD are taken directly from the GOPb Rules of Business 2011. According to these, the SWD is mandated to perform the following functions:

- i. Registration, technical assistance and monitoring of social welfare agencies
- ii. Social protection including institutional care, skill development and rehabilitation
- iii. Registration, assessment, training, employment, and rehabilitation of disabled persons
- iv. Eradication of social evils
- v. Coordination with and grant-in-aid to non-governmental organizations engaged in the field of narcotics control and rehabilitation of drug addicts
- vi. Relief during calamities and emergencies
- vii. Financial assistance to poor and needy through Punjab Bait-ul-Maal

### 3.2 Services

Under the broad mandate of the SWD, the services provided by the department can be categorized into three areas:

- i. **Welfare Services:** Under this component, the SWD provides shelter, protection, and rehabilitative services to marginalized communities such as women, abandoned or orphaned children, differently abled, the elderly, beggars and drug addicts. There are two dimensions to this:
  - i.i. **Institutional Care:** Under this component, the SWD establishes and manages a number of model institutions designed to provide care to the aforementioned groups.<sup>5</sup>

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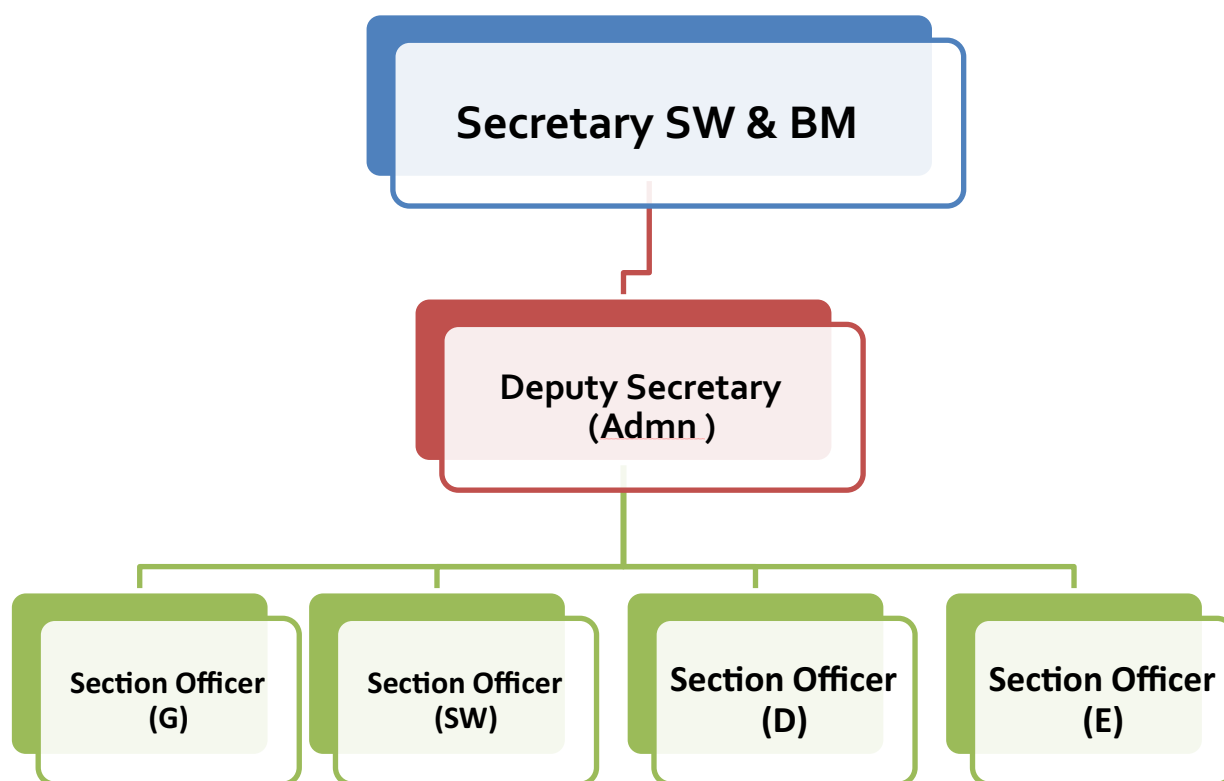
<sup>5</sup>A detailed overview of each of these institutes is provided later in this section.

- i.ii. **Medical Social Services:** Medical Social Services Projects (MSSP) have been established for needy and destitute patients. At the moment, there are a total of 110 Medical Social Services Projects working at national, district and tehsil level in Punjab.<sup>6</sup> MSSP provide financial assistance to poor patients through Health Welfare Committee and Patient Welfare Society.<sup>7</sup>
- ii. **Capacity Building:** This component includes the management and establishment of skill development centres and institutes which provide essential skills training to groups such as women and the differently abled. Additionally, the Social Welfare Training Institute (SWTI) also falls under this component.<sup>8</sup>
- iii. **Community Development:** This covers three major aspects:
  - iii.i. Registration of NGOs<sup>9</sup>
  - iii.ii. Community Development Projects
  - iii.iii. The assessment and rehabilitation of the differently abled.

### 3.3 Organizational Hierarchy

There are three major tiers of operation for the SWD: the secretariat, the directorate, and the district. The three figures below depict the organizational hierarchy at each level.

*Figure 1: Administrative Department*



Source: SWD

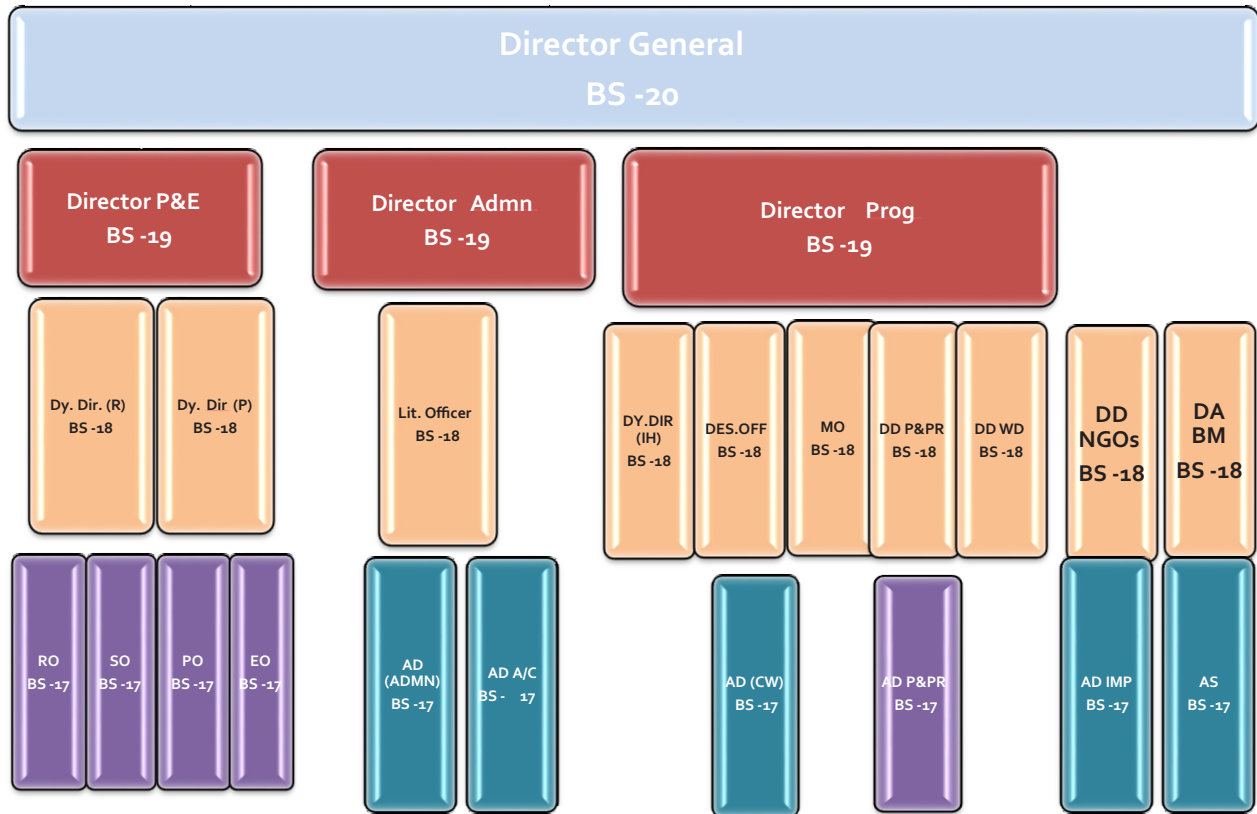
<sup>6</sup>There is at least one designated Medical Social Officer (MSO) in all public-sector hospitals such as District Headquarters (DHQ) Hospitals in each district. Depending on the size of the hospital there may be more than one MSO. There are MSOs in certain private sector hospitals as well.

<sup>7</sup>MSSP functions beyond the financial scope of the SWD as the Health welfare committees work under the rules of Zakat Department and Zakat funds are allocated by the Zakat Department.

<sup>8</sup>The SWTI has been discussed in greater detail later in this section.

<sup>9</sup>This is a very vast component and will be explored in a separate section subsequently.

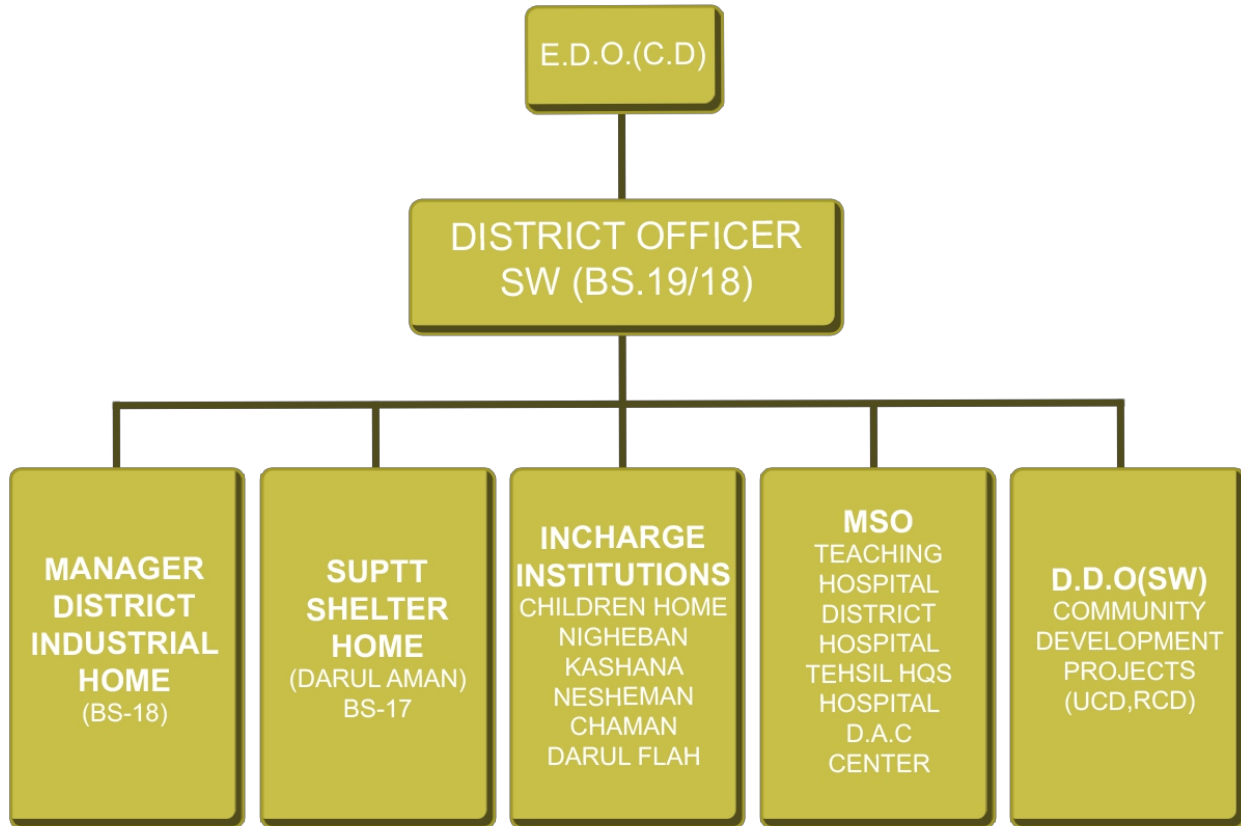
Figure 2: Directorate<sup>10</sup>



Source: SWD

<sup>10</sup>The acronyms in this table are: P&E: Planning and Evaluation; Admn: Administration; Prog: Programmes; Dy. Dir (R): Deputy Director Research; Dy. Dir (P): Deputy Director Planning; Lit. Officer: Litigation Officer; Dy. Dir (IH): Industrial Homes; Des. Off: Desk Officer; MO: Marketing Officer; DD P&PR: Deputy Director Publications and Public Relations; DD WD: Deputy Director Women Development; DD NGOS: Deputy Director Non-governmental Organizations; DA BM: Deputy Administrator Bait-ul-Maal; RO: Research Officer; SO: Statistical Officer; PO: Planning Officer; EO: Evaluation Officer; AD Admn: Assistant Director Administrator; AD A/C: Assistant Director Accounts; AD(CW): Assistant Director Child Welfare; AD P&PR: Assistant Director Publications and Public Relations; AD IMP: Assistant Director Implementation; AS: Assistant

Figure 3: District Administration <sup>11</sup>



12

In addition to the three main tiers of operation of the SWD, the department also functions at the Tehsil and Union Council level. The following matrix gives an indication of the responsibilities and structural overlap of each of these five tiers of operation:

<sup>11</sup>This organogram refers to the system that was previously in place at the district level. According to the Local Government Act 2016, the commissionerate system is to be implemented in the districts. However, this document makes repeated references to the previous system because: a) at the time of our research, the new system had not practically come into effect, and the districts were largely functioning under the previous system; and b) given that the purpose of our assessment was to understand the context and the issues faced by the SWD officers at all levels, their frame of reference was largely the system that they had previously functioned under/were still functioning under for all intents and purposes.

<sup>12</sup>Acronyms used in this table are EDO CD: Executive District Officer Community Development; Supt: Superintendent; MSO: Medical Social Officer; DDO SW: Deputy District Officer Social Welfare

<b>Tier</b>	<b>Nature of Work</b>	<b>Head of the Tier</b>	<b>Reporting Hierarchy</b>
<b>Secretary office</b>	Policy development; coordination with other government departments such as Planning and Development; oversight.	Provincial Secretary Social Welfare and Bait-ul-Maal	The Secretary is responsible to the Minister for the departmental business and assists the Minister in the formulation of the policies
<b>Directorate office</b>	Planning and development; Programme design, management and implementation; Coordination with all subsequent and preceding tiers; Advocacy, coordination and collaboration with parallel departments for programme implementation; Interaction and de-facto regulation of NGOs	Director General (DG) Social Welfare and Bait-ul-Maal	The DG reports to the Secretary SW and Bait-ul-Maal
<b>District Office</b>	Administration, management and oversight of projects and programmes; Key NGO Liaison; Point of contact and reporting for Tehsil and Union Council Officers	District Officer/EDO CD	Administrative Reporting: EDO CD and DCO Technical and administrative Report: DG SWD Parallel Reporting to approximately 4/5 Directors at directorate level
<b>Tehsil Office</b>	Administration, management and oversight at the Tehsil Level; Point of contact for all tehsil level projects and activities;	Tehsil Social Welfare Officer	District Social Welfare Officers
<b>Union Council Office</b>	Management and oversight of community development projects, skill development centres and the like at the local level; Liaison, point of contact and administrator for grants and aid provided to NGOs	District Officer	Tehsil Office

### 3.4 Institutional Care

The Punjab SWD has been mandated to provide support to the most marginalized sections of society, including abandoned children, the elderly, destitute women and disabled people. Part of the department's mandate is to provide institutional care for each of these segments of society. The department has a number of institutions in place to cater to its beneficiaries. These are housed in Social Welfare complexes (SWC) established in multiple districts in Punjab.

Currently, the SWD operates the following types of institutes for its beneficiaries:

- *Gehwara (Abandoned Babies Home)*: This is a home for babies aged between 0-6 years, who have been abandoned for any reason. The institute aims to place them with foster parents and provides basic nursery care and education. Currently, there are three such centers in Punjab.
- *Niqehban (Social Services Centers for Lost and Found Children)*: This is a centre for children who are lost and found by police or any other Institutions/NGOs. These children are provided temporarily shelter and the centre arranges to reunite them with their families.
- *Chaman (Centre for Mentally Retarded Children)*: *Chaman* provides institutional care for mentally retarded children. These services are provided on both a residential and daycare basis. The children are provided psychiatric care while counseling services is also provided to their families.
- *Children Homes (Model Orphanages)*: These homes provide institutional care for orphan children aging between 6-18 years. These children are provided care and educational facilities.
- *Dar-ul-sakoon (Half way Home)*: This institute provides an enabling and conducive convalescence for mentally sick patients, who have been discharged from the Punjab Institute of Mental Health, Lahore but are still not in a condition to immediately shift to home. It provides supportive and rehabilitative services and attempts to mainstream the patients with their families.
- *Aqfiat (Home for Old and Infirm Persons)*: This facility is for elderly who have no family care or support. The residents are provided free shelter, food, treatment and recreational facilities.
- *Kashana (Homes for the Destitute and Needy Girls)*: This centre provides institutional care specifically for destitute girls ageing between 6-18 years. They are provided free boarding, lodging and recreational facilities. They are also provided training, education & rehabilitative services.
- *Nasheman (Home for the Disabled)*: These centres provide institutional care and vocational training disabled people. The beneficiaries are trained in different productive skills (such as computer and mobile repairing etc.) which will enable them to generate a livelihood for themselves. These centres also provide medical and recreational facilities as well as rehabilitative services through the provision of training kits etc.
- *Darul Aman (Shelter Homes)*: These homes provide protection, institutional care and vocational training to women victims of violence. They also provide legal, medical and psychological assistance. Currently there are 36 homes throughout Punjab, one at each district headquarter in the province.
- *Darulfalah (Mother and Children Homes)*: These homes are for mothers who have been widowed or are destitute or are unable to provide for themselves and their children. These families provided free boarding and lodging, education and training facilities. They are given separate apartments so that they can live independently are also given a small monthly stipend.

More importantly, SWD provides vocational training to women and special people through the following institutes:

- *Sanatzar (District Industrial Homes)*: These exist at the district level, with one existing in every district headquarters. They provide vocational training in areas such as tailoring, embroidery and a number of others to women.
- *Qasre Behbood*: These centres provide training facilities and vocational training including new marketable skills, day care services for children, nursery classes, sports and recreational facilities. These are self-sustaining centres and at the moment there are only two in Punjab.
- *Dastakri Schools (PWP Vocational Training Centres for Women)*: These have been established with the collaboration of NGOs working with SWD. The government provides the stipends for teachers and sewing machines while locals on voluntary basis provide accommodation and other facilities. There are 834 Dastakri schools at the village level.

### 3.5 Community Development

One of the major functions of the SWD is the provision of community development services. Given the scope of our work, we have primarily focused on the NGO registration component. The SWD handles the registration and monitoring (in a limited capacity) of NGOs. The department also oversees all activities regarding international non-governmental organization (INGOs) working at the provincial level. These NGOs are registered under a few specific laws, which the SWD is mandated to implement. The SWD only looks at the registration aspect of the process of NGO management and is not responsible for any other aspect of the process. The department has to actively send back case files, regarding non-registration related aspects of NGOs and their operations, that have been sent to them by mistake which in the long run hampers the process of their scope of work (Jabeen 2016).

In Pakistan, there are at least seven laws that are of principal relevance to the registration and operation of nonprofit organizations. The SWD is directly responsible for administering four of them:<sup>13</sup>

- *The Voluntary Social Welfare Agencies' Ordinance 1961*: This applies to NGOs wanting to get government funding for their organization.
- *The Societies Act of 1860*: NGOs, which having multiple purposes and provide wide ranges of charity for different genre, are registered according to this act. Local NGOs are mostly registered under this act.
- *The Companies Ordinance 1984 (section 42)*: Non-profit companies are registered under this act. Such companies generally work for social welfare and/or community development.
- *The Co-operative Societies Act 1925*: This act has relatively uncommon types of NGOs registered under it.
- There are a number of other laws, which affect Non- Profit Organizations (NPOs). For instance, if an NPO is involved in a fund-raising activity (a public show or 'mela'), it will have to obtain permission from the office of the local Deputy Commissioner, under the Charitable Fund (Regulations of Collection) Act, 1953. Once this has been granted, the NPO can apply for a waiver of Entertainment Duty on the sale of tickets from the provincial Excise Department. This permission, however, is not required when obtaining donations from a private source (either from members of an NPO or philanthropists), and grants from governmental, national and international agencies. In this instance, the NPO would need to be registered under two different provisions of the Income Tax Ordinance, 2001 - one granting it exemption from taxation on its income and the other endowing the giver exemption from taxation on the donations given or grants made to the exempt NPO. The latter is of paramount importance for obtaining higher levels of grants and donations from the private sector – from both individuals and corporate entities.
- NPOs function according to their own constitution, memorandum, rules or byelaws, provided they conform to the law in the country. If they obtain registration under any one of a number of Acts or Ordinances, they are compelled to stand by and act on the provisions laid out by that particular Act or Ordinance.

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<sup>13</sup>For a complete list of laws please see Appendix III

Law Title	The Societies Registration Act, 1860	The Voluntary Social Welfare Agencies (Registration and Control Ordinance), 1961	Section 42 of the Companies Ordinance 1984	The Trust Act, 1882
Purpose	<p>This is the oldest of the four registration laws, and was promulgated by the British in pre-partition India. The legislation was created largely to regulate professional, scientific and fine arts activities and was later extended to include charitable and social organizations as well. Besides the associations for commercial purposes, other associations for literary, scientific and charitable purposes are often formed as well. Such associations may possess certain assets, owned by individual members, but of common use to the society. In such situations, disputes might arise not only between members, but also among members and the rest of society. To manage such a dispute, the concerned association must be recognized under a law enabling it to sue and be sued. This Act came into force to provide legal status to such associations. A Society under this act must register itself with the Registrar of Joint Stock Companies who is also the Registrar of Societies. This is the</p>	<p>The Ordinance regulates grass-roots level organizations providing welfare services to those in need. This ordinance is based on the premise that the “poor and destitute” in society need institutional, rather than only charitable, support.</p>	<p>Primarily deals with for-profit companies, but Section 42 allows “licensing” of non-profits as Companies.</p>	<p>The Trusts Act provides legal cover for private acts of public charity, and allows the creators of the trust tremendous flexibility in their operations.</p>



	<p>oldest of the four registration laws, and was promulgated by the British in pre-partition India. The legislation was created largely to regulate professional, scientific and fine arts activities and was later extended to include charitable and social organizations as well. Besides the associations for commercial purposes, other associations for literary, scientific and charitable purposes are often formed as well. Such associations may possess certain assets, owned by individual members, but of common use to the society. In such situations, disputes might arise not only between members, but also among members and the rest of society. To manage such a dispute, the concerned association must be recognized under a law enabling it to sue and be sued. This Act came into force in order to provide legal status to such associations. A Society under this act must register itself with the Registrar of Joint Stock Companies who is also the Registrar of Societies.</p>			
Focal Department	The Department of Industries	SWD	Assistant Registrar Joint Stock Companies and Industries Department by filing the Memorandum and Articles of Association with the Securities and Exchange Commission	the declaration is made in the form of a "trust deed" on a non-judicial stamp Paper. The process is simple. A trust deed is registered

			of Pakistan to obtain the License (and then registering the Memorandum and Articles of Association along with the License) for promoting commerce, art, science, religion, sports, social services, charity or other useful subjects. After license, need to apply in company registration office. The association is generally a guarantee limited company having no share capital. Under this law, nonprofit and trade organizations (sub section 12 and section 2 both can be registered	with acivil court or the sub-registrar in whose jurisdiction theproperty is situated.
Processing/Annual Fee	Registration Fee: PKR 520 deposited in any branch of National Bank of Pakistan under Head of Account No.CO3818 through Treasury Challan (32-A).	PKR 100 for registration	Annual membership fee PKR 1000, lifetime membership fee is PKR 10,000	
The Role of the Department After Registration	DOI has no role after the initial registration process. In case of any serious complaint against any organization, they may change its members. But this law provides no authority to de-register the organization. Organizations are required to file a list of their managing bodies annually. Once a year, on or before the fourteenth day succeeding the day on which, according to the rules of the society, the annual general meeting of the society is held, or, if the rules do not	<ol style="list-style-type: none"> <li>1. NGOs are required to maintain accounts and submit an annual report and audit report to District Officers. The report must detail the management of the agency, its activities and plans for the next year. Accounts and reports are made publicly available.</li> <li>2. Registered Societies must submit a copy of the membership list annually. No other monitoring is undertaken.</li> <li>3. Not-for-profit companies must submit annual returns, audited accounts and other</li> </ol>	<ol style="list-style-type: none"> <li>1.The appointment of first directors is required to be notified to the Registrar concerned on Form '29' within 14 days from the date of incorporation.</li> <li>2.The appointment of first chief executive is required to be notified to the Registrar concerned on Form '29' within 14 days from the date of appointment.</li> <li>3. A company is required to notify the registered office of the company on Form-21 within 28 days from The date of its</li> </ol>	The act only requires the trustee(s) to maintain accurate accounts of trust property that should be available to the beneficiary for inspection

	<p>provide for an annual general meeting, in the month of January, a list shall be filed with the Registrar of Jointstock Companies of the names, addresses and occupations of the governors, council, directors, committee or other governing body then entrusted with the management of the affairs of the society.</p>	<p>documents for examination. Accounts are open to public scrutiny</p>	<p>incorporation. This form is normally submitted with the registration documents to facilitate Communication. Change of registered office is also notified on the same Form within the same period</p> <p>4. The first auditor, being Chartered Accountants, is required to be appointed by the directors within sixty days from the date of incorporation and within four months of closure of its accounts.</p> <p>5. First Annual General Meeting (AGM) of the company is required to be held within eighteen months from the date of incorporation.</p> <p>6. Any appointment, election or change in the Directors, Chief Executive, Auditors, Chief Accountant, legal adviser etc. is required to be notified to the registrar concerned on Form '29' within 14 days of the said election, Appointment or change.</p> <p>7. Two copies of the audited balance sheet and income and expenditure accounts signed in the prescribed manner are required to be filed with the registrar concerned within 30 days from the date of their AGM.</p>	
<p>Monitoring and Evaluation by Registering</p>	<p>There is no process of monitoring of these NGOs after registration</p>	<p>Record Keeping and monitoring/inspection procedure is defined</p>	<p>No process defined</p>	

Authority	in societies registration act			
Cancellation/Dis solution of Registration	<p>The provincial government may declare the governing body to be null and void if the society is:</p> <p>I. Unable or fails to discharge its duties.</p> <p>II. Unable to administer its affairs or meet its financial obligations.</p> <p>III. Acts in a manner contrary to public interest or the interests of its members.</p> <p>After a specified period, the governing body would again be reconstituted according to the Memorandum and Rules of the society.</p> <p>Dissolution is possible by its own members but there is no provision in law to cancel or de register the NGO by the focal department.</p>	<p>Section 10 deals with it. If at any time the Registration Authority has reason to believe that at a registered agency is acting in contravention of its constitution, or contrary to any of the provisions of this Ordinance or the rules made thereunder, or in a manner prejudicial to the interests of the public, it may, after giving such opportunity to the agency being of heard as it thinks fit, make a Report thereon to the Government. The Government, if satisfied after considering the report that it is unnecessary or proper to do so, may order that the agency shall stand dissolved on and from such date as may be specified in the order.</p> <p>2. NGOs members not less than three fifths of its members may apply to the government for its dissolution</p>	<p>I. Through a Court: A Company may be wound up through a court for anumber of reasons, some of which are as follows:</p> <ul style="list-style-type: none"> <li>• If a Company, by special resolution, has resolved that it be wound up through court</li> </ul> <p>1.If a Company does not commence its operations within a year of corporation, or suspends operations for one year</p> <p>2. If the number of its members is reduced to less than the minimum requirements</p> <p>3. If the Company is unable to pay its debts</p> <p>4. If the Company has been undertaking unlawful activities, or business unauthorized by its Memorandum, or conducting itself in a manner not suitable to its members</p> <p>5. If the court is of the opinion that it is just and equitable that The Company be wound up</p> <p><b>II. Voluntarily:</b> A Company may be wound up voluntarily on the following grounds:</p> <ul style="list-style-type: none"> <li>•When the period, if any, fixed for the duration of the Company by the Articles expires, and the</li> </ul>	

			<p>company in a general meeting resolves that the Company be wound up voluntarily</p> <ul style="list-style-type: none"> <li>•If the company resolves in a special meeting that the Company be wound up voluntarily</li> </ul> <p><b>III. Subject to the Supervision of the Court:</b> Where a Company has passed a resolution for winding up on a voluntary basis, the court, may of its own motion or on application by any person entitled to apply to the court for the winding up of the company, may make an order that the voluntary winding up will continue under supervision of the court.</p> <p><b>IV. Revocation of License:</b> if the activities of the association are in violation of the provision of the Companies Ordinance of 1984, the Corporate Law Authority (CLA) can revoke the license.</p>	
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### 3.6 Social Welfare Training Institute

The SWTI is located in Lahore at the Social Welfare Complex. The SWTI's mission is to “to provide high quality training services in a conducive learning environment to the staff of the SWD of Government of the Punjab and other voluntary professionals of various NGOs operating in the province through high quality and knowledgeable trainers using cutting edge teaching material, interactive methodology and latest training techniques in order to position the institute as a center of excellence in the field of its training specialty.” The SWTI is funded by the GOPb and are managed financially and operationally by the SWD.

The SWTI is mandated to conduct induction training of the new employees of the SWD and offer capacity building exercises called refresher courses to officers to keep up with the changing laws, legislations etc. The curriculum and subjects are developed based on their *“importance in the current social service climate.”* Most of the subjects are refresher courses which are introduced if any law has been modified or passed concerning the relevant area of practice of SWD. There are a number of different courses currently being offered

The curriculum and syllabus of the SWTI is planned on an annual basis from July to June. It has to be approved by the Director General, who can add new courses or modify existing one. After the DG approves of the plan, the Principal SWTI can implement it. The Principal is the one responsible for the creation of work plan from grades 5 to 18. The curriculum is updated on an annual basis. The training manuals are developed by the joint combination of the SWTI lecturers and resource people delivering the trainings.

## 4. Issues and Key Findings

This section details some of the key findings of our report, which highlight the major issues currently being faced by the SWD. The findings have been broadly divided into the following four major areas:

1. The 18<sup>th</sup> amendment, devolution and administrative overlap
2. Resource constraints
3. Outdated legislative framework
4. Capacity building

Each of these areas presents multiple aspects of the issues under discussion. This section feeds into the next section where we have analyzed the SWD on the basis of the PICAL matrix. The rankings afforded in the matrix have been assigned on the basis of the findings presented in this section.

### 4.1 The 18<sup>th</sup> Amendment, Devolution and Administrative Overlap

There are significant points of potential conflict in the five-tiered system of governance within which the SWD functions. A majority of these conflicts tend to occur at the district level. District Social Welfare Officers are in charge at the district SWD offices and other facility service managers report to them. They have dual reporting lines – one to the DC and the other to the DG SWD (at the provincial directorate) -- because of which they suffer many of the ills of matrix organizations such as delays in decision-making, confusion, and power struggles. For instance, both reporting lines assign district level officers work and expect that their orders would be given priority. This leads to issues on a fairly frequent basis. The annual confidential reports (ACRs) of these officers are written/signed by both of their supervisors, which makes prioritizing work demands difficult for them.

Perhaps, even more problematically, while there is technically double the oversight, significant communication gaps exist between the directorate and the districts. The directorate is the major decision-making authority for the districts, and the provincial management often takes decisions that directly impact the districts without considering the reality on the ground faced by the district offices. The district officers are then left to face the consequences of these decisions. For example, vocational centres in some Union Councils (UCs) were closed on the directive of the provincial management, although it had been recommended by the DOs to keep them open. This kind of conflict causes resentment at the district level and greatly affects service delivery.

Prior to the implementation of the Local Government Ordinance (LGO) 2001, the SWD provincial directorate was concerned with both policy making and implementation. After 2001, all of the implementation of SWD policies and programmes became the responsibility of the district government. According to the Director Planning and Evaluation, SWD, over a period of fifteen years, progress in institutional facilities, like the *Dar-ul-Amans*, did not occur because budgetary control was with the district government, rather than the provincial directorate.

Budget allocations during this time were politically motivated, and represented the specific political priorities of the district government rather than the overall aims and objectives of the department. He said, *"In a situation where power is divided into two groups with different agendas only a certain class of citizens has and will flourish due to the conflicting nature of popular choices (infrastructure) against the real needs of the people (health care, education)."* Consequently, the 2001 devolution created a gap that resulted in resources and manpower being squandered by the district governments due to the lack of direction and know-how about the SWD. Compared to the LGO 2001, the 18<sup>th</sup> amendment did not result in many changes in the department as *"it just stiffened the rules that were already in place since 2001, so no new issues regarding capacity building have come up, the same issues have been observed since 2001 with moderate to little improvements over the years".*<sup>14</sup>

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<sup>14</sup>For complete list of interviews, please see Appendix IV

It is interesting to note that the views of the district level officers interviewed, regarding the 2001 devolution, were quite different. They felt that the increases in power and access to resources granted to them under the LGO 2001 had significantly augmented their ability to provide services to their target beneficiaries. These widely divergent set of opinions held by concurrent officers at provincial and district level shows a disconnect between the field officers and the officers working in the directorate in terms of policy and implementation.

One district officer in Kasur was of the opinion that the systems in place because of the devolution in 2001, enabled district officers to “connect directly with the beneficiaries.” This, he felt, allowed these officers to gain a more comprehensive understanding of problems faced by the communities they served and to truly tailor service delivery in an effective manner (Jatala 2016). Further, there was the general feeling in field officers that since the devolution, the district administration – and in particular – district officers were able to accomplish more much in the same amount of time. This was due to two reasons: a) the shorter chain of command which reduced bureaucratic hurdles and delays; and b) a more robust and direct budget system which utilized both government funds (Zakat) and public donations. This facilitated innovation and efficiency in service delivery at the local level, allowing district officers to provide new and different services to their beneficiaries (Ashraf 2017).

With the new local government system now in place, there are mixed feelings regarding how this system will affect the functioning of the department. The Local Government Act 2013, under which this system is established, devolves insufficient functions and powers to the local governments, particularly compared to the LGO 2001 (Shafqat 2014). The provincial government retains a measure of control over the local government. This is especially important in terms of aspects such as fiscal autonomy and the authority to suspend or remove the head of the local government. For these reasons, predictably, the directorate is mostly of the view that this system will be positive for the SWD and will allow – among other things – for the department to have greater monitoring and oversight over their programs and projects at all levels. The district officers, on the other hand, fear greater provincial interference in their work and reduced financial autonomy.

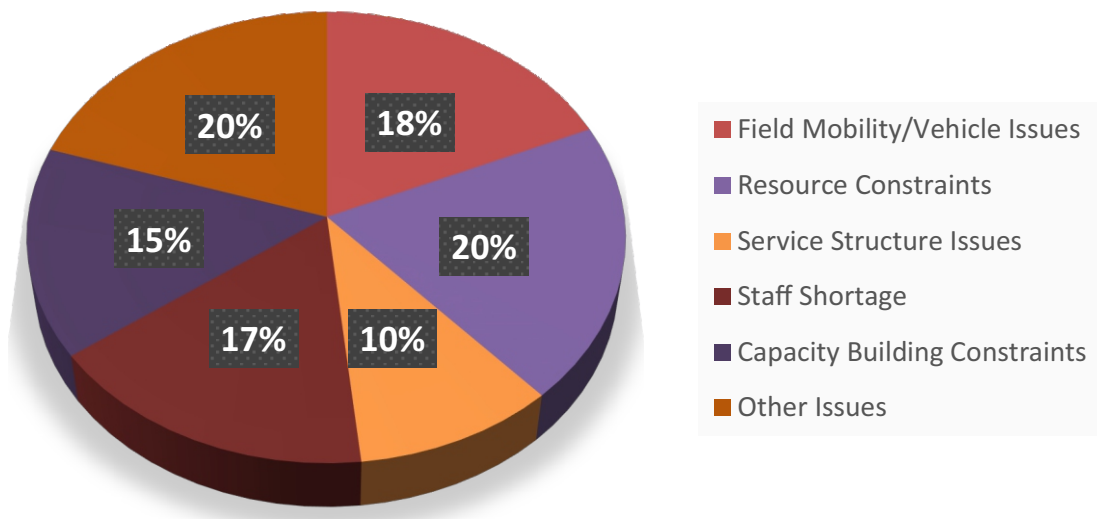
## **4.2 Resource Constraints**

The institutional care aspect is one of the key features of the SWD. However, the department suffers from a marked lack of resources. The department has a limited budget, most of which is allocated towards salaries and office management. This is ironic considering that most tiers of the SWD also maintain that the department is understaffed. For instance, the 2016-17 budget for the SWTI, which is considered under staffed, was PKR 15.52 million out of which pay and allowances alone were PKR 12.46 million (SWTI 2016). Further, the budget allocated for the entire SWD from the provincial budget for the year 2016-2017 was PKR 2,032.5 million. While is this sufficiently higher than departments such as Women Development and Special Education, it is nowhere near sufficient considering the scope of activities under the SWD's purview and the scale of their work. For perspective, the budget for Transport was PKR 124,692.1 million (Government of Punjab 2016).



At the district level, resource constraints are the key issues highlighted by the district officers. A brief survey conducted by the CPPG team yielded the following results:

### *Issues Reported by Districts*



According to this chart, 20% of the respondents listed deficiency of resources as a key issue faced by them in the course of their work. While this percentage itself is cause for concern, it is exacerbated by the fact that some of the other issues highlighted are also a product of resource constraints faced by the department such as restrictive field mobility due to unavailability of adequate vehicle; unavailability of buildings for the SWD institutions; lack of current technology/IT facilities.

### **4.3. Outdated Legislative Framework**

The legal framework under which the nonprofit sector functions is outdated, overly complicated and grossly ineffective. There are a myriad of laws and the dimensions they cover are scattered as well as overlapping which creates a lot of room for misuse. Some laws cover the registration, internal governance and accountability of organizations, others cover how they are financed and managed and yet others cover the relationship between the state and these organizations with respect to reporting on their operations or the manner in which they treat their employees. Some were created for the larger public good while others have been legislated to control the benefits accruing to individuals, families or a larger body of members.<sup>15</sup>

<sup>15</sup>While the latter laws restrict the ability to distribute profits among the beneficiaries they are, however, not viewed as nonprofit in the wider context of the term since they bestow benefits, which would otherwise be paid for at substantially higher prices. It is argued that because these provide benefits resembling a 'subsidy' as a result of the creation of economies of scale and are, thereby, either increasing savings, or are sharing profits among the beneficiaries on the principle that 'money saved is money earned'. These laws, have, therefore been excluded from the analysis.

As previously mentioned, there are a number of laws, which deal with the registration of NGOs, but there is no direct law to actively regulate these organizations. This is problematic in two ways: a) it provides the state room to develop arbitrary regulation mechanisms which are difficult to legally challenged<sup>16</sup> and b) it leaves room for NGOs to engage in illicit or unlawful activities, or even simply remain inactive while obtaining funding and utilizing benefits such as the tax breaks. The extent of the lack of regulation can be gauged from the fact that there is very little the law has to say about the simple act of de-registering NGOs. This is especially true for the Societies Registration Act, 1860 (see table page 13-18) that gives the administering department no provision to de-register NGOs.<sup>17</sup> The Voluntary Social Welfare Agencies (Registration and Control Ordinance), 1961, defines a regulation and de-registration process as it is a comparatively new law. All other laws are silent on this issue.

A large number of the NGOs are registered under the Societies Registration Act, which is the oldest registration law in the province. As mentioned above, this law has no provision for reviewing the status of an organization once it has been registered. The organization merely has to submit its member's list annually. At present, if an NGO does not comply with this requirement, the department does not follow up. There are two main reasons for this: a) genuine resource constraints, especially human and financial; and b) lack of incentive on the part of the district office to follow up (Rana 2017).

In 2015, the government also implemented a policy for the regulation of International NGOs.<sup>18</sup> This was fueled directly by the National Action Plan (NAP), a security imperative, and only served to create confusion and distrust between the government and the civil society.

Even after defining the processes, the government has no capacity to actively implement them as there are thousands of NGOs working in Punjab and many more in the rest of Pakistan. One of the biggest challenges in this situation is that at the district level, the SWD is the focal department for all kind of NGOs and there is no defined role of SWD in the new INGO regulations, especially if the NGO in question is not registered with the SWD. The SWD, therefore, ends up playing a very confusing role in such cases. In some cases, they try to mediate between the district administration and the NGOs. This becomes difficult for the department to do because the security agencies (both civil and military) then criticize them for – what they perceive is – undue support for NGOs involved in anti-state activities or any activities that contradict the NAP. The most interesting and most dangerous aspect of all this is that there is no similar oversight of the madrassas and religious seminaries in the country.

There is another critical aspect of this scenario. Pakistan has ratified a number of international treaties and many of them are related to human rights. But in the process of improving security in the country, the government usually stops the work of rights-based NGOs. The MOI issues notifications to all relevant departments throughout the province (SWD, Industries, Home, P&D) directing to stop these NGOs from operating in certain districts or even to stop their operations all together. The government is comparatively less stringent and arbitrary in its treatment of service delivery NGOs (Khalid 2017). NGOs working for issues such as the awareness of basic rights, rights of women, etc. function in an environment of great uncertainty. This is deeply troubling both from the perspective of the development of a healthy civil society, as well as for the fact that it implies that Pakistan negligent of its international commitments.

The Voluntary Social Welfare Agencies (Registration and Control Ordinance), 1961 defines the processes of inspection and record-keeping requirements. It also defines the role of SWD officers in this process (such as how and when to inspect an organization), processes of evaluations but in reality, no such practices are implemented. This ordinance provided the department with the powers to de-register NGOs as well. In the past year, after the introduction of the INGO policy, the department has de-registered over 3000 NGOs.

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<sup>16</sup>As is the case with the 2015 INGO policy put forth by the Ministry of Interior

<sup>17</sup>The administering authority for the Societies Act is the Department of Industries.

<sup>18</sup>The complete policy has been attached in Appendix I.

Although the department is by law within its rights to do this, the troubling aspect is that this list of de-registered organizations has never been publicly shared. In the district offices, the NGOs' record is maintained manually and the directorate is in the process of developing and maintaining a database but this database is not shared with other departments, even those with a mandate to register NGOs as well.<sup>19</sup>

## 4.4 Capacity Building

Despite the presence of a specialized training facility, the SWTI, capacity building in the SWD is a largely under serviced domain. There is currently no concrete training plan for department employees at any level. This fact was reiterated by employees interviewed at all levels of the department – provincial, district and senior management – through the course of our interviews.

Currently, SWD employees have two major sources of capacity building:

- *SWTI*: The SWTI develops its own training calendar at the beginning of every year, which attempts to incorporate trainings for employees at all levels and grades. However, these trainings are limited in number and are mostly generalized across many grades of officers as opposed to being specific to a particular role. Additionally, the SWTI is currently not equipped to provide certification for trainings.
- *Management and Professional Development Department (MPDD)*: In addition to the SWTI, the MPDD of the GOPb also provides trainings. The MPDD has considerably more resources and facilities than the SWTI. The MPDD is primarily responsible for conducting mandatory post-induction trainings and promotion related courses to all provincial and district government officers. Additionally, the department also provides workshops and demand-based short trainings. However, a brief review of the Annual Training Plan (ATP) of the MPDD reveals that a) these trainings are mostly for officers from senior cadres of the government; and b) at the moment, there no trainings specially designed for officers from the SWD.

Training and capacity building is conducted as an adhoc activity in the SWD as opposed to through the implementation of a proper training plan. More critically, there is no proper institution wide training needs assessment (TNA) conducted for the SWTI to base its work on. The only document related to capacity building that is available to the SWD officers is a brief training calendar, developed by the SWTI, and even that is not developed as a result of a TNA.

As with other aspects of the functioning of the SWD; capacity building is an activity that is largely dependent on the will of the senior management of the SWD, in particular the DG, SWD and the Principal of the SWTI. Our interviews revealed that prior to the appointment of both the existing DG and the Principal, the SWTI had remained largely dormant for over a year before being revitalized by the current administration. This onus on the drive and interests of individuals prohibits the development of an institutionalized process that can transcend transfers and postings. It also makes the focus of any capacity building short term as opposed to the long-term goals and requirements of the SWD.

Capacity building at the SWD is also hampered by budgetary constraints. The SWTI administration in particular feels that their existing training budget is woefully inadequate and prohibits them for developing a more robust training calendar – both in terms of content and quantity. Trainings provided at the SWTI are considered as a burden by the staff as they have to travel long distances and when they arrive at the SWTI, there are no proper facilities. Given that most of these trainings are not certified and are not linked to career advancement, the trainees are most often not motivated. Finally, lack of human resources has also been critical in negatively affecting the capacity building initiatives of the SWD.

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<sup>19</sup>This database was not shared with the project team despite repeated requests for it. No reason was given by the department for this.

Specifically, the SWTI faces the following issues:

- The SWTI faces a lack of human resources. Many key posts remain vacant such as drivers, security guards and clerical staff. These vacancies constraint the department in different ways, especially in terms of overburdening existing staff that then have to perform multiple roles.
- There is a physical lack of resources and technical person available to SWTI on the ground, which results in the overburdening of lecturers and a complete lack of certain trainings.
- The budget allotted for training is extremely small compared to other areas of the SWD, which in turn results in repetitive trainings and affects the quality of capacity development that can be provided.
- The SWTI syllabus is outdated and is in need of being updated

## 5. PICAL Matrix

The PICAL matrix was selected for this assessment because it has the ability to obtain an initial assessment of organizational units' current level of capacity, and to inform the articulation of specific long-term capacity-building goals, identification of short-term capacity building priorities and the specification of capacity-building assistance required by them.

More broadly, as an assessment tool, the PICAL matrix focuses on the development of the capacity of “national-level institutions” – with “institutions” used to refer both broadly to “national” systems (e.g. the national system for the provision of health care, education and justice), and more specifically the organizations that comprise these systems, particularly national government entities (e.g. national ministries of health, education and justice) but also the sub-national offices of these entities (USAID/DRC 2015). All these factors make this a tool that is perfectly aligned with the priorities of the project and the requirements of the institutional assessment of the SWD.<sup>20</sup>

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<sup>20</sup> For a detailed description of the PICAL matrix see Appendix V.

c	Categories and sub-categories	Stages of Institutional Capacity Development	Score
<b>1.</b>	<b>Demand for Organizational Performance – Does the organization have adequate capacity to foster demand for its high-quality performance?</b>		
1.1	Stakeholder Perceptions	Deficient	0
1.2	Accountability (Internal) Accountability (External)	Nascent Deficient	1
1.3	Inclusiveness	Nascent	1
1.4	Participation	Nascent	1
1.5	Transparency	Emerging	2
1.6	Corruption Controls	Emerging	2
1.7	Staff Understanding of Mandate	Consolidating	3
1.8	Performance Incentives	Consolidating	3
<b>2.</b>	<b>Organizational Learning Capacity – Does the organization have adequate capacity to improve the effectiveness of its operations?</b>		
2.1	Capacity-Building Leadership	Emerging	2
2.2	Organizational Planning	Emerging	2
2.3	Assessment and Learning	Nascent	1
2.4	Knowledge Management	Emerging	2
2.5	Research	Emerging z	2
2.6	Constituent Perceptions	Nascent	1
<b>3.</b>	<b>Administrative Capacity – Does the organization have adequate capacity to manage all general administrative and operational functions?</b>		
3.1	Leadership	Emerging	2
3.2	Roles and Responsibilities	Nascent	1
3.3	Human Resources (Staffing) Human Resources (Salaries)	Deficient Deficient	0
3.4	Information Management	Consolidating	3
3.5	Financial Management	Emerging	2
3.6	Communications and Reporting	Deficient	0
3.7	Physical Space and Equipment	Deficient	0
3.8	Compliance / Auditing	Emerging	1
<b>4.</b>	<b>Systems Strengthening Capacity – Does the broader institutional system of which the organization is part have adequate capacity?</b>		
4.1	Policy Development	Emerging	1
4.2	Oversight	Consolidating	3
4.3	Capacity Building	Emerging	2
4.4	Resource Mobilization	Emerging	2
4.5	Resource Allocation	Nascent	1
4.6	Decentralization	Nascent	1
4.7	System Logistics	Nascent	1
4.8	Information Sharing	Emerging	2
4.9	System Coordination	Nascent	1
4.10	Stakeholder Feedback	Nascent	1
<b>Total</b>			<b>47</b>

## 6. Recommendations and Conclusion

### **I. Review, Revise and Update the Antiquated Laws**

There is a critical need for the SWD to conduct a detailed review of all existing laws, ordinances and regulations under which the department conducts its activities. Based on this review, the department can revise existing laws and regulations, and propose new ones as and where needed. Any revisions to existing laws and adoption of new laws should be in line with all relevant international laws, treaties and obligations that Pakistan is a signatory to, such as the SDGs. Specifically, the SWD should develop comprehensive and overarching legislation for social welfare, which should encompass all functional areas of the SWD and bring the existing scattered laws under one consolidated piece of legislation. Lastly, the department should also develop an all-inclusive Social Welfare Policy to act as an over-arching guiding document for strategizing and implementing Social Welfare Programs in Punjab.

### **ii. Focus on Capacity Development and Skill Development for SWD Officers and Staff:**

The SWD is a cross cutting social work department that has wide-ranging mandate. Given the scale of its multiple activities, the officials of the department perform multifarious tasks. This variegated character of the department poses a challenge in prioritizing the most relevant and needed areas of training and that makes it equally difficult to identify which cadre's skill development are most urgent and immediate. The arbitrary and unpredictable manner in which postings and transfers are conducted amplifies the difficulty of designing a comprehensive capacity building plan. Taking into cognizance this reality, this report identifies several clusters of training and recommends a step-by-step approach. These will encompass an array of skills that can be utilized across a variety of roles and responsibilities of the SWD workforce. We have arranged these trainings under three main headings and clusters:

#### **Administration and Management:**

- Office management and administration
- Secretarial skills
- Computer Literacy
- Work ethics and time management
- Inter personal relations in official work
- Gender sensitivity and effective team work

#### **Professional Development:**

- Communication skills
- Raising IT literacy for government work and service delivery
- Budgeting and basic financial management
- Project management
- Proposal writing and grant applications

#### **Service Delivery**

- Psychological counseling for minors and abused women and children
- Basic care and treatment of mentally disabled individuals
- Patient care and effectively communicating with beneficiaries
- Training of trainers for SWTI staff

### **iii. Coordination and Effective Resource Utilization**

The SWD needs to develop strategies to ensure that all social welfare programs – in public and private sectors – be adequately coordinated to avoid wastage of limited resources, and to ensure systematic delivery of social services to all deserving people. This will minimize wastage of human and financial resources, while providing the opportunity for enhanced technical capacity through experience sharing and collaborations. The SWD is ideally poised to be the cornerstone in collaborations with both the public and the private sectors and the department should develop strategies to capitalize on this position.

## **Conclusion**

Foregoing analysis and institutional assessment of the SWD has identified key issues and highlighted the findings, which clearly show that the SWD is a pivotal department that performs multiple welfare functions. This research has identified several gaps and missing links that need immediate attention. It strongly counsels that the proposed recommendations be adopted to galvanize and boost the performance and capacity of the SWD.



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# 8. Appendix I

## GOVERNMENT OF PAKISTAN MINISTRY OF INTERIOR

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### Notification

No.6/34/2015 -PE-III

Islamabad, 1<sup>st</sup> October, 2015

#### **Policy for regulation of International Non-governmental Organizations (INGOs) in Pakistan**

### **1. PREAMBLE**

- 1.1 This policy will regulate, in future, the registration, working, funding, monitoring and other related aspects pertaining to all types of International Non-Governmental Organizations (INGOs) functioning in Pakistan.
- 1.2 The Government of Pakistan acknowledges the diverse contributions of International Non-governmental Organizations (INGOs) in the socio-economic development of Pakistan, through means such as awareness-raising, social-mobilization, infrastructure-development, service delivery, training, research and advocacy.
- 1.3 This policy recognizes and affirms the need for collaboration with the INGOs by the Government as well as by the private sector. Accountability of all stakeholders and transparency in functioning are the key issues in good governance. INGOs are expected to conform to international best practices in these areas. The Government will recognize the excellence in governance among INGOs by promoting best practices.

### **2. SCOPE OF THE POLICY**

- 2.1 This Policy will have sole jurisdiction over all types of International Non-governmental Organizations (INGOs) (including not-for-profits that may not be registered in their home countries as INGOs but are still, part of the not-profit sector and undertake activities similar to typical INGOs) receiving foreign contributions or utilizing foreign economic assistance to engage in various development programs in Pakistan.
- 2.2 To be covered under this Policy, an INGO should be:
  - A private entity i.e. separate from the Government.
  - Not receiving return profits generated to their owners or directors or staff.
  - Self-governing i.e. not controlled by the Government.
  - A registered organization with defined aims and objectives.

### **3. OBJECTIVES OF THE POLICY**

- 3.1 To facilitate and streamline the registration and functioning of INGOs contributing to socio-economic development of Pakistan while ensuring that they abide by the relevant laws and norms of Pakistan.
- 3.2 To encourage the INGOs to build a synergistic relationship with the Government and private sector, at the local, provincial and national levels, through ensuring efficient execution of their programs and activities in the best public interest.
- 3.3 To identify systems by which the Government may work together with INGOs on the basis of the principles of mutual trust, respect and with shared responsibility.

- 3.4** To enable the INGOs to receive legitimate foreign contributions or foreign economic assistance through legal channels and appropriately utilize these financial resources on the agreed areas of public welfare, simultaneously ensuring due monitoring, accountability and transparency of their governance, management and funding streams.

## **4. REGISTRATION AND FUNDING**

- 4.1** INGOs receiving foreign contributions (funds, materials and services) emanating from outside Pakistan or utilizing foreign economic assistance will require prior registration exclusively with the Ministry of Interior (MOI).
- 4.2** INGOs shall not raise funds and/or receive donations, locally, unless specifically authorized.
- 4.3** The INGOs shall declare to the Government of Pakistan all foreign funds, along with the terms and conditions of those funds, as well as details of all bank accounts maintained by them. The INGOs will maintain their financial accounts as per internationally accepted accounting standards.
- 4.4** There shall be an INGO Committee, chaired by Secretary Interior, in Ministry of Interior, to facilitate, streamline and monitor the working of INGOs. The INGO Committee will be the sole authority for approving registration of INGOs.
- 4.5** All INGOs presently operating in Pakistan will be required to apply for fresh registration on the newly introduced electronic version of the registration form, within 60 days from the date of proclamation of this policy.
- 4.6** Scrutiny of applications will be done by the INGO Committee within a period of 60 days.
- 4.7** Approved INGOs will be registered for specific field(s) of work and specified location(s) or areas of operation, after consultation with the relevant Federal and Provincial authorities, and in line with their needs and national priorities of Pakistan.
- 4.8** The INGO may apply for renewal of registration four (04) months prior to expiry of registration.
- 4.9** Pending final decision on application for registration, there will be no interim permission to work. However, previously registered INGOs will be allowed to continue their operations for six months or until final decision on their applications for fresh registration.

## **5. FUNCTIONING AND MONITORING**

- 5.1** Subject to approval, the INGO will sign a Memorandum of Understanding (MOU) with the Government for a period upto 3 years from the date of signatures. A draft MOU is attached to this policy and can also be downloaded.
- 5.2** The INGOs will only be allowed to establish headquarters and field offices, open bank accounts, and hire local employees after registration with the Government. No unregistered INGO shall be allowed to function or issued visas for its personnel.
- 5.3** All INGOs shall submit an Annual Plan of Action detailing all envisaged projects and the respective budgetary allocations to Economic Affairs Division (EAD) and Ministry of Interior (MOI) at the time of registration, and subsequently on an annual basis. EAD will share these details with all concerned. The Planning and Development Departments of the Provincial Governments can also review the activities of the INGOs in terms of their TORs, and provide counsel where deemed appropriate.
- 5.4** INGOs shall only provide assistance (monetary and/or material) to a local or international NGO after approval of the Government.
- 5.5** Security clearance shall be obtained by Pakistan Missions abroad before issuing initial visa to the foreign nationals intending to work for INGOs. Hiring of foreign nationals by the INGOs in their management and/or staff shall be subject to prior clearance of Ministry of Interior.
- 5.6** Maximum duration of visas for non-Pakistani nationals working for the INGOs, will be one year.
- 5.7** The foreign employees of the INGOs shall seek prior permission of the Ministry of Interior (MOI) for visiting areas outside their designated areas of activities. Violation may lead to cancellation of visas.

- 5.8** Business / visit visas shall not be issued to INGOs staff. No request for change of status of visa shall be entertained in Pakistan or by Pakistan Missions abroad.
- 5.9** There will be regular and effective monitoring of INGOs' activities and work throughout Pakistan. MOI will periodically update relevant authorities about the status and areas of operation / of INGO enabling them to ensure effective vigilance on INGOs.
- 5.10** The INGOs shall not engage in money laundering, terrorist financing, weapon smuggling, anti-state activities or maintain links with the proscribed organizations.
- 5.11** Breach of security or involvement in any activity inconsistent with Pakistan's national interests, or contrary to Government policy, will lead to cancellation of registration. Likewise, INGOs shall not take part or assist in any kind of political activities, conduct research or surveys unrelated to their TORs. Violation may lead to cancellation of registration.
- 5.12** Any information on violation of terms of reference by an INGO received by any Ministry / Department / Agency will be expeditiously shared with all concerned.

## **6. TRANSPARENCY AND DISCLOSURE**

- 6.1** The INGOs shall be obliged to provide any information that the government may require from time to time.
- 6.2** There shall be proper regulation and monitoring of INGOs' sources of funding, their accounts and tax returns. INGOs not fulfilling disclosure requirements will be proceeded against, under prescribed rules and regulations.
- 6.3** INGOs will be required to have their financial audit conducted by the auditors approved by the INGO Committee.
- 6.4** The INGOs shall fulfill reporting requirements mandated by the Government on the prescribed formats. The INGO Committee will devise these reporting formats as per requirements from time to time.
- 6.5** The INGOs shall be required to make all payments above Rs.20,000/- (Twenty Thousand) in Pakistan through banking channels.

## **7. REVIEW OF REGISTRATION**

- 7.1** Right of appeal will be applicable only to the cases of cancellation of registration.
- 7.2** In case of grievance of any INGO against the orders of INGO Committee, the concerned INGO may file a representation (within 90 days from the date of orders of INGO Committee) before a Special Ministerial Committee to be constituted and notified by the Government. The said Committee would decide all representations within 90 days. The decision of this Committee would be final.
- 7.3** Any decision on termination of INGO registration shall be implemented within a period of 60 days, allowing such an INGO to fulfill all contractual obligations. Winding up of operations will be in accordance with the laid down procedure to be notified by the INGO Committee. Cancellation of registration cannot be challenged in any court of law.
- 7.4** If the Government may deem it in public interest (such as in situations of national disasters and other calamities), it may, subject to such conditions that it may specify, exempt an INGO from all or any of the provisions of this policy for a period not exceeding 6 months.

Sd/-  
(KHALIL AHMED)  
Deputy Secretary (FIA)

# Appendix II

## Draft Punjab Social Protection Policy 05<sup>th</sup> March 2017

The Punjab Social Protection Policy was developed by the Punjab Social Protection Authority (PSPA) through a consultative process. It was developed as a way to “outline the Government of Punjab's efforts to reduce poverty, inequality and vulnerability in the province while promoting resilience and opportunities”. At the heart of the policy is the definition of social protection (SP) as given in the Punjab Social Protection Policy Act, 2015. This act defines Social Protection as: *“all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalized with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalized groups”*.

The policy aims to work in tandem with the National Framework on Social Protection. The vision of the policy is: *“to create a society whose members enjoy a good quality of life, and are able to pursue their personal, social and economic development”*. Within this vision, the strategic objectives of the policy are:

- Equity: Protecting against destitution
- Resilience: Insuring against impacts of shocks
- Opportunity: Promoting human capital and access to productive work
- Gender Equality: Promoting gender empowerment and equal opportunities
- Social Cohesion: Incorporating the marginalized

The three major components of the SP policy are social assistance, social insurance, and labor market programs. The broad priorities of the policy going forward will be to: i) harmonize and streamline existing social protection programmes; ii) introduce new initiatives where there is a large coverage gap; and iii) strengthen the administrative system and linkage with other sectors and initiatives for basic services.

The complete policy draft is available with the PSPA for reference.

# Appendix III

There exists a set of laws governing various types of nonprofit organizations which either require registration explicitly or implicitly to confer recognition.

Category	Title	Definition	Type	Eligibility of Organization	Registration Authority	Doc required for registration	First Procedure/Requirement
<b>A</b>							
A 1	I. The Societies Registration Act, 1860	"any literary, scientific or charitable purpose"	which require registration	<p>a society can be formed and registered if its purpose is to promote any one or more of the following activities:</p> <ol style="list-style-type: none"> <li>1. Science</li> <li>2. Literature</li> <li>3. Fine Arts</li> <li>4. Instruction and the diffusion of useful knowledge \$ Diffusion of political education</li> <li>5. Foundation or maintenance of libraries or reading rooms for use among member or open to the public</li> <li>6. Public museums and galleries of paintings \$ Works of art</li> <li>7. Collection of natural history</li> </ol>	A Society under this act must register itself with the Registrar of Joint Stock Companies who is also the Registrar of Societies.	<ol style="list-style-type: none"> <li>1. Draft of Bye laws, objects and singed Memorandum</li> <li>2. List of members with NIC copy (7 members at least under societies act and 25 for social welfare act)</li> <li>3. List of office bearers</li> <li>4. Office building contract in case of rented building or certificate of ownership</li> <li>5. Affidavits from</li> </ol>	By preparing a Memorandum and Articles of Association for the promotion of literature, science or the fine arts, or for the diffusion of useful knowledge, or for political or charitable purposes.
				<ol style="list-style-type: none"> <li>8. Mechanical and philosophical inventions \$ Instruments or designs</li> <li>\$ Educational and medical services</li> </ol>		<ol style="list-style-type: none"> <li>6. A fee of Rupees 50/-</li> <li>7. An application submitted to the Registrar of Joint Stock Companies in the province in which the NGO is located.</li> </ol>	
	II. The Trusts Act, 1882	The Trusts Act provides legal cover for private acts of public charity, and allows the creators of the trust tremendous flexibility in their operations. The procedure for the creation of	Registration is voluntary in case of movable property, but compulsory in case of immovable property	<ol style="list-style-type: none"> <li>a) Advancement of religion</li> <li>b) Advancement of knowledge</li> <li>c) Advancement of commerce, health and safety of the public</li> <li>d) Advancement of any other object beneficial to mankind</li> </ol>	civil court or the sub-registrar	A mere declaration on a PKR 10 stamp paper will ensure its creation. Registration is optional and not mandatory. The Act has also been used to establish	By executing a Trust Deed which must be registered under the Registration Act, 1908 with the express purpose of bestowing ownership of property in the Trustees which is to be used for the benefit of civil society.

		a trust is very simple.				public trusts and this has been vindicated through case law.	
	III.The Voluntary Social Welfare Agencies (Registration and Control Ordinance), 1961	This ordinance is based on the premise that the “poor and destitute” in society need institutional, rather than only charitable, support. The Ordinance requires that all organizations engaged in social welfare or charitable works must be registered with the Social Welfare Departments of the provincial governments.	which require registration	<ul style="list-style-type: none"> <li>a) Child, Youth and Women’s Welfare</li> <li>b)Welfare of the physically and mentally challenged</li> <li>c) Family Planning</li> <li>d)Social Education i.e. education aimed at adults for developing a sense of civic responsibility</li> <li>e)Rehabilitation and welfare of patients</li> <li>f)Welfare of juvenile delinquents</li> <li>g)Rehabilitation and welfare of released prisoners</li> <li>h)Welfare of socially handicapped</li> <li>i)Welfare for the elderly and destitute</li> </ul>	Social Welfare Department	a formal application accompanied By a set of documents.	by completing the registration form for the welfare of children, youth, women, physically and mentally handicapped, released prisoners, juvenile delinquents, socially handicapped, beggars, destitute, aged and infirm and for : family planning recreational programmes social education (creation of civic responsibility),welfare and rehabilitation of patients, training in social work, and coordination of social welfare agencies.
				<ul style="list-style-type: none"> <li>j)Recreational programmes to ward off people from anti-social activities</li> <li>k)Training in social work</li> <li>l)Coordination of social welfare agencies</li> </ul>			
	IV. The Companies Ordinance, 1984		which require registration	<ul style="list-style-type: none"> <li>a)furthering the development of commerce,</li> <li>b)furthering the development of art,</li> <li>c)furthering the development of science,</li> <li>d)furthering the development of religion,</li> <li>e)furthering the development of sports,</li> <li>f)furthering the development of social services,</li> <li>g)furthering the development of charity, or</li> <li>h)furthering the development of any other ‘useful’ objective</li> </ul>	SECP and Industries	a formal application is submitted to the SECP providing the usual information about the NGO-company	7. Public Limited Companies under section 42 of the Companies Ordinance of 1984 by filing the Memorandum and Articles of Association with the Securities and Exchange Commission of Pakistan to obtain the Licence (and then registering the Memorandum and Articles of Association along with the Licence) for promoting commerce, art, science, religion, sports, social services, charity or other useful object.
A 2	V.Religious Endowment		which either recognize				



	Act, 1863		the existence of certain types of NPOs or regulate them				
	VI. The Charitable Endowments Act, 1890	“relief of the poor, education, medical relief and the advancement of any other object of general public utility, but does not include a purpose which relates exclusively to religious teaching or worship”	which either recognize the existence of certain types of NPOs or regulate them				By executing a Trust Deed which must be registered under the Registration Act of 1908, for the purposes of undertaking charitable work.
	VII. The Mussalman Wakf Validating Act, 1913		which either recognize the existence of certain types of NPOs or regulate them				(The former applicable to those created from 1913 onwards and the latter granting ex-post recognition to those created before 1913) which extended recognition also to those created for personal or familial benefits.
	VIII. The Mussalman Wakf Act, 1923		which either recognize the existence of certain types of NPOs or regulate them				Through the dedication of property by executing a Wakf Deed and which must be registered under the Registration Act, 1908, by a person of Muslim faith for religious, pious or charitable purposes for the larger comity of civil society and not for the benefit of the creating person or his descendants. This is in contrast to Waqfs recognized by the Mussalman Wakf Validating Acts of 1913 and 1930 (the former applicable to those created from 1913 onwards and the latter granting ex-post recognition to those created before 1913) which extended recognition also to those created for personal or familial benefits.
	IX. The Mussalman Wakf Validating Act, 1930		which either recognize the existence of certain types of NPOs or regulate them				(The former applicable to those created from 1913 onwards and the latter granting ex-post recognition to those created before 1913) which extended recognition also to those created for personal or familial benefits.
A 3	X. The Charitable		which provide				Redress for grievance against any trust is through the

	and Religious Trusts Act, 1920		redress to the aggrieved beneficiary				Charitable and Religious Trusts Act, 1920 irrespective of which act they have been created under.
A 4	XI. The Income Tax Ordinance, 1979	Recognizes the NPOs as being established only for charitable purpose which is defined as “relief of the poor, education, medical relief and the advancement of any other object of general public utility”.	which provide tax exemption and implicitly grants a status of being a responsible and accountable organization				Replaced by 2001
	XII. The Income Tax Ordinance, 2001	For the first time defines <b>nonprofit organization</b>	which provide tax exemption and implicitly grants a status of being a responsible and accountable organization				This legislation has for the first time defined a nonprofit organization, but has dropped the definition of “charitable purpose” and has withdrawn the privilege for the recognition of a Society registered under the Societies Registration Act, 1860 and Voluntary Social Welfare Agencies under the Voluntary Social Welfare Agencies (Registration and Control)
							Ordinance, 1961 by excluding them from the definition of a NPO.
<b>B</b>							
B 1	XIII. The Cooperative Societies Act, 1925	require registration, but endow members with the right to gain from benefits either financially or in kind (such as from purchases in bulk on behalf of members, thereby giving each member the benefit from the bulk rate, which is somewhat lower than the retail price)					
	XIV. The Industrial Relations (Trade Unions) Ordinance, 1969	require registration, but endow members with the right to gain from benefits either financially or in					

		kind (such as from purchases in bulk on behalf of members, thereby giving each member the benefit from the bulk rate, which is somewhat lower than the retail price)					
<b>C</b>							
C1	XV.The Registration Act, 1908	The Registration Act impinges on NPOs only marginally as it governs the registration of documents without which title to property and assets cannot be established easily or that endows organizations with the ability to enforce rights or					
		benefits conferred by agreement.					
<b>D</b>							
D 1	XVI.The Charitable Funds (Registration of Collection) Act, 1953	Are irritants to the NPOs and can be the cause of providing economic rents to the lower echelon government functionary(such as the meticulous maintenance of records which would require the employment of additional staff specifically for this purpose. Owing to their discretionary powers to accept or reject such records, it is cheaper to pay off the inspecting staff.)					

D 2	XVII. The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968	Are irritants to the NPOs and can be the cause of providing economic rents to the lower echelon government functionary(such as the meticulous maintenance of records which would require the employment of additional staff specifically for this purpose. Owing to their discretionary powers to accept or reject such records, it is cheaper to pay off the inspecting staff.)						
D 3	XVIII. The West Pakistan Shops and	Are irritants to the NPOs and can be the cause of						
	Establishments Ordinance, 1969	providing economic rents to the lower echelon government functionary(such as the meticulous maintenance of records which would require the employment of additional staff specifically for this purpose. Owing to their discretionary powers to accept or reject such records, it is cheaper to pay off the inspecting staff.)						

# Appendix IV

## List of Interviews

Sr	Date	Name	Designation	Venue	Participants	District
1	07-10-2016	Ms. LubnaJabeen	Deputy Director of NGO	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
2	31-10-2016	Ms. LubnaJabeen  Mr. Irshad Waheed	Deputy Director of NGO  Deputy Director of Publications & Public Relations	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
3	18-11-2016	Mr. Muhammad Suleman	Director Planning & Evaluation	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
4	28-11-2016	Ms. Farah Saleem	Deputy Director Administration	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
5	29-11-2016	Ms. LubnaJabeen	Deputy Director of NGO	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
6	08-12-2016	Waheed Akhtar Ansari (Including department team)	Directorate General	Social Welfare Complex	Dr. Saeed Shafqat Dr. Ali Saleem Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
7	20-12-2016	Mr. Irshad Waheed	Deputy Director of Publications & Public Relations	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
8	20-12-2016	Ms. Zaib-u-Nisa	Director Programme	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
9	21-12-2016	Ms. Tahmina Naz	Principal of Social Welfare Training Institute	Social Welfare Complex	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
10	23-12-2016	Ms. Rubab Khushbakht	Social Medical Welfare Officer	Government Mian Muhammad Nawaz Shareef Hospital	Muhammad Hassan Raffat Malik	Lahore

11	24-12-2016	Mr. Muhammad Akbar Raza	Medical Welfare Officer (Deputy District Officer)	Social Welfare Department	Muhammad Hassan Raffat Malik	Kasur
12	24-12-2016	Mr. Abbas Ali Jatala	District Officer	Social Welfare Department	Muhammad Hassan Raffat Malik	Kasur
13	04-01-2017	Ms. ZahidaNaz	Social Medical Welfare Officer	Allied Hospital	Muhammad Hassan Raffat Malik	Faisalabad
14	04-01-2017	Mr. Chaudhary Muhammad Ashraf	District Officer	Social Welfare Department	Muhammad Hassan Raffat Malik	Faisalabad
15	11-01-2017	Ms. LubnaJabeen, Mr. Muhammad Suleman &Mr. Waheed Akhtar Ansari	Deputy Director (NGOs), Director Planning & Evaluation and Directorate General	Social Welfare Department	Muhammad Hassan Raffat Malik	Lahore
16	01-02-2017	Ms. Arooj Fatima	Head of Old Age Home (AAFIAT)	Social Welfare Complex	Muhammad Hassan Raffat Malik	Lahore
17	01-02-2017	Mr. MubasharJaved	Head of Home for Disabled (Nasheman)	Social Welfare Complex	Muhammad Hassan Raffat Malik	Lahore
18	08-02-2017	Mr. Akmal khan	Directorate General	Industries Departments	Muhammad Hassan Raffat Malik	Lahore
19	08-02-2017	Mr. Waqar Azim	Director Programmes	Punjab Social Protection Authority	Muhammad Hassan Raffat Malik	Lahore
20	09-02-2017	Ms. ShaheenAtiqur Rehman	Chairman	Bunyard Foundation	Raffat Malik	Lahore
21	14-02-2017	Ms. Bushra Khalid	Executive Director	Women in Struggle for Empowerment (WISE)	Raffat Malik	Lahore
22	27-02-2017	Ms. Nabeela Shaheen	Program Officer	Aurat Foundation	Maheen Saleem	Rawalpindi
23	15-03-2017	Ms. Farah Naz	Social Welfare Medical Officer	Children Hospital Complex	Muhammad Hassan Raffat Malik	Multan
24	15-03-2017	Mr. Zahid Zahoor	Executive Director	Roshni Welfare Organization	Muhammad Hassan Raffat Malik	Multan
25	15-03-2017	Ms. Shamim Bano	Chief Executive Officer	Farmers Development	Muhammad Hassan Raffat Malik	Multan

				Organization of Pakistan (FDOP)		
26	15-03-2017	Mr. Ghulam Mustafa	Executive Director	Farmers Development Organization (FDO)	Muhammad Hassan Raffat Malik	Multan
27	15-03-2017	Ms. Sameena Qadir	Deputy Director	Social Welfare Department Old Age Home (AAFIAT)	Muhammad Hassan Raffat Malik	Multan
28	16-03-2017	Mr. Sabir Farhat	Secretary General	Pakistan Rural Workers Social Welfare Organization (PRWSWO)	Muhammad Hassan Raffat Malik	Bhawalpur
29	16-03-2017	Mr. Muhammad Uzair	Deputy District Officer	Social Welfare Department	Muhammad Hassan Raffat Malik	Bhawalpur
30	17-3-2017	Mr. Ghulam Reza	Project Coordinator	Help Age International	Muhammad Hassan Raffat Malik	Muzaffargarh
31	17-3-2017	Mr. Ghulam Abbas Mahr	Chief Executive Officer	Society for the Advancement of Nature, Justice and Health (SANJH)	Muhammad Hassan Raffat Malik	Muzaffargarh
32	17-3-2017	Mr. Majid Hussain	Chief Executive Officer	Social Youth Council of Patriots (SYCOP)	Muhammad Hassan Raffat Malik	Muzaffargarh
33	28-03-2017	Miss. Zaib-u-Nisa	Director of Programmes	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
34	05-04-2017	Mr. Muhammad Suleman	Director Planning & Evaluation	Social Welfare Department	Muhammad Hassan Raffat Malik Maheen Saleem	Lahore
35	17-04-2017	Miss. Amina Akbar	Social Welfare Medical Officer	Sheikh Zaid Hospital	Muhammad Hassan Raffat Malik	Lahore
36	17-04-2017	Mr. Muhammad Ghalib	Social Welfare Medical Officer	Government Teaching Hospital Shahdara	Muhammad Hassan Raffat Malik	Lahore
37	17-04-2017	Mr. Abdul Manan Amir	Social Welfare Medical Officer	District Head Quarter (D.H.Q) Hospital	Muhammad Hassan Raffat Malik	Sheikhpura
38	17-04-2017	Mr. Syed Nasir Abbas	District Social Welfare Officer	Social Welfare Department	Muhammad Hassan Raffat Malik	Sheikhpura

# Appendix V

**USAID/DRC**

**PARTICIPATORY INSTITUTIONAL CAPACITY ASSESSMENT AND  
LEARNING  
INDEX**

**USER'S GUIDE**

**MAY 2015**

The Participatory Institutional Capacity Assessment and Learning Index is an assessment tool used to evaluate and monitor four themes of institutional capacity development, namely:

- Demand for Institutional Performance
- Organizational Learning Capacity
- Administrative Capacity
- Institutional Strengthening Capacity

The PICAL tool is part of USAID/DRC's evolving assessment framework. Please send comments and questions to Christopher Darrouzet-Nardi, Mission Economist, USAID/DRC, [cdarrouzet-nardi@usaid.gov](mailto:cdarrouzet-nardi@usaid.gov).)

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## I. INTRODUCTION

In 2015, USAID/DRC developed a new Country Development Cooperation Strategy (CDCS) for fiscal years 2015-2019. USAID's 20-year vision for DRC is that it is a country where *the Congolese take charge of their future to manage and sustain growth with their own human, natural, and financial resources*. In the 2015-2019 period, USAID will advance this vision through the five-year goal of supporting a *long-term transition to more effective and empowering development in the country*.

This tool is intended specifically to support USAID/DRC's efforts to monitor and continuously improve its efforts to advance Development Objective 1 (DO1) of the CDCS that *selected national-level institutions more effectively implement their mandates*.<sup>1</sup>

USAID/DRC intends to advance this objective through a variety of interventions to improve the quality of administration of government entities, increase and improve cooperation among government entities and between government entities and non-governmental organizations / civil society organizations, increase and improve the demand for good governance among the general populace as well as within governance organizations themselves.<sup>2</sup>

At the same time, because the other two Development Objectives identified within the CDCS – (DO2) improved lives of Congolese through coordinated development approaches in select regions, and (TO3): a strengthened foundation for durable peace in eastern DRC – share similar capacity-building goals, the PICAL tool has been designed to be informative for work on them, too. This should facilitate both greater opportunity for collaborative learning and improvement among USAID/DRC's efforts to address these inter-related DOs as well as greater opportunity for developing its own capacity for thinking about, engaging in and improving its work on organizational and institutional capacity building of various types.

To support these efforts, this tool can be used to:

- Obtain an initial assessment of organizational units' current level of capacity – to inform the articulation of specific long-term capacity-building goals, identification of short-term capacity-building priorities and the specification of capacity-building assistance to be provided by USAID/DRC to these organizations – as well as to provide a baseline for the management of these efforts and an assessment of their contributions;
- Engage leaders within organizational units in the initial assessment of long-term and short-term capacity-building priorities; the specification of assistance to be provided to move these institutions toward these capacity priorities; and the monitoring and continuous improvement of these capacity-building efforts. This would serve as a means of supporting indigenous ownership of and demand for improved capacity and performance of these organizational units, as well as supporting these leaders to raise their level of understanding of capacity building

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<sup>1</sup>*nb* – The concept of “national-level institutions” in the CDCS has been used to refer both broadly to national “systems” (e.g. the national system for the provision of health care, education and justice), and more specifically the “organizations” that comprise these systems, particularly national government entities (e.g. national ministries of health, education and justice) but also the sub-national offices of these entities as well as national nongovernmental organizations / civil society organizations. The PICAL tool has been developed to offer a method suitable to both the monitoring and evaluation of efforts to build the capacity of specific individual organizations (“selected national-level institutions”) as well as the monitoring and evaluation of the overall effect of these efforts all together for the purpose of reporting on USAID/DRC's work on DO1 as a whole.

<sup>2</sup>*nb* – While candidate indicators of the Intermediate Results (IRs) identified for Development Objective 1 in the DO1 Project Appraisal Document and other documents are largely focused on improving the administrative capacity of national government entities, DO1 and the IRs themselves suggest that the goals of DO1 extend beyond enhanced administrative capacity to enhanced effectiveness of institutional planning, policy development, implementation of interventions/delivery of services, and mobilization of resources for governance – the goals of the DO are broader than the focus identified by the IRs, which are: (1.1) Capacity to identify constraints to development and propose solutions, (1.2) Capacity to create policy and legal framework in targeted sectors improved, (1.3) Capacity to implement selected policies, laws, and programs enhanced, and (1.4) Congolese resources made available for selected sectors.

- Monitor progress of USAID/DRC's capacity-building interventions toward their intended results with the selected national-level organizational units to inform improvement of the implementation of these initiatives; and,
- Report on the results of USAID/DRC's efforts to build the capacity of the selected national-level institutions to promote greater transparency regarding the national institutional capacity-development needs of the DRC as well as to inform the development of broader knowledge and understanding of national institutional capacity-building.

It is important to note that DO1 is not necessarily going to bring any national institution to the highest levels of capacity over the next five years. Achieving high-functioning institutional capacity is a long-term, dynamic process that can span decades. As such, the tool presents the measurement of capacity in an organizational development perspective and is designed to be applicable to organizations (and/or units within) at various levels of development.

Finally, it is also important to note that the GDRC itself has begun to focus more specifically on improving institutional capacity, in part through USAID/DRC - supported efforts. This tool is designed to complement these efforts and can be introduced to supplement them and to improve their quality in an uncertain environment. This stands in contrast to a tool that is designed to be suited uniquely to new interventions. This also makes the tool suitable for potential use in settings other than the DRC, particularly after being piloted and improved in the country.

The PICAL tool is informed by several other capacity measurement tools developed by and used within USAID, particularly the Regional Partner Institutional Viability Assessment (PIVA) Index (2001) and The Institutional Strengthening Standards for Kenyan Civil Society Organizations (2014). A primary difference in the PICAL tool and these earlier tools is that PICAL focuses on the development of the capacity of “national-level institutions” – with “institutions” used to refer both broadly to “national” systems (e.g. the national system for the provision of health care, education and justice), and more specifically the organizations that comprise these systems, particularly national government entities (e.g. national ministries of health, education and justice) but also the sub-national offices of these entities as well as national non-governmental organizations / civil society organizations. For this purpose, the PICAL tool has been designed to look at a broader set of categories of factors critical to the building of “national institutional capacity” than either the PIVA or FANIKISHA indices, which focus exclusively on the administrative/organizational capacity of organizations. Specifically, beyond the elements of organizational capacity identified by the PIVA and FANIKISHA indices, the PICAL tool includes coverage of elements related to *Demand for Institutional Performance* and *Institutional Strengthening Capacity*, and expands the coverage of the elements of *Organizational Learning Capacity*. It emphasizes the importance of enhanced capacity for assessment, learning, staff and organizational development, and continuous improvement of operations and programs to sustainable, autonomous progress of institutional capacity and performance.

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<sup>3</sup>The PIVA was developed by the Regional Economic Development Support Office for East and Southern Africa to support the Integrated Strategic Plan (ISP) 2001-2005. The Institutional Strengthening Standards for Kenyan Civil Society Organisations was developed by the Management Sciences for Health FANIKISHA Institutional Strengthening Project, with funding provided by the United States President's Emergency Plan for AIDS Relief (PEPFAR) and the United States Agency for International Development (USAID) under Cooperative Agreement AID-623-A-11-00029.

## II. DESCRIPTION OF PICAL INDEX

1PICAL is a user-friendly tool that provides a framework to assess the capacity of organizational units of national governance institutions in the DRC in order to identify priorities for capacity-building and monitor the effectiveness of efforts to enhance this capacity.

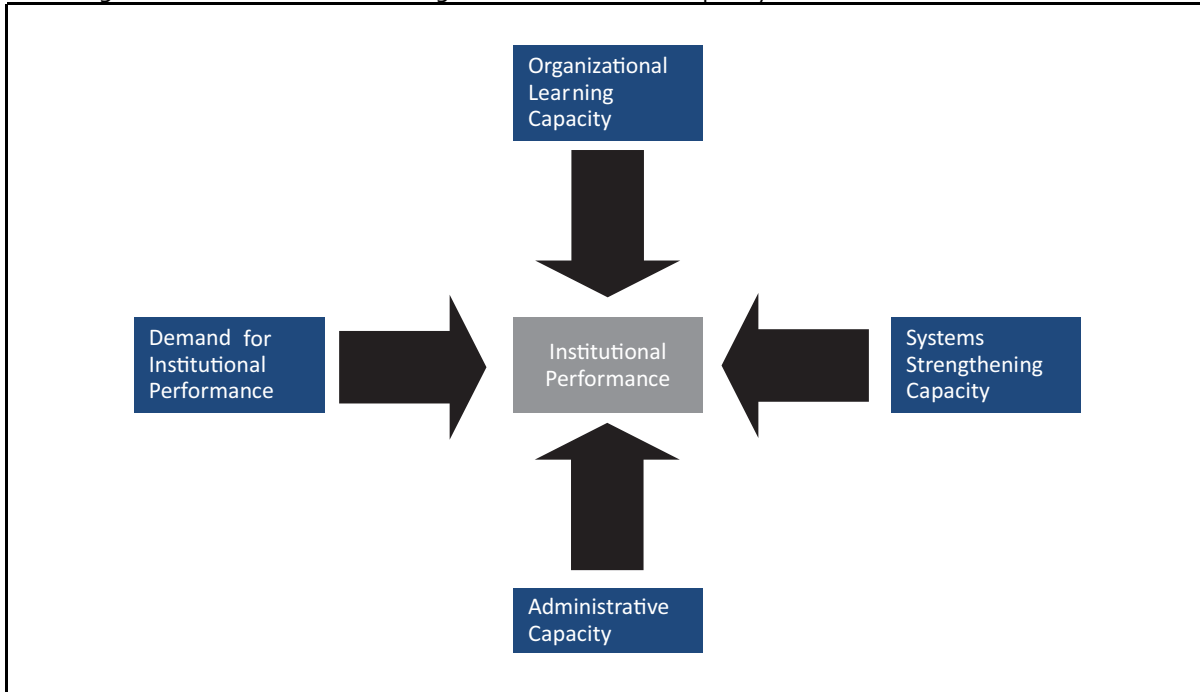
Each of the four themes of institutional capacity development is divided into sub-categories, which are further divided into main elements. For example, under “Systems Strengthening Capacity,” the sub-category of “Decentralization” has several elements within it: (1) transfer of authority, (2) resourcing, (3) capacity of subsidiary units.

**Table 1. Institutional Capacity Development Categories and Sub-Categories**

<b>Demand for Institutional Performance</b>
Stakeholder Perceptions
Accountability (Internal)
Accountability (External)
Inclusiveness
Participation
Transparency
Corruption Controls
Staff Understanding of Mandate
Performance Incentives
<b>Organizational Learning Capacity</b>
Capacity-Building Leadership
Organizational Planning
Assessment and Learning
Knowledge Management
Research
<b>Administrative Capacity</b>
Leadership
Organizational Roles and Responsibilities
Human Resources (Planning)
Human Resources (Salaries)
Information Management
Financial Management
Reporting
Physical Space & Equipment
Compliance / Auditing
<b>Systems Strengthening Capacity</b>
Policy Development
Oversight
Capacity Building
Resource Mobilization
Resource Allocation
Decentralization
System Logistics
Information Sharing
System Coordination

<sup>3</sup>The PIVA was developed by the Regional Economic Development Support Office for East and Southern Africa to support the Integrated Strategic Plan (ISP) 2001-2005. The Institutional Strengthening Standards for Kenyan Civil Society Organisations was developed by the Management Sciences for Health FANIKISHA Institutional Strengthening Project, with funding provided by the United States President's Emergency Plan for AIDS Relief (PEPFAR) and the United States Agency for International Development (USAID) under Cooperative Agreement AID-623-A-11-00029.

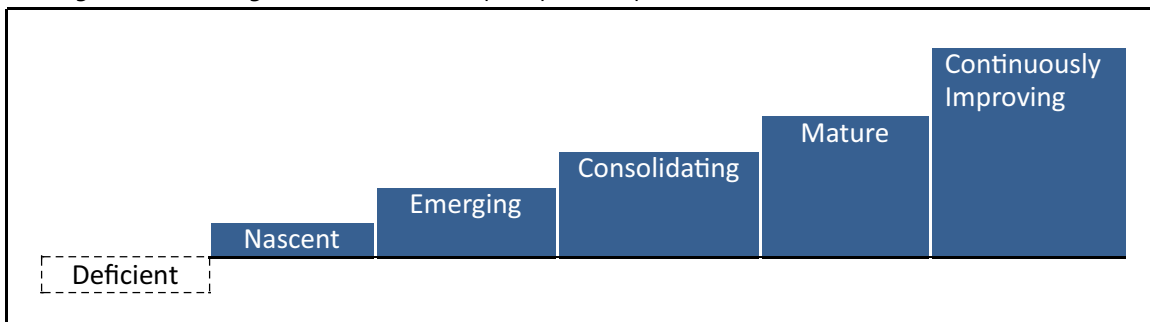
Figure 1. Illustration of Four Categories of Institutional Capacity



In the PICAL, each of the four categories of capacity development are assessed according to a six-point rating scale that corresponds to stages of capacity development. Each category, sub-category and main elements within a subcategory are to be scored according to the general guidance provided by the description of the capacity development stage. Three of the four categories of the index produce a “snapshot” of all the pieces of an organization's contribution to national-level institutional capacity at a given moment. The fourth category offers a snapshot of the broader system in which the organization operates.

The six stages of organizational development and the corresponding point scale for scoring capacity is presented in Table 1.<sup>4</sup>As defined in the PICAL, they range from “deficient” to “continuously improving.” These can be depicted graphically as follows:

Figure 2. Six Stages of Institutional Capacity Development



<sup>4</sup>nb – This capacity development framework, scoring scale and discussion draws significantly upon the model of and is essentially an adapted and expanded version of the USAID/REDSO/ESA PIVA Index, which focused primarily on the capacity category of Administrative Capacity as discussed herein.

**Table 2. Stages of Organizational Capacity Development and PICAL Scores**

Score	Stage	Description
0	Deficient	Standard operating procedures are largely absent
1	Nascent	Standard operating procedures exist but are notably incomplete / inadequate
2	Emerging	Standard operating procedures are largely complete /adequate but implementation is notably inconsistent / inadequate
3	Consolidating	Standard operating processes are implemented largely consistently but largely without attention to quality of processes
4	Mature	Standard operating processes are implemented largely consistently and with some attention to quality and improvement
5	Continuously Improving	Operating processes are implemented with consistently high quality and subject to continuous improvement by results-based management

As all organizations evolve differently, this type of scored method of assessing an organization's capacity in terms of stages of development helps to present a fair, qualitative, and quantifiable picture of a very complex phenomenon of institutional capacity. An organization could be in a different stage of development in any of the four categories at any one time. For example, an organization might be in the *consolidating stage* with respect to *Organizational Learning Capacity*, but still in the *nascent* stage in terms of its *Demand for Institutional Performance*. In fact, this diversity of capacities is to be expected, particularly in environments like the DRC in which governance in general is still in a stage of consolidation. This type of assessment can help an organization define what capacities to focus attention to in order to move to the next stage of development. Because many organizations must continually attempt to strike a balance between developing capacity and available resources, the method of pinpointing needs by *capacity* and by *stage of development* helps to highlight more critical capacity-building needs over others.

### III. USE OF THE PICAL INDEX

As introduced, the PICAL Index is intended to be a tool for the participatory assessment of institutional capacity for informing the implementation of capacity-building efforts at multiple stages of their life-cycle. The tool should provide diagnostic assessment, ongoing/regular monitoring for continuous improvement, and a summative evaluation.

The suggested process for using the PICAL Index to assess the capacity of a particular organizational unit of a national institution spans all of these different stages.

#### 1. *Participatory Diagnostic Assessment (MEC and/or IP + Country Partner)*

The initial use of the PICAL tool for assessing the capacity of an organizational unit should be a diagnostic assessment done collaboratively by representatives of the recipient organization along with representatives of USAID/DRC and/or the implementing partner tasked with providing the capacity-building intervention(s). In some cases, the unit's own GDRC counterparts should take place also (such as the Ministry of Public Function in cases of administrative capacity assessment since they play a lead role across the entire government).

This assessment will both provide an indication as to the various capacity needs and relative priority for the recipient organization. Informed by this assessment, USAID/DRC can then refine and prioritize its programming.

In this initial diagnostic assessment, the representatives of USAID/DRC and/or the implementing partner should guide the recipient organization through the use of the tool to ensure they understand its use as a means of more carefully identifying capacity needs and priorities for their organization.

This initial participatory diagnostic use of the tool can be customized to suit the recipient organization. For example, for organizations with particularly low levels of organizational capacity, the initial diagnostic assessment could be conducted collaboratively by the representatives of the recipient organization and USAID/DRC and/or the implementing partner. Alternatively, for organizations with greater capacity, the tool could be entirely self-administered; after which they would review the assessment with representatives of USAID/DRC and or the implementing partner to engage in validating the diagnosis.

While not a requirement, good practice suggests that beginning with the initial diagnostic a capacity-building team of persons within the recipient organization should be identified to inform the process and champion capacity-building efforts.

While the general guidance for scoring of the PICAL is provided by the descriptions of the stages of organizational capacity development - which are generally readily interpretable and can be applied consistently across most categories - it is suggested that during the participatory diagnostic phase more specific indicators relevant to the recipient organization be identified. This serves as a guide for the outcomes of the capacity-building assistance that would mark contributions to the organization's improvement in its score for the category.<sup>5</sup> The descriptions of the stages of organizational capacity development are presented in Table 3 below.

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<sup>5</sup>Note that improvement in indicators would not necessarily be sufficient in themselves to suggest an improvement in the capacity score, particularly beyond a score of 2 ("emerging" capacity development). For example, in the case of a complete lack of standard operating procedures, such as the roles and responsibilities of DPS units relative to the Ministry or the use of off-budget financing for ETDs, the clarification of these could mark an improvement from a score of 0 to a score of 1. However, in the case of the existence of a policy requiring the regular payment of salaries to public employees that is not being implemented, the adoption of another policy clarifying this task as the responsibility of a new actor does not necessarily indicate an improvement in the score without actual improvement in implementation.

**Table 3. Stages of Institutional Capacity Development and Example Identified Indicators**

Score	Stage	Description	Example Identified Indicators
0	Deficient	Standard operating procedures are largely absent	n/a
1	Nascent	Standard operating procedures exist but are notably incomplete / inadequate	Adoption of clear roles and responsibilities of Health DPS Offices
2	Emerging	Standard operating procedures are largely complete /adequate but implementation is notably inconsistent / inadequate	Health DPS Offices operate in fulfillment of delineated roles and responsibilities, with some notable lack of financial autonomy
3	Consolidating	Standard operating processes are implemented largely consistently but largely without attention to quality of processes	Local ETDs are increasingly functionally managing education delivery in the district
4	Mature	Standard operating processes are implemented largely consistently and with some attention to quality and improvement	DPSs are soliciting feedback from Health Zones, which is reporting improvement in satisfaction of DPS performance
5	Continuously Improving	Operating processes are implemented with consistently high quality and subject to continuous improvement by results-based management	Local ETDs are undertaking regular reviews of educational outcomes and adjusting budget allocations to school accordingly to address performance differences

## **2. Baseline Validation Assessment (MEC)**

For the purposes of independently assessing the effectiveness of USAID/DRC's contributions to DO1, a third party contracted to evaluate the capacity-building efforts supported by USAID/DRC will conduct an independent validation of the scoring of the capacity of the organizational units to which USAID is providing capacity-building support. This validation assessment will both (i) provide the baseline index scores against which later scores will be compared in USAID/DRC's PMP reporting, as well as (ii) provide feedback to the organization receiving the assistance and to USAID/DRC regarding the accuracy and quality of the initial participatory diagnostic assessment.

It is recommended that, where applicable, units that serve as a control (non-intervention) are identified and also assessed. Due to idiosyncratic features of most government organizations and their subunits, this may not always make sense. Nonetheless, a search for suitable controls should be undertaken and any found should be assessed if it is deemed that they are worthwhile as a basis for comparison.

## **3. Monitoring Assessments (MEC and/or IP + Country Partner)**

It is recommended that participatory assessments be repeated at least on an annual basis for learning and management purposes, including for the purpose of fostering increasing understanding of and demand for capacity-building within the recipient organizations. For learning purposes, in addition to scoring the capacity of the recipient organizations, observations should identify factors facilitating or impeding the growth in capacity of the organization.

In addition to the annual assessments, recipient organizations should be encouraged to document events/incidents which they feel suggest improved capacity and/or performance (for example, in the form of expressions of changed perceptions by staff regarding job expectations or improvements in relevant policies not identified as indicators in the initial assessment).

These assessments can be conducted to suit the particular recipient organization, but it is recommended that they be conducted in a participatory fashion as described for the diagnostic assessment. Arguably, such review assessments could be even more supportive of the capacity-building efforts, particularly the socialization of the recipient organization, if conducted more regularly, such as on a semi-annual basis.

Independent evaluation of the capacity-building efforts may be warranted in select cases where the Mission determines that it would importantly increase the worth of the final summative evaluation. Data should be collected both in the form of the assessment scores and the tracking of indicators, but also the qualitative observation of the recipient organization's adoption of use of the capacity assessment practice to inform its work.

#### **4. Participatory Summative Learning Assessment (MEC and/or IP + Country Partner)**

At the end of the five-year CDCS period, or at the end of each DO1-related intervention or sets of interventions, a final participatory assessment should be conducted along with a comprehensive review of the regular assessments conducted on the intervention(s).

These participatory summative assessments can offer perspective to the recipient organization and USAID/DRC on the progress of capacity-building in the recipient organization as well as lessons for how to go forth with this work – the recipient organization continuing its efforts to develop its capacity, and USAID/DRC continuing its efforts to develop capacity of national-level institutions.

#### **5. Independent Summative Contribution Assessment (MEC)**

Similarly, at the end of the five-year CDCS period, or at the end of each DO1-related intervention or sets of interventions, the third-party evaluator should conduct a final assessment along with a comprehensive review of the regular assessments conducted on the intervention(s) by the evaluator and the recipient organization itself with USAID/DRC and /or the implementing partner.

In particular, in addition to reviewing the scores and the complementary qualitative observations captured in the monitoring efforts, the independent evaluator should employ one or more of the following methodologies (or others) to more carefully capture the contribution of USAID/DRC's support to the building of the organization's capacity and more generally the contribution of these improvements in capacity to improvement in the governance performance of the national institutions:

- Process Tracing
- Contribution Analysis
- Outcome Harvesting
- Most Significant Change

This independent summative assessment should offer perspective to USAID/DRC on the impact of its DO1-related efforts in terms of their contribution to the fulfillment of the objective. This assessment should seek to identify the contribution of these efforts not only to the capacity of the organizational units themselves but to the intended DO1 outcomes of the performance of the national institutions to which these organizations contribute.

### **Reporting**

In addition to using the PICAL scores to measure and assess the efforts of USAID/DRC related to individual organizations, the scores will be aggregated across category in order to fulfill the Mission's development objective-level reporting requirements. These scores would not represent some universal quality of capacity of Congolese national-level institutions. Rather these category scores would represent the quality of capacity specifically of the “selected” organizational units with which USAID/DRC is working (and whose performance in turn allows for institutional performance to improve). So long as there is a consistency of reporting on the same set of organizations from one reporting period to the next, this reporting would represent a snapshot of the evolution of capacity of these organizations with which USAID/DRC is working and can thus suggest the appropriate focus of the reporting on DO1.



Any changes in the set of organizations being worked with and, thus, whose scores are included in the aggregate score, would render the score not comparable to previous periods. This can be addressed in a few ways. One option is to report the scores for only the same set of organizations for the entire CDCS reporting period. This would be the most consistent but also the least informative of the full range of work that USAID/DRC is supporting. A second option is for USAID/DRC to report on two sets of category scores each reporting period – the aggregate category scores of the same set of organizations from the previous period, for the purposes of comparison to this previous period, and the aggregate category scores of the full set of organizations being worked with in the current period, for the purposes of comparison to the next period. This option would allow for a “rolling” comparison between periods (similar to a rolling average used in forecasting or other data analysis). Finally, a third option is to report in both of these fashions – reporting three sets of aggregate data each period, including (i) that of the “original” set of “selected” national-level institutions/organizations with which USAID/DRC works under the CDCS, which will allow for a single albeit limited set of comparable data for the entire CDCS and (ii) that of each previous period's set of organizations, which would allow rolling inter- period comparison of more complete sets of USAID/DRC's work with “selected” national-level institutions.

To clarify, it is not recommended that the different category scores for any organization be aggregated to provide a single score to the organization, or to report on an aggregation of such single scores for the organizations. There may be some specific purpose for doing single-score aggregations, however, which again would require acknowledgement of the limitations of using such an aggregation – such as aggregating the category scores in a way that provides more explicit weighting to particular categories in order to provide more emphasis on attention to these categories (such as might be an interest to promote greater attention to “demand for organizational performance” or “systems strengthening,” which are typically less emphasized in basic “organizational capacity-building” efforts).

#### IV. DETAIL OF PICAL INDEX CATEGORIES

Table 4. Four Categories of Institutional Capacity (Defined)

<b>Demand for Organizational Performance – Does the organization have adequate capacity to foster demand for its high-quality performance?</b>	
Stakeholder Perceptions	Does the organization solicit feedback from stakeholders about its performance?
Accountability (Internal)	Does the organization have monitor for and remedy improprieties in the organization's operations?
Accountability (External)	Are there other organizations that monitor and assess the propriety of the organization's operations?
Inclusiveness	Are all stakeholders represented in the operations and services of the organization?
Participation	Are all stakeholders involved as appropriate in informing its operations?
Transparency	Does the organization disclose clear and accurate information on its operations?
Corruption Controls	Does the organization monitor and remedy improper conduct of staff members?
Staff Understanding of Mandate	Does the organization ensure that staff members have a clear understanding of the mandate of the organization?
Performance Incentives	Are incentives in place for staff to improve the performance of the organization?
<b>Organizational Learning Capacity – Does the organization have adequate capacity to improve the effectiveness of its operations?</b>	
Capacity-Building Leadership	Are senior staff clearly designated for identifying and leading efforts to build the capacity of the organization?
Organizational Planning	Does the organization plan its strategy and operations based on theory and evidence?
Assessment and Learning	Does the organization measure and improve the effectiveness of its operations and its service to its constituents?
Knowledge Management	Is the knowledge of staff members captured and distributed in order to foster staff learning and preserve institutional memory?
Research	Are practices in place for intentionally generating and/or acquiring new understanding regarding its work?
Constituent Perceptions	Does the organization solicit from its constituents feedback on its services?
<b>Administrative Capacity – Does the organization have adequate capacity to manage all general administrative and operational functions?</b>	
Leadership	Does the organization develop the leadership capacity of senior staff and to prepare other staff to serve in leadership roles?
Roles and Responsibilities	Are the roles and responsibilities of sub-units of the organization and staff of the organization clearly defined?
Human Resources (Staffing)	Does the organization have adequate capacity for ensuring high-quality staffing?
Human Resources (Salaries)	Does the organization have adequate capacity for managing staff salaries (with all salaries represented in official budgets)?
Information Management	Does the organization maintain records in a manner that allows them to be effectively accessed and used by staff?
Financial Management	Does the organization appropriately manage financial resources (with all finances represented in official budgets)?
Communications and Reporting	Does the organization document and disseminate useful information at periodic intervals to provide regular feedback informing stakeholders about the organization's operations.
Physical Space & Equipment	Does the organization have adequate physical space and equipment for it to operate?
Compliance / Auditing	Does the organization have in place practices for ensuring compliance with laws, regulations and codes of conduct?
<b>Systems Strengthening Capacity – Does the broader institutional system of which the organization is part have adequate capacity?</b>	
Policy Development	Is there adequate capacity for developing policy, including legal and regulatory frameworks, in the institutional system?
Oversight	Is there adequate oversight, provided by legal or regulatory actors, in the institutional system?
Capacity Building	Is there adequate capacity for building the capacity throughout the broad institutional system?
Resource Mobilization	Is there adequate capacity for mobilizing resources throughout the broad institutional system?
Resource Allocation	Is revenue appropriately distributed to actors throughout the institutional system, whether horizontally to specific functional units within the institution or to subsidiary units, such as provinces/localities?
Decentralization	Is there adequate transfer of authority, responsibility and resources to sub-national governments within the institutional system?
System Logistics	Is there adequate capacity for moving supplies and equipment to stakeholders throughout the institutional system?
Information Sharing	Is information shared among stakeholders throughout the institutional system?
System Coordination	Are activities of stakeholders coordinated throughout the institutional system?
Stakeholder Feedback	Is there solicitation of feedback from stakeholders about the performance of the institutional system?



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