

## TECHNICAL SESSION-6: PUBLIC FINANCIAL MANAGEMENT

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**Paper Title:** Adequacy of PSDP Public Sector Development Programme of Pakistan: Facts, Problems and Solutions

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**Abstract:** In market economies government role is at minimal level confined to the areas of defence, law and order, diplomacy while development activities are mainly carried out by the private sector. However in developing economies like Pakistan where enabling environment, governance milieu is usually not up to mark to the satisfaction of private sector keeping it shy from productive participation in economic development with full potential. Therefore governments have to take care of development works in infrastructure, social and other necessary sectors of national development. The paper has been structured as follows.

Historic Perspective and Situational Analysis

- Appraisal of the constitutional, legal and economic rationale for PSDP.
- Historic pattern of size of yearly PSDP.

Critical Assessment of Fiscal Discipline in PSDP Management

- Appraisal of allocation and release of PSDP funds.
- To what extent basic rules and laws have been conformed to while allocating PSDP funds.

Adequacy in execution of PSDP

- Appraisal of the entire cycle of use of public development funds including planning, approval, financing, implementation, monitoring and evaluation of development projects and programme.
- Qualitative and quantitative assessment of time and cost overruns.
- Adherence to and/or disregard to 18<sup>th</sup> amendment and NFC award while disseminating funds to the provinces.
- Critical assessment of due diligence applied in the entire process.

Governance Issues and Political interference in PSDP

- There have been a number of concerns that in presence of lack of good governance, political influence creeps in implementation of PSDP. This issue has been analysed.

Case Studies

- Three projects were selected as case studies for which factual positional has been analysed taking in view all above factors.

- The projects for case studies have been taken from different economic sectors so as to make the analysis comprehensive and inclusive.
- The analysis of case studies has been kept confined to actual on-ground figures and facts based on intellectual and realistic approach without any bias whatsoever.

#### Incorporating Private Sector in Development

- A part of the paper specifically analyses the status and prospects of role of private sector in development, mainly through Public-Private Partnership (PPP).

#### Conclusion and Policy Guidance

- As an epilogue to the paper, a few pragmatic suggestions are given to strengthen and smoothening the process of development budgeting for achieving maximum outcome by using limited national financial resources.