

# ICMA Analytical Review of the IMF Governance and Corruption Diagnostic Report

*Proposed Roadmap for Translating IMF  
Findings into Practical Reforms for Stronger  
Governance and Accountability in Pakistan*



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***Proposed Roadmap for Translating IMF Findings into Practical  
Reforms for Stronger Governance and Accountability in Pakistan***



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## Message from the Chairman, Research and Publications Committee

Pakistan's governance and anti-corruption landscape faces significant challenges that affect economic growth, institutional integrity, and public trust. The IMF Governance and Corruption Diagnostic (GCD) highlights vulnerabilities across key federal functions, including fiscal management, market regulation, financial sector oversight, anti-money laundering, and the rule of law, underscoring areas where reforms are urgent and essential.

Focusing on these grey areas identified by the IMF, the ICMA Research and Publications Department has developed this document titled **"ICMA Analytical Review of the IMF Governance and Corruption Diagnostic Report"** that provides actionable recommendations across 32 key priority areas. These proposals aim to strengthen institutional integrity, enhance transparency and accountability, modernize regulatory and fiscal frameworks, and improve coordination among public institutions. From establishing independent oversight offices and specialized monitoring units to modernizing judicial processes and expanding alternative dispute resolution mechanisms, the recommendations provide practical, implementable solutions for policymakers.

Our recommendation are built on the IMF findings and provide additional professional guidance to support evidence-based decision making, capacity building, and systematic reform implementation. They emphasize clear monitoring and reporting systems, structured stakeholder engagement, and effective public communication frameworks to ensure transparency and long-term impact.

We invite policymakers, regulators, civil society, and citizens to collaborate in transforming these recommendations into meaningful reforms. ICMA is ready to work with the IMF and the Government of Pakistan, leveraging the expertise and services of its members, to strengthen governance, restore public trust, and promote sustainable economic growth.

We also take this opportunity to appreciate the ICMA Research and Publications Department for their excellent analysis and insightful recommendations, which form the foundation of this publication.

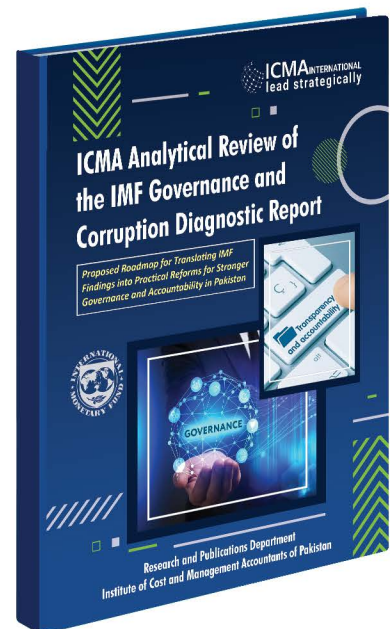
### **Muhammad Yasin, FCMA**

Vice President ICMA and  
Chairman, Research and Publications Committee



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# Executive Summary

The ICMA Research and Publications (R&P) Department, drawing upon the findings of the IMF Governance and Corruption Diagnostic Report, has developed a comprehensive and practical roadmap to strengthen Pakistan's governance and accountability systems. This refined roadmap provides clearer direction and sharper alignment with global good practices, comprising 32 targeted recommendations spanning fiscal oversight, tax administration, institutional coordination, regulatory reform, anti-corruption, judicial efficiency, digital governance, and public engagement. Each recommendation is designed to address systemic challenges and align Pakistan's governance framework with international best practices, promoting transparency, institutional effectiveness, and sustainable development.

## 1. Fiscal Oversight and Budget Management

ICMA proposes establishing a Parliamentary Budget Office staffed with independent experts to provide objective evaluation of government spending, fiscal risks, and budget modifications. Its published reports will be easily accessible to Parliament and citizens, promoting transparency. ICMA also recommends institutionalizing public hearings for major budget amendments, conducting annual external audits by international experts, and introducing digital platforms for real-time budget tracking to reinforce accountability at every stage of the budget cycle.

## 2. Revenue Administration and Compliance

To strengthen tax compliance, ICMA recommends creating a Revenue Intelligence Unit within the Federal Board of Revenue. This unit would utilize integrated data analytics from banks, customs, and provincial authorities to identify high-risk taxpayers and focus audits more effectively, thereby reducing burdens on compliant taxpayers. A capacity-building phase followed by gradual expansion into advanced analytics will support sustainable implementation and ensure long-term institutional capability.

## 3. Tax Policy and Administration Reform

ICMA proposes transforming the existing Tax Policy Office into a comprehensive Tax Reform and Simplification Unit. This unit would harmonize and rationalize tax laws, eliminate redundancies, and prepare clear taxpayer guidance. A multi-year implementation plan aligned with Pakistan's digital transformation agenda is recommended to ensure lasting reforms and create a more predictable tax environment.

#### **4. Governance of State-Owned Enterprises**

ICMA recommends establishing a specialized SOE Performance and Oversight Unit within the Ministry of Finance. This unit would monitor financial and operational performance continuously, identify risks early, coordinate corrective actions with boards, and offer governance training, drawing on international good practices. This will help promote more consistent oversight and timely intervention, reducing fiscal and operational vulnerabilities.

#### **5. Public Investment Management**

ICMA advises creating an independent Public Investment Monitoring Unit staffed with experts in project management and auditing. Its quarterly reviews will help detect issues early and ensure more disciplined project execution, with transparent reporting to Parliament, the Ministry of Finance, and the public. This will significantly elevate the accountability and efficiency of public investment decisions.

#### **6. Public Procurement and Contracting**

A dedicated Procurement Performance and Analytics Team within PPRA is proposed to analyze procurement trends, identify risks and irregularities, evaluate supplier performance, and train officials, promoting transparency, competitiveness, and efficiency. This will modernize procurement practices and reduce leakages.

#### **7. Public Sector Financial Accountability**

ICMA recommends creating a Public Sector Audit Support and Accountability Unit under the Auditor General's office. This unit would standardize financial reporting, support ministries and SOEs, and enable early identification of financial risks, drawing upon successful international models. Strengthening internal controls at this level is essential for restoring financial discipline.

#### **8. Public Financial Management Systems**

Strengthened Treasury and Cash Management Units equipped with advanced forecasting tools and AI-based fiscal risk analytics are recommended to produce accurate government-wide financial forecasts, improve commitment control, and monitor SOE fiscal health more effectively. This enhancement will support more disciplined fiscal planning and improve fiscal stability.

#### **9. Anti-Corruption Institutions and Coordination**

ICMA proposes establishing a National Anti-Corruption Coordination Council to unify federal and provincial efforts through centralized intelligence sharing, joint investigations, harmonized case management, and coordinated capacity building, while respecting agencies' investigative independence. This will create a coherent national framework for anti-corruption action.

## **10. Anti-Corruption Capacity Building**

Enhanced training for investigators and prosecutors in financial forensics, digital technology, and money laundering investigations is essential. ICMA also recommends a cross-agency intelligence-sharing platform using predictive analytics to proactively identify high-risk corruption areas, helping agencies stay ahead of emerging risks.

## **11. Judicial Efficiency and Case Management**

Reforms to strengthen judicial efficiency include establishing specialized benches for commercial and revenue cases, expanding digital case management, automating scheduling, enabling real-time monitoring, and offering targeted training for judges and staff to improve case disposal rates and reduce backlogs. These reforms will significantly accelerate justice delivery.

## **12. Judicial Transparency and Access to Information**

ICMA recommends expanding the Supreme Court's Public Facilitation Portal for real-time case tracking, anonymizing and publishing court performance data while ensuring privacy, and institutionalizing livestreaming of significant hearings to further openness. These measures will enhance public trust in the judicial system.

## **13. Alternative Dispute Resolution Systems**

ICMA advises scaling up ADR mechanisms through mediation centers and integration with the International Mediation and Arbitration Centre. Expanded mediation services, mandatory pre-trial panels, digital case tracking, and court-annexed ADR workflows will reduce litigation and promote timely dispute resolution, easing pressure on courts.

## **14. Ethics, Integrity, and Conflict of Interest Controls**

A comprehensive ethics framework is recommended, including mandatory training, independent conflict of interest verification, empowered oversight bodies, real-time alerts on sensitive transactions, and enforceable penalties to strengthen integrity across public institutions. This will help foster a culture of ethical public service.

## **15. Digitalization and E-Government Systems**

ICMA recommends integrating NADRA's digital identity platform across federal and provincial services and deploying a National Data Exchange Layer for seamless data sharing and real-time monitoring. Training and change management initiatives will be essential to ensure adoption and continuity of digital reforms, accelerating the shift toward efficient e-governance.

## **16. Evidence-Based Policy and Decision Making**

Fully empowered policy analysis units staffed with economists and experts should conduct impact assessments, pilot testing, scenario modeling, and maintain knowledge repositories to strengthen evidence-based policymaking. This will help ensure that major decisions are anchored in sound data and research.

## **17. Regulatory Quality and Simplification**

ICMA proposes streamlining regulatory frameworks through consolidated business registration, simplified procedures for startups and SMEs, modernization of corporate laws, creation of a Regulatory Oversight Council, and structured public consultations to enhance transparency and effectiveness. These reforms will make Pakistan's regulatory environment more predictable and business-friendly.

## **18. Competition Policy and Market Oversight**

Strengthening the Competition Commission's capacity for market intelligence, digital economy regulation, sector research, and timely enforcement will promote fair competition and safeguard consumer interests, especially in fast-evolving markets.

## **19. Stakeholder Engagement and Consultation**

A national consultation framework is proposed to combine formal processes with digital feedback tools, ensuring inclusive and continuous stakeholder engagement. This will make reforms more participatory and responsive.

## **20. Monitoring and Evaluation of Reforms**

ICMA advises establishing a national performance monitoring dashboard integrating government data and citizen feedback to enable real-time tracking of reform progress and identification of implementation gaps. This will strengthen reform delivery and accountability.

## **21. Public Communication and Awareness**

A robust communication strategy using digital and community-based platforms, supported by accessible reform summaries and opportunities for public feedback, will enhance citizen engagement and trust. Improved communication will help sustain reform momentum.

## **22. Whistleblower Protection Mechanisms**

Improved whistleblower protections with secure, confidential channels, incentives, and integration of safeguards into agency processes will encourage reporting of wrongdoing and reinforce accountability. Protecting whistleblowers strengthens governance ecosystems.



### **23. Anti-Money Laundering and CFT Enforcement**

Enhanced analytics, real-time transaction monitoring, specialized training, and structured inter-agency coordination, supported by international cooperation, are recommended to strengthen AML/CFT efforts. This will reinforce Pakistan's compliance with global obligations.

### **24. Institutional Capacity and Human Resource Development**

Sustained capacity building through competency-based training, knowledge management systems, and continuous assessments will strengthen institutions and support effective reform implementation. These measures ensure long-term institutional resilience.

### **25. Reform Implementation and Coordination**

A results-oriented implementation framework led by the Supreme Court's Reform Implementation Support Unit and overseen by a high-level committee with representation from the judiciary and civil society is recommended to ensure timely progress and accountability. This will provide strong oversight for reform execution.

### **26. Transparency, Disclosure, and Accountability**

Standardized disclosure protocols across public bodies, supported by a public information portal with automated verification and multilingual access, will strengthen trust and citizen oversight. Uniform disclosure will improve the credibility of public information.

### **27. Strategic Investment Transparency**

ICMA recommends that the Special Investment Facilitation Council publish comprehensive annual reports detailing investments, concessions, and economic rationale, aligned with international good practices, to bolster transparency and investor confidence. This will support better-informed decision-making.

### **28. Merit-Based Oversight Appointments**

Transparent and merit-based appointment processes using independent panels and published criteria will help ensure professionalism and integrity in regulatory and oversight bodies. This is essential for depoliticizing appointments.

### **29. Debt Management Consolidation**

Consolidating public debt management under a well-resourced Debt Management Office equipped with modern IT systems and publishing retrospective reconciliations will enhance fiscal transparency and discipline. Stronger debt management will improve macroeconomic stability.

### **30. Beneficial Ownership and AML Coordination**

ICMA emphasizes real-time integration of the Ultimate Beneficial Ownership Registry with enforcement agencies to support corruption risk assessment and investigations. This will significantly improve the detection of illicit financial flows.

### **31. State Assets Management**

Creating a centralized, publicly accessible registry of state-owned land and non-financial assets, supported by transparent transfer protocols and biannual reporting, will enhance oversight and prevent misuse. This will unlock transparency in asset governance.

### **32. Strengthening Alternative Dispute Resolution**

ICMA recommends expanding the capacity of the International Mediation and Arbitration Centre, broadening provincial arbitration facilities, and strengthening ADR legislation to create an efficient and accessible dispute resolution system that eases judicial burdens. This will further institutionalize alternative pathways to justice.

## **Conclusion**

This comprehensive reform roadmap offers Pakistan a strategic and coherent framework to address deep-rooted governance challenges. Its effectiveness will depend on sustained leadership commitment and strong institutional coordination, along with continuous stakeholder engagement and capacity development. Implementing these reforms will help build resilient and transparent institutions, strengthen accountability, and support long-term socio-economic progress.

# IMF Public Sector Governance and Corruption Reform Roadmap

The IMF 2025 Governance and Corruption Diagnostic identifies major governance gaps and corruption risks across Pakistan's public sector, including fiscal management, regulatory oversight, financial sector monitoring, AML/CFT, and rule of law. In **Annex B**, the report provides detailed, function-wise recommendations addressing institutional weaknesses, transparency gaps, and oversight challenges.

The ICMA Research & Publications Department has reorganized these IMF recommendations by assigning them to responsible government organizations and aligning them with phased timelines for short-term (ST), medium-term (MT), and long-term (LT) actions. This structured approach translates the IMF's diagnostic findings into a clear, actionable roadmap to advance transparency, strengthen accountability, and enhance institutional effectiveness across Pakistan's public sector.

Short Term (ST)

Medium Term (MT)

Long Term (LT)

## (1) Cabinet Division

Short Term (ST)	Medium Term (MT)	Long Term (LT)
<ol style="list-style-type: none"> <li>1. Avoid in-year budget adjustments without Parliament approval</li> <li>2. Strengthen top-down budget process</li> <li>3. Publish action plan to mitigate corruption in top federal agencies</li> <li>4. Report annually on corruption risk mitigation</li> </ol>	<ol style="list-style-type: none"> <li>5. Strengthen NAB and FIA accountability and coordination</li> </ol>	<p>There are no LT measures</p>

## (2) Finance Division

Short Term (ST)	Medium Term (MT)	Long Term (LT)
<ol style="list-style-type: none"> <li>6. Improve cash management and forecasting</li> <li>7. Strengthen commitment controls using FABS-EPADs link</li> <li>8. Integrate Parliamentarians projects into PSDP process</li> <li>9. Improve top-down budget and macro-fiscal forecasts</li> </ol>	<ol style="list-style-type: none"> <li>10. Publish annual tax simplification progress reports</li> </ol>	<ol style="list-style-type: none"> <li>11. Strengthen Auditor General independence via legislation and budget autonomy</li> </ol>

### (3) Ministry of Law & Justice

Short Term (ST)	Medium Term (MT)	Long Term (LT)
<p>12. Assess courts performance and publish initial report for federal tribunals and special courts</p> <p>13. Identify state-owned land and assign responsible entities in centralized database</p> <p>14. Publish procedures for transfer of state land and report values periodically</p>	<p>15. Reduce backlog of commercial disputes and report progress</p> <p>16. Update legal framework for contracts and property rights and submit draft Code of Civil Procedure</p> <p>17. Introduce procedural time limits to reduce delays in contract cases</p> <p>18. Reform contract enforcement including automated proceedings</p> <p>19. Standardize judicial appointments and tenure for tribunals and specialized courts</p> <p>20. Strengthen integrity and conflict-of-interest rules for judicial personnel</p> <p>21. Report yearly on judicial integrity measures</p> <p>22. Operationalize ADR centers nationwide and enact Arbitration Bill</p> <p>23. Prepare multi-year judicial reform strategy</p>	<p>There are no LT measures</p>



## (4) Federal Board of Revenue (FBR)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
24. Strengthen HQ functions including executive committees risk management and performance monitoring 25. Reduce autonomy of field offices 26. Establish independent internal audit 27. Conduct independent IT audit 28. Strengthen PRAL oversight with risk management and internal audits 29. Build risk culture via independent risk committee and risk register 30. Strengthen core functions CRM registration filing audit refunds customs exports	31. Improve organizational structure and HR practices 32. Establish Internal Affairs Unit for anti-corruption 33. Publish data on complaints investigations and sanctions 34. Strengthen overall governance and operational effectiveness	There are no LT measures

## (5) Tax Policy Office (TPO)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
35. Establish TPO separate from FBR 36. Publish annual report on tax simplification strategy 37. Expand Tax Expenditure Statement to major expenditures	38. Publish medium-term tax simplification strategy reducing rates and exemptions	There are no LT measures

## (6) Public Procurement Regulatory Authority (PPRA)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
39. Revise procurement legislation remove preferences including SOEs  40. Publish procurement monitoring reports  41. Introduce mandatory procurement staff certifications  42. Improve complaint resolution and public reporting	43. Require all procurement transactions via e-Government Procurement System	There are no LT measures

## (7) Special Investment Facilitation Council (SIFC)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
44. Publish annual report on facilitated deals including concessions	There are no MT measures	There are no LT measures

## (8) Securities and Exchange Commission of Pakistan (SECP)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
45. Digitize high-burden regulatory compliance processes	46. Enhance regulatory consistency  47. Maintain database  48. Remove unnecessary rules  49. Create review process	There are no LT measures

## (9) State Bank of Pakistan (SBP)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
50. Fill vacant deputy governor positions  51. Transfer SBP-owned institutions to government  52. Apply early corrective measures for undercapitalized banks	53. Align banking supervision law with Basel Core Principles  54. Remove Ministry of Finance inspection powers  55. Publish SBP objectives and supervisory plans  56. Clarify post-2027 financial system and Islamic banking transition	There are no LT measures

## (10) National Tariff Board (NTB)

Short Term (ST)	Medium Term (MT)	Long Term (LT)
57. Implement National Tariff Policy 2025–2030  58. Reduce customs loopholes and strengthen enforcement	59. Improve technical capacity for evidence-based tariff decisions	There are no LT measures

## (11) National AML/CFT Authority

Short Term (ST)	Medium Term (MT)	Long Term (LT)
There are no ST measures	60. Align AML/CFT supervision with corruption-related risk priorities  61. Maintain inter-agency task forces for corruption-linked ML risks	62. Reduce real estate sector vulnerability to corruption-related money laundering

## (12) NAB/ FIA/ FMU/ Ministry of Interior

Short Term (ST)	Medium Term (MT)	Long Term (LT)
There are no ST measures	<p>63. Prosecute money laundering without predicate convictions</p> <p>64. Improve asset recovery via MLA agreements</p> <p>65. Maintain beneficial ownership registry</p> <p>66. Provide actionable financial intelligence feedback</p> <p>67. Create unified digital platform for AML cases</p> <p>68. Enhance NAB/FIA capacity for complex ML investigations</p> <p>69. Strengthen FIA investigative capacity and coordination with NAB</p> <p>70. Enhance Provincial Anti-Corruption Establishments independence</p> <p>71. Increase inter-agency information sharing</p> <p>72. Join international transparency networks</p> <p>73. Improve public agencies disclosure and RTI responsiveness</p> <p>74. Establish Whistleblower Protection regime</p>	<p>75. Centralize and digitize high-level asset declarations</p> <p>76. Reduce real estate ML risk in corruption</p> <p>77. Strengthen Auditor General independence</p>

# ICMA Analytical Review of the IMF Governance and Corruption Diagnostic Report

## Introduction



The IMF Governance and Corruption Diagnostic Report highlights key gaps in Pakistan's governance and public sector institutions, including weaknesses in fiscal management, revenue administration, transparency, accountability, judicial efficiency, policy implementation, and institutional capacity. These gaps have limited efficiency, weakened public trust, and constrained development outcomes, making it difficult to implement effective reforms.

This ICMA review builds on IMF findings by offering practical, context-sensitive recommendations across all major areas of governance. It covers fiscal oversight, tax policy, revenue administration, state-owned enterprises, public investment, procurement, public sector accountability, anti-corruption institutions, judicial reforms, ethics and integrity, digitalization, evidence-based policy, regulatory quality, competition oversight, stakeholder engagement, reform monitoring, public communication, whistleblower protection, anti-money laundering, debt management, beneficial ownership, state assets management, and alternative dispute resolution.





For each area, the review presents IMF perspective, ICMA recommendations, and rationale for reforms. The recommendations aim to strengthen institutions, improve efficiency, enhance transparency, and promote sustainable governance reforms aligned with international best practices.



## (1) Fiscal Oversight and Budget Management

<b>IMF Perspective</b>  	<p>The IMF diagnostic Report has identified critical weaknesses in Pakistan’s fiscal governance structure, particularly emphasizing the need to establish clear parliamentary oversight mechanisms and prevent unauthorized budget reallocations. The report specifically notes that mid-year budget changes without proper approval mechanisms have consistently undermined fiscal discipline and development outcomes.</p>
<b>ICMA Comments</b>  	<p><b>ICMA proposes the creation of a Parliamentary Budget Office staffed by independent experts to provide objective analysis of government spending, fiscal risks, and budget changes. This office would deliver clear reports to Parliament and the public, enhancing transparency and preventing unauthorized budget revisions. To further strengthen oversight and accountability, ICMA recommends institutionalizing public hearings on major budget amendments, conducting annual external audits of the parliamentary fiscal review process by international experts, and developing digital platforms for real-time budget monitoring accessible to lawmakers and citizens. These integrated reforms are well-suited to Pakistan’s current governance challenges and align with international best practices to promote responsible, transparent, and effective fiscal management.</b></p> <p><b><u>Rationale</u></b>  <i>Establishing a Parliamentary Budget Office with independent oversight, along with public hearings, external audits, and digital monitoring, is essential for improving Pakistan’s fiscal governance. These reforms will enhance transparency, prevent unauthorized budget changes, and build public trust. Aligning with IMF recommendations and global best practices, they will promote disciplined and accountable management of public resources.</i></p>



## (2) Revenue Administration and Compliance

<b>IMF Perspective</b>  	<p>The IMF assessment identifies serious gaps in Pakistan’s revenue administration, especially in audit selection, risk-based compliance, and enforcement. The system struggles to effectively target high-risk taxpayers while minimizing burdens on compliant taxpayers. These weaknesses reduce revenue collection and overall fiscal performance.</p>
<b>ICMA Comments</b>  	<p>ICMA recommends establishing a Revenue Intelligence Unit (RIU) within the Federal Board of Revenue (FBR) to strengthen revenue administration. This RIU would collect and analyze data from banks, customs, and provincial revenue authorities to identify high-risk taxpayers early. Utilizing predictive tools to focus audits on the riskiest cases, the RIU would reduce pressure on compliant taxpayers. The unit would coordinate with other government agencies, provide ongoing training to auditors, and maintain dashboards tracking compliance trends and audit coverage. To ensure pragmatism and feasibility, the adoption of data analytics should be phased and aligned with FBR’s current capacity, with an initial focus on strengthening local training institutions before gradually incorporating international best practices. Transparency efforts such as dashboards should begin with internal reporting to Parliamentary committees before broader public access.</p> <p><b><u>Rationale</u></b></p> <p><i>Currently, FBR conducts audits through its Compliance Risk Management Directorate and Audit Wings, but these operate separately with limited data analytics, coordination, and training. The RIU would unify data, analytics, inter-agency collaboration, and capacity building to improve audit targeting, enhance compliance, and boost revenue collection. This stepwise and capacity-aligned approach increases the chance of sustainable reform adoption in Pakistan’s fiscal governance environment.</i></p>



### (3) Tax Policy and Administration Reform

<b>IMF Perspective</b>  	<p>The IMF report highlights Pakistan's tax system as overly complex, fragmented, and frequently subject to ad hoc changes. Multiple statutory regulatory orders combined with inconsistent enforcement and overlapping tax provisions create uncertainty for taxpayers, hinder revenue mobilization, and limit tax base expansion. These weaknesses undermine compliance, reduce predictability, and constrain fiscal performance.</p>
<b>ICMA Comments</b>  	<p>ICMA recommends transforming the recently established Tax Policy Office (TPO) in the Ministry of Finance into a fully empowered Tax Reform and Simplification Unit (TRSU). TRSU may comprise tax experts, professional accountants, and policy analysts responsible for reviewing all tax legislation, eliminating redundant statutory orders, and harmonizing tax rates across similar sectors. It should develop a multi-year roadmap for systematic tax reform and produce clear, public-friendly guidance materials for businesses and individuals to promote better understanding and compliance. To enhance policy acceptance, emphasis should be placed on quick-win reforms such as eliminating obvious redundancies and simplifying taxpayer guidance, with the multi-year roadmap presented as a longer-term objective. "Linking these reforms to Pakistan's broader economic modernization and digitalization goals can help gain support from policymakers.</p> <p><b><u>Rationale</u></b></p> <p><i>Recent reforms shifted tax policy formulation from FBR to the Ministry of Finance through the TPO, but the TPO needs expanded capacity, clear authority, and a structured mandate to implement systematic simplification efforts. A strengthened TRSU would reduce administrative complexity, improve taxpayer compliance, and create a more stable fiscal environment. This pragmatic sequencing and contextual framing is designed to meet policymakers' expectations in Pakistan, balancing ambition with practical feasibility.</i></p>

## (4) Governance of State-Owned Enterprises



<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights serious governance weaknesses in Pakistan's state-owned enterprises (SOEs), including weak oversight, incomplete financial reporting, and political interference. These deficiencies contribute to persistent inefficiencies and fiscal risks through accumulated losses and contingent liabilities.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends creating a SOE Performance and Oversight Unit (SOE POU) within the Ministry of Finance. While the Central Monitoring Unit (CMU) and the Cabinet Committee on State-Owned Enterprises (CCoSOEs) monitor reporting and approve reforms, the SOE POU would continuously track the financial and operational performance of all SOEs. It would identify high-risk entities early, coordinate corrective actions with boards, and provide structured training for board members and management. International experience from Singapore, South Korea, Norway and UK shows that dedicated oversight units improve SOE efficiency, governance and reduce fiscal risks.</p> <p><b><u>Rationale</u></b></p> <p><i>Current SOE oversight in Pakistan is fragmented. The CMU and CCoSOEs mainly focus on reporting and board approvals, without continuous monitoring or proactive intervention. The SOE POU would provide a centralized, continuous oversight mechanism, detect risks early, and strengthen board and management capacity, leading to better accountability, reduced fiscal losses, and more efficient SOE operations. This approach aligns with international best practices and global standards for SOE governance.</i></p>

## (5) Public Investment Management



<b>IMF Perspective</b> 	<p>The IMF assessment notes that Pakistan’s public investment management faces persistent weaknesses, including frequent cost overruns, delays in project implementation, and inadequate monitoring and evaluation mechanisms. These deficiencies reduce the efficiency of public spending, compromise project outcomes, and limit the development impact of government investment.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing an independent Public Investment Monitoring Unit (PIMU) to work alongside existing institutions such as BOI and SIFC. The PIMU would be staffed with certified project management professionals, cost accountants, and independent auditors. It would oversee major public investment projects, conduct quarterly performance reviews, and issue early warnings on delays, cost overruns, or inefficiencies. Clear, actionable reports would be shared with Parliament, the Ministry of Finance, and the public. By providing independent, expert oversight, the PIMU would improve project accountability, ensure timely completion, and optimize the use of public resources.</p> <p><b><u>Rationale</u></b></p> <p><i>While BOI and SIFC provide policy guidance and investment facilitation, Pakistan currently lacks a centralized, independent mechanism to track project progress and flag risks. The PIMU would fill this gap, enabling timely corrective actions, enhancing efficiency, and boosting public confidence. International experience shows that independent project monitoring units significantly strengthen transparency, accountability, and overall development outcomes.</i></p>





## (6) Public Procurement and Contracting

<b>IMF Perspective</b> 	<p>The IMF report has identified transparency deficits and efficiency concerns in public procurement processes, noting that existing practices often lead to suboptimal outcomes and undermine competition. These issues have been particularly evident in large-scale infrastructure projects and service contracts.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a dedicated “Procurement Performance &amp; Analytics Team” within the Public Procurement Regulatory Authority (PPRA). While PPRA regulates procurement rules and manages e-procurement systems, it currently lacks a specialized team to continuously analyze procurement performance, detect irregularities, and provide structured guidance to ministries. This team would track major procurements, evaluate supplier performance, flag risks early, and offer professional training to procurement staff. International examples from the UK, Singapore, and Canada demonstrate that such teams improve transparency, efficiency, and competition.</p> <p><b><u>Rationale</u></b></p> <p><i>PPRA already handles regulatory oversight and e-procurement, but it does not have a continuous performance monitoring or analytics capability. Internal audits and ministry procurement cells review processes only periodically. The proposed team would fill this gap by providing centralized, real-time performance analysis, early detection of irregularities, and capacity-building support, ensuring better accountability, efficient use of public funds, and alignment with international best practices. This approach is practical, cost-effective, and likely to gain policy maker support because it leverages existing authority, enhances outcomes, and draws on successful international models.</i></p>



## (7) Public Sector Financial Accountability

<b>IMF Perspective</b> 	<p>The IMF assessment has emphasized the need for robust financial reporting and accountability mechanisms, particularly for state-owned enterprises and public sector entities. Incomplete and delayed financial reporting has been identified as a major obstacle to effective oversight and accountability.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a “Public Sector Audit Support and Accountability Unit” (PSASAU) under the Auditor General of Pakistan (AGP). While AGP conducts audits and has internal wings such as the Quality Assurance, Inspection &amp; Monitoring (QAI&amp;M) Wing and the Performance Audit Wing (PAW), there is no unit providing ongoing support to ministries and state-owned enterprises. PSASAU would help agencies prepare financial reports, standardize templates, provide technical guidance, and enable early detection of financial risks. Countries like Australia, Canada, and the UK use similar units to improve audit quality and public sector accountability.</p> <p><b><u>Rationale</u></b></p> <p><i>AGP’s QAI&amp;M and PAW wings focus on internal audit quality and performance auditing, but ministries and SOEs often lack consistent guidance, standardized reporting, and proactive risk monitoring between audit cycles. PSASAU would fill this gap by providing technical support, early-warning monitoring, and capacity building to enhance accountability and prevent financial mismanagement. This approach complements existing AGP functions, aligns with international best practices, and strengthens Pakistan’s public sector financial governance.</i></p>



## (8) Public Financial Management Systems

<b>IMF Perspective</b> 	<p>The IMF report emphasizes that Pakistan’s public financial management systems face significant implementation challenges and capability constraints. Weak internal controls, delayed reporting, and limited fiscal risk monitoring undermine efficient resource allocation and fiscal discipline.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends strengthening PFM by fully empowering the Treasury &amp; Cash Management Unit and Cash Forecasting Unit to produce accurate forecasts and oversee government-wide commitment controls. A central monitoring cell in the Ministry of Finance should regularly review SOE finances and fiscal risks. Additionally, predictive fiscal risk analytics and AI-assisted debt sustainability tools should be introduced to identify vulnerabilities early and support evidence-based financial decision-making.</p> <p><b><u>Rationale</u></b></p> <p><i>The Treasury &amp; Cash Management Unit and Cash Forecasting Unit, established under the PFM Act 2019 and subsequent TSA rules, currently track cash balances, produce forecasts, and monitor government spending. Strengthening these units with analytical tools and AI-based fiscal risk management will improve budget execution, reduce fiscal shocks, enhance SOE oversight, and support better debt management. International best practices show that predictive analytics and central cash monitoring improve fiscal discipline, transparency, and long-term sustainability.</i></p>

## (9) Anti-Corruption Institutions and Coordination



<b>IMF Perspective</b> 	<p>The IMF diagnostic has noted fragmentation in Pakistan's anti-corruption institutions, including NAB, FIA's Anti-Corruption Wing (ACW), and provincial Anti-Corruption Establishments (ACEs). Overlapping mandates and limited coordination have reduced the effectiveness of investigations and enforcement, constraining the overall anti-corruption effort.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a National Anti-Corruption Coordination Council (NACC) to bring together NAB, FIA ACW, and provincial ACEs. The NACC would coordinate investigations, enable intelligence sharing, standardize case management protocols, and facilitate joint training programs. It would act as a strategic coordination platform with defined authority, without replacing the investigative powers of existing agencies, ensuring they work in a coherent and complementary manner. Internationally, similar coordination models exist, such as the International Anti-Corruption Coordination Centre (IACCC) in the UK, which aligns multiple agencies to tackle grand corruption and improves the efficiency of cross-agency investigations.</p> <p><b><u>Rationale</u></b></p> <p><i>Currently, NAB handles high-level corruption, FIA ACW addresses organized financial crimes, and provincial ACEs focus on local corruption. These agencies operate largely in isolation, leading to duplication and inefficiencies. The NACC would provide a formal mechanism for coordination, strategy alignment, and intelligence sharing, complementing existing institutions. This coordination is expected to accelerate investigations, reduce duplicated efforts, improve asset recovery, and strengthen public confidence. Drawing on international best practices like the IACCC, the NACC would enhance Pakistan's anti-corruption framework while respecting existing institutional mandates.</i></p>

## (10) Anti-Corruption Capacity Building



<b>IMF Perspective</b> 	<p>The IMF diagnostic identifies capacity limitations in anti-corruption institutions, particularly in investigating complex financial crimes. These constraints have weakened enforcement effectiveness and reduced deterrence.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends a major upgrade in the capacity of key anti-corruption bodies. The National Accountability Bureau (NAB) must systematically expand and modernize training programs for investigators and prosecutors in financial forensics, digital evidence, and money-laundering techniques. Similarly, the Federal Investigation Agency (FIA) should enhance professional development in advanced forensic investigation, cyber corruption, and high-risk financial crime. ICMA also proposes establishing a coordinated cross-agency intelligence and investigation platform to improve data sharing between NAB, FIA, and other relevant institutions. Predictive analytics and risk-profiling tools should be adopted to proactively identify high-risk sectors and behaviors.</p> <p><b><u>Rationale</u></b></p> <p><i>Recent developments highlight both the need and the opportunity for improvement. Although agencies have initiated some training efforts, parliamentary reviews continue to note inefficiencies in prosecuting complex corruption cases. Enhancing technical skills, leveraging data intelligence, and institutionalizing inter-agency cooperation will strengthen investigation and prosecution, improve deterrence, and restore public trust in anti-corruption institutions.</i></p>





## (11) Judicial Efficiency and Case Management

<b>IMF Perspective</b> 	<p>The IMF diagnostic identifies significant inefficiencies in Pakistan’s judiciary, including outdated case-management procedures, a heavy backlog, and delayed resolution of commercial and revenue disputes. These weaknesses undermine contract enforcement, weaken property rights protection, and constrain effective governance.</p>
<b>ICMA Comments</b> 	<p>ICMA proposes strengthening judicial efficiency in line with current reforms and the 27th Constitutional Amendment. With the Federal Constitutional Court (FCC) now handling constitutional and intergovernmental disputes, the Supreme Court should focus on appellate matters. Key measures include formalizing specialized commercial and revenue benches, scaling up digital case-management tools such as e-filing, automated scheduling, and real-time monitoring, and establishing clear performance metrics, including case disposal rates and backlog reduction, to enhance accountability. Judges and court staff should receive structured training in case prioritization, administrative management, and efficient handling of pending cases.</p> <p><b><u>Rationale</u></b></p> <p><i>The 27th Amendment changes judicial responsibilities, with the FCC assuming original constitutional jurisdiction. Strengthening digital systems, introducing performance tracking, and providing training ensures the Supreme Court can function efficiently in its appellate role. These measures are practical, strengthen institutional capacity, and ensure timely case resolution while maintaining transparency and public trust in the judiciary.</i></p>



## (12) Judicial Transparency and Access to Information

<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that limited access to court information, outdated case management systems, and weak procedural transparency are key obstacles. These deficits reduce public confidence in the justice system, limit accountability, and weaken the rule of law.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends strengthening judicial transparency by building on recent reforms. The Supreme Court’s Public Facilitation Portal should be fully utilized and expanded so that citizens can track case status, application progress, and court decisions online. Courts should publish anonymized performance metrics such as case clearance and backlog trends while protecting privacy. Judges and court staff should report regularly, and digital dashboards should be used to monitor case flow in real time. Additionally, live streaming of important hearings where appropriate should be made a permanent feature to enhance openness.</p> <p><b><u>Rationale</u></b></p> <p><i>The Supreme Court’s Public Facilitation Portal allows citizens to check case details and application status, showing a growing commitment to transparency. E-filing increases accessibility and efficiency. Publishing performance data and enabling live viewing of hearings will improve public trust, make operations more visible, and strengthen accountability while maintaining judicial independence.</i></p>



## (13) Alternative Dispute Resolution Systems

<b>IMF Perspective</b>  	<p>The IMF diagnostic underscores that Pakistan's courts are overburdened, causing long delays and inefficiencies. It recommends strengthening non-court dispute resolution methods, such as mediation and arbitration, to ease the workload on courts, accelerate justice, and improve governance outcomes.</p>
<b>ICMA Comments</b>  	<p>ICMA recommends expanding ADR mechanisms in Pakistan by strengthening mediation centres in courts, such as at the Islamabad High Court (IHC), and integrating IMAC (International Mediation and Arbitration Centre) into mainstream dispute resolution. FBR's ADR Committees should be enhanced with dedicated panels and expert members to build trust and reduce litigation. Practical steps include mandatory pretrial mediation for commercial disputes, digital case tracking, structured training for mediators and judicial officers, and formal court annexed ADR workflows. Pakistan can also adapt features from Singapore International Mediation Centre (SIMC) and London Court of International Arbitration (LCIA) to reduce backlog and improve efficiency.</p> <p><b><u>Rationale</u></b></p> <p><i>Pakistan has a developing ADR infrastructure. IHC rules give legal force to court referred mediation, IMAC builds national ADR capacity, and IMDRC provides professional services. FBR ADRCs exist but are underused. Strengthening these systems, introducing pretrial mediation, digital tracking, and training will reduce case backlog, speed up dispute resolution, and make justice more accessible and effective.</i></p>



## (14) Ethics, Integrity, and Conflict of Interest Controls

<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that Pakistan's public institutions lack a strong ethical infrastructure and effective internal controls. This gap increases vulnerability to corruption, conflicts of interest, and governance failures, undermining public trust and institutional integrity.</p>
<b>ICMA Comments</b> 	<p><b>ICMA strongly recommends that the federal government establish a robust ethics and integrity framework across all public institutions. Mandatory ethics training must be enforced for officials at all levels, and conflict of interest disclosures should be verified independently. An empowered oversight body should be tasked with monitoring compliance, investigating breaches, and ensuring public reporting. Real time alerts for high-risk decisions and transactions should be integrated into institutional processes. Noncompliance must carry clear consequences to create a culture of accountability.</b></p> <p><b>Rationale</b>  <i>Current federal mechanisms, such as the National Accountability Bureau, the Federal Public Service Commission, and the Establishment Division, provide basic ethics enforcement, but they lack systematic monitoring and effective deterrence. Strengthening these mechanisms through verified disclosures, independent oversight, and mandatory reporting will directly reduce corruption risks and improve governance. Countries like Canada and Singapore have demonstrated that independent ethics offices with investigative authority and reporting obligations significantly enhance public trust and institutional performance. Adopting similar measures at the national level in Pakistan will make ethical compliance enforceable, transparent, and credible, thereby reinforcing integrity and public confidence across government institutions.</i></p>



## (15) Digitalization and E-Government Systems

<b>IMF Perspective</b> 	<p>The IMF diagnostic emphasizes that Pakistan has not fully leveraged digital technologies for governance. Fragmented systems, limited interoperability, and weak integration reduce efficiency, transparency, and public service delivery.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends urgently integrating NADRA’s digital identity platform with all federal and provincial public services to allow seamless verification and access. A fully operational National Data Exchange Layer should ensure smooth data sharing, eliminate duplication, and enable real-time monitoring of key services. Dashboards with automated alerts should track service performance, detect irregularities, and ensure accountability. Capacity building and change management for government staff are essential to implement and sustain these reforms. The focus should be on measurable improvements in service delivery, transparency, and governance outcomes.</p> <p><b><u>Rationale</u></b></p> <p><i>Current digital initiatives by NADRA, NITB, and the Ministry of IT are fragmented and not fully connected. Integrating digital identity, interoperable data systems, and real-time monitoring will improve efficiency, reduce corruption, and increase public trust. Global examples from Estonia and Singapore show that unified digital governance systems significantly enhance accountability, efficiency, and citizen satisfaction. Pakistan’s ongoing reforms provide an opportunity to implement these proven approaches at national scale and achieve concrete improvements in governance.</i></p>

## (16) Evidence-Based Policy and Decision Making



<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that Pakistan's policy decisions are often ad hoc and do not systematically use rigorous evidence. This undermines policy effectiveness, resource allocation, and long-term strategic planning.</p>
<b>ICMA Comments</b> 	<p>ICMA proposes creation of fully empowered Policy Analysis Units within key ministries or the formal strengthening of existing planning and technical sections in the Planning Commission, Economic Sections of ministries, and the National Assembly Secretariat's research directorate. These units must have professional economists, statisticians, and policy analysts dedicated to conducting comprehensive impact assessments, scenario modeling, and pilot testing of proposed reforms. They should maintain a centralized knowledge management system to collect and disseminate lessons learned across government. Advanced tools such as predictive analytics, policy simulations, and real time stakeholder feedback should guide decision making and enable proactive, evidence-based adjustments.</p> <p><b><u>Rationale</u></b></p> <p><i>Although some analytical and planning functions exist, they are fragmented, under resourced, and lack a systematic mandate to enforce evidence-based policy decisions. Strengthening and formalizing these units will ensure that reforms are rigorously evaluated before implementation, reduce policy failures, improve efficiency in resource allocation, and enhance accountability. This approach aligns Pakistan's policymaking with international best practices and provides a robust foundation for sustainable governance and strategic planning.</i></p>

## (17) Regulatory Quality and Simplification



<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that Pakistan’s regulatory system remains fragmented, with overlapping mandates, inconsistent enforcement, and outdated procedures. These issues undermine regulatory effectiveness, discourage investment, and weaken economic governance.</p>
<b>ICMA Comments</b> 	<p>ICMA strongly recommends a comprehensive overhaul of regulatory quality based on Board of Investment’s Regulatory Strategy 2025–2030. This includes establishing a centralized National Business Registry to eliminate fragmented registries, simplifying and digitalizing business procedures such as online onboarding for low-risk firms, introducing an Asaan Business Bank Account for SMEs, implementing risk-based security clearances for foreign investors with strict, predictable timelines, and modernizing the Companies Act 2017 to reduce compliance burdens. A Regulatory Oversight Council should actively coordinate across ministries and regulators to remove duplication, enforce risk-based compliance, and monitor timely implementation. Mandatory structured public consultations via digital platforms should be enforced for all significant regulations to ensure transparency and stakeholder engagement.</p> <p><b><u>Rationale</u></b></p> <p><i>Implementing these measures will decisively reduce procedural inefficiencies, cut compliance costs, and provide a predictable, transparent, and investor-friendly regulatory environment. Centralized registration and digital processes will strengthen enforcement, eliminate overlapping authority, and directly support Pakistan’s competitiveness in attracting both domestic and foreign investment. Coordinated oversight and internationally aligned reforms will transform regulatory governance, positioning Pakistan as a predictable and high-performing business environment.</i></p>





## (18) Competition Policy and Market Oversight

<b>IMF Perspective</b> 	<p>The IMF diagnostic identifies weak competition regulation and fragmented enforcement as major constraints to a dynamic and fair market in Pakistan. These shortcomings limit economic efficiency, discourage competition, and harm consumer welfare.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends empowering the Competition Commission of Pakistan (CCP) to take a more proactive and data-driven approach. Key actions include expanding the Market Intelligence Unit (MIU) for early detection of anti-competitive practices using advanced analytics, developing a Digital Competition Framework for online markets, strengthening the Centre of Excellence in Competition Law for sector-wide market studies and research-based policy guidance, and enhancing enforcement capacity to process cases promptly and issue effective corrective actions.</p> <p><b><u>Rationale</u></b></p> <p><i>The CCP has conducted multiple inquiries across key sectors but faces capacity limitations. Its MIU has already identified numerous potential violations, and enforcement actions have recovered significant fines. By enhancing analytical, research, and enforcement capabilities, CCP can more effectively deter anti-competitive practices, protect consumers, encourage fair market conditions, and align Pakistan's competition framework with international best practices.</i></p>



## (19) Stakeholder Engagement and Consultation

<b>IMF Perspective</b> 	<p>The IMF diagnostic emphasizes that governance reforms in Pakistan often suffer from limited consultation and weak engagement with stakeholders, reducing reform ownership and limiting the effectiveness and sustainability of initiatives.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a unified and systematic national stakeholder engagement framework. Although FBR and other agencies maintain sector-specific consultation mechanisms, their fragmentation limits overall reform impact. The proposed framework should integrate formal consultations, real-time digital feedback channels, and continuous engagement loops, covering government departments, professional bodies, civil society, and the private sector. This ensures inclusive policy development, stronger buy-in, and transparent decision-making.</p> <p><b><u>Rationale</u></b></p> <p><i>Current stakeholder engagement in Pakistan is piecemeal, largely sectoral, and not linked across governance reforms. A national framework will standardize participation, enhance accountability, and reduce delays in policy implementation. Internationally, Singapore's Public Service Division and Canada's Government Consultation Portal have successfully used structured councils and digital platforms to collect real-time stakeholder input, improving policy relevance and acceptance. Adopting a similar approach in Pakistan can significantly increase reform ownership and accelerate results.</i></p>



## (20) Monitoring and Evaluation of Reforms

<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that Pakistan lacks a coherent system to monitor governance reforms. Current monitoring mechanisms are fragmented, slow, and fail to provide timely insights, which weakens accountability and hinders corrective action.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends designing a national performance monitoring dashboard that builds on existing tools. This dashboard should integrate data from the Ministry of Planning's Dynamic Data Dashboard, reform implementation units, and sectoral bodies. It should display key governance and reform indicators, track milestone progress, and flag early risk signals. The dashboard should also include a citizen feedback module to gather public input and promote transparency.</p> <p><b><u>Rationale</u></b></p> <p><i>Pakistan already has strong foundations for digital monitoring: the Planning Ministry's real time dashboard and provincial performance units demonstrate that such systems work. Globally, countries use similar systems to ensure reform accountability. For example, governments partner with the World Bank's Global Program for Improving Public Administration Performance to track public sector reforms and performance. The OECD has also used scorecards and dashboards in its reform monitoring work, as seen in its review of Peru. By combining existing platforms, real time tracking, and citizen feedback, Pakistan can build a reform monitoring system that is modern, credible, and results oriented.</i></p>

## (21) Public Communication and Awareness

<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that governance reforms in Pakistan often suffer from weak public communication. Limited access to clear and consistent information about reform goals and progress reduces public understanding, trust, and the overall effectiveness of initiatives.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a targeted public communication framework that clearly explains reform objectives, timelines, and measurable outcomes. This should integrate multiple channels, including government websites, official social media accounts, traditional media, and local community outreach, with dedicated portals for real-time updates. The strategy should provide simplified reform summaries, periodic stakeholder briefings, interactive dashboards, and mechanisms for public feedback. This approach ensures citizens are informed, engaged, and able to participate constructively in reform processes.</p> <p><b><u>Rationale</u></b></p> <p><i>Existing tools like Pakistan Citizen's Portal (PCP) and Champions of Reforms (COR) network, established under the Ministry of Planning, Development and Special Initiatives, provide basic avenues for citizen engagement, but they are largely complaint driven and fragmented. A structured communication framework will consolidate these initiatives, provide proactive updates on reform progress, and actively solicit citizen feedback. Internationally, countries such as Singapore and New Zealand use centralized citizen engagement platforms with real-time dashboards and feedback loops to improve transparency and public trust. Implementing similar mechanisms in Pakistan will enhance awareness, strengthen accountability and build broad-based support for governance reforms.</i></p>



## (22) Whistleblower Protection Mechanisms

<b>IMF Perspective</b> 	<p>The IMF assessment has highlighted inadequacies in whistleblower protection mechanisms, noting that existing arrangements have failed to provide sufficient safeguards and incentives for reporting misconduct. This limitation has reduced early detection of corruption and governance failures.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends strengthening whistleblower protections within existing institutions, including NAB, FIA-ACW, and the FBR Integrity Management Cell. Enhancements should include secure and confidential reporting channels, risk-based protection measures, and structured incentives for credible reporting. Existing digital systems should be enhanced to allow anonymous reporting, while clear procedural and legal safeguards are integrated into agency workflows. International examples, such as the US SEC Office of the Whistleblower and Singapore's Corrupt Practices Investigation Bureau, demonstrate that improving protection and support within current structures significantly increases reporting and strengthens governance outcomes.</p> <p><b><u>Rationale</u></b></p> <p><i>Pakistan currently lacks a comprehensive whistleblower protection system. While NAB and FIA accept complaints, they do not provide structured support or guaranteed confidentiality. Enhancing current reporting and protection systems will encourage early reporting, improve investigative outcomes, and strengthen accountability, while supporting ongoing legislative efforts for a formal whistleblower protection law.</i></p>

## (23) Anti-Money Laundering and CFT Enforcement



<b>IMF Perspective</b> 	<p>The IMF report has identified implementation gaps in Pakistan's anti-money laundering and counter-terrorist financing framework, despite substantial progress in legal and regulatory reforms. These gaps have limited the effectiveness of enforcement efforts and left the financial system vulnerable to misuse.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends strengthening Pakistan's existing AML/CFT institutions. The FMU should be enhanced with advanced analytics and real-time monitoring to detect high-risk transactions. The FIA's AML/CFT Directorate should receive specialized training, investigative tools, and additional resources for complex financial crime cases. SBP, SECP, and FBR need to intensify risk-based supervision of regulated entities. The National AML/CFT Authority should implement structured mechanisms for inter-agency coordination, information sharing, and joint enforcement actions. International experience supports this approach: Mauritius has an Interagency Coordination Committee linking regulators and the FIU; Azerbaijan's Coordinating Council manages national risk assessment and sector oversight; Qatar's National AML/CFT Committee coordinates policy and operational measures. Participation in the Egmont Group further strengthens FMU's analytical capabilities and international cooperation.</p> <p><b><u>Rationale</u></b></p> <p><i>Pakistan already has FMU, FIA AML Directorate, SBP, SECP, FBR, and the National AML/CFT Authority. Strengthening these existing bodies with better analytics, supervision, and coordination is practical and cost-effective. It will enhance the detection and prevention of money laundering and terrorist financing, addressing the IMF-identified gaps while following internationally proven models and reducing duplication of efforts.</i></p>

## (24) Institutional Capacity and Human Resource Development



<b>IMF Perspective</b> 	<p>The IMF diagnostic highlights that capacity constraints in Pakistan's public institutions limit the effective implementation of reforms. Skill gaps, inadequate training, and weak knowledge management undermine governance effectiveness and reform sustainability.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends a strategic, results oriented approach to institutional capacity development that builds on existing structures. The Institutional Reforms Cell (IRC) under the Ministry of Planning, Development &amp; Special Initiatives should be strengthened to lead organizational restructuring, civil service reform, and process modernization. Civil Services Academy (CSA) and other training institutions should deliver regular, competency-based programs aligned with the needs of critical government functions. A robust knowledge management system should capture reform lessons, best practices, and institutional learning. Capacity assessments should identify key gaps, ensure competency-based personnel deployment, and integrate international exposure and peer learning to build adaptive, high-performing institutions.</p> <p><b><u>Rationale</u></b></p> <p><i>Leveraging existing structures like the IRC and CSA ensures reforms are practical, cost effective, and sustainable. By institutionalizing training, knowledge sharing, and competency-based staffing, Pakistan can rapidly strengthen public sector capabilities, close skill gaps, and implement complex reforms efficiently. This approach aligns with international best practices in governance capacity development and positions Pakistan to achieve tangible, long-term improvements in public administration and reform implementation.</i></p>





## (25) Reform Implementation and Coordination

<b>IMF Perspective</b> 	<p>The IMF Governance and Corruption Diagnostic notes that reforms in Pakistan often fail due to weak implementation mechanisms. Fragmented responsibilities, limited tracking, and insufficient enforcement reduce the effectiveness and sustainability of governance reforms.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a robust results-oriented reform implementation framework that leverages existing institutional capacities. The Supreme Court's Reforms Implementation Support Unit (RISU) should be formally integrated to coordinate, monitor, and report on reform progress. A high-level oversight committee including senior judges, Ministry of Law representatives, the Law and Justice Commission of Pakistan, and civil society should enforce accountability, approve milestones, and conduct quarterly performance reviews. Funding and support for reforms should be explicitly tied to achievement of predefined indicators, ensuring tangible results. A public digital dashboard should display milestones, progress, and outcomes, enabling citizens and stakeholders to monitor implementation in real time.</p> <p><b><u>Rationale</u></b></p> <p><i>RISU already provides specialized expertise in monitoring and coordinating reforms. Formal integration into a high-level oversight structure ensures strategic direction and accountability. Tying funding to performance enforces political commitment and incentivizes achievement. Public dashboards promote transparency, citizen trust, and pressure for timely execution. This approach is practical, builds on existing institutions, aligns with international best practices, and ensures reforms move from planning to measurable, enforceable results.</i></p>

## (26) Transparency, Disclosure, and Accountability

<b>IMF Perspective</b> 	<p>The IMF diagnostic warns that Pakistan’s weak and uneven transparency undermines trust in public institutions. Disclosure rules vary widely across agencies, limiting meaningful public oversight and accountability.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a unified and enforceable transparency framework to strengthen trust and ensure accountability. All public bodies should follow standardized disclosure formats and regular schedules. High priority information, including budgets, contracts, and performance data, must be proactively published. A common public information portal should provide free access, automatic translation into local languages, and voice-based navigation for illiterate citizens. All documents should be verified in real time, with automated relevance scoring to help users quickly access reliable information.</p> <p><b><u>Rationale</u></b></p> <p><i>Although the Right of Access to Information Act (2017) guarantees citizens’ access to public data, implementation gaps persist. Information Commissions often lack capacity to enforce compliance, and many agencies fail to proactively publish critical information. Independent assessments by civil society, such as FAFEN, confirm these gaps. A standardized, accessible, and verifiable disclosure system will improve transparency, reduce opportunities for corruption, and align Pakistan’s practices with global accountability standards.</i></p>



## (27) Strategic Investment Transparency

<b>IMF Perspective</b> 	<p>The IMF report notes that transparency regarding strategic investments in Pakistan is limited, with insufficient public information on investments facilitated by the government, including concessions granted and their rationale. This reduces accountability and may limit investor confidence.</p>
<b>ICMA Comments</b> 	<p>ICMA recognizes the role of the Special Investment Facilitation Council (SIFC) in promoting investment facilitation and recommends that it produce a comprehensive annual report detailing all investments facilitated, the concessions provided, and the rationale behind them, including estimated economic value. While SIFC has made progress in reporting, a systematic, fully public disclosure would enhance transparency, support informed decision-making, and reinforce investor trust. Internationally, Singapore's Economic Development Board publishes detailed investment reports with clear incentives and project rationale, the UK's Department for Business and Trade releases annual investment summaries highlighting foreign direct investment and government support, and Australia's Austrade provides publicly accessible data on investment projects and facilitation measures. Adopting such practices would strengthen transparency, signal good governance, and provide a reliable reference for investors.</p> <p><b><u>Rationale</u></b></p> <p><i>Structured and publicly available reporting by SIFC would reinforce Pakistan's commitment to transparent governance, reduce perceptions of discretionary decision-making, and enhance investor confidence. Transparent reporting aligns with international best practices and supports sustainable, long-term investment growth in the country.</i></p>



## (28) Merit Based Oversight Appointments

<b>IMF Perspective</b> 	<p>The IMF diagnostic underscores that appointments to the heads of key oversight bodies such as CCP, SECP, and NAB are not sufficiently merit based or transparent, posing a risk to institutional credibility and independence.</p>
<b>ICMA Comments</b> 	<p>ICMA strongly recommends instituting a transparent, meritocratic appointment system for leadership of regulatory and accountability institutions. This should involve independent selection panels, clearly published qualification criteria, and publicly documented decision making. Current practices risk politicized appointments that can undermine the capacity and integrity of these institutions. This reform is essential to restore trust and ensure competent leadership in bodies tasked with oversight and regulation.</p> <p><b><u>Rationale</u></b></p> <p><i>Trustworthy and professional leadership is critical for effective regulation and anti-corruption work. Merit based appointments will help depoliticize these institutions, improve their performance, and align Pakistan's governance with global norms. By reducing political interference, this reform will strengthen independence and effectiveness of oversight bodies, a key concern raised by IMF.</i></p>



## (29) Debt Management Consolidation

<b>IMF Perspective</b> 	<p>According to the IMF, Pakistan's debt management is fragmented across different government entities, with limited reconciliation of debt data and weak transparency around borrowing decisions, heightening fiscal risk and undermining accountability.</p>
<b>ICMA Comments</b> 	<p>ICMA calls for the consolidation of all public debt under a modern, well-resourced Debt Management Office equipped with a robust IT infrastructure. This office should conduct rigorous reconciliation of debt records across domestic, external, and guaranteed liabilities and regularly publish retrospective reports comparing actual borrowing to approved plans. While the government publishes debt bulletins and annual debt reviews, full integration and clear retrospective accountability remain incomplete.</p> <p><b><u>Rationale</u></b></p> <p><i>Centralizing debt management and publishing detailed retrospective data will strengthen fiscal discipline and allow stakeholders including investors and the public to evaluate borrowing decisions. This transparency will make debt risk more manageable, improve policy credibility, and align Pakistan with international best practices.</i></p>

## (30) Beneficial Ownership and AML Coordination



<b>IMF Perspective</b> 	<p>The IMF identifies insufficient beneficial ownership transparency in Pakistan and weak inter agency coordination among financial intelligence and law enforcement bodies, which hampers efforts to combat money laundering tied to corruption.</p>
<b>ICMA Comments</b> 	<p>ICMA welcomes SECP's establishment of a centralized Ultimate Beneficial Ownership Registry under its amended Companies Regulations, with companies required to submit ownership data. However, ICMA insists that the registry must be actively linked in real time to FIA, NAB, and the Financial Monitoring Unit so that ownership information can immediately feed into corruption related risk assessments and investigations. Without this integration, the registry's value will be limited.</p> <p><b><u>Rationale</u></b></p> <p><i>Transparent UBO data, matched with enforcement agency access, is a powerful tool for uncovering hidden corruption networks. This reform will significantly enhance Pakistan's capacity to trace illicit financial flows, strengthen AML/CFT enforcement, and respond directly to the IMF's call for greater financial transparency and inter agency coordination.</i></p>

## (31) State Assets Management

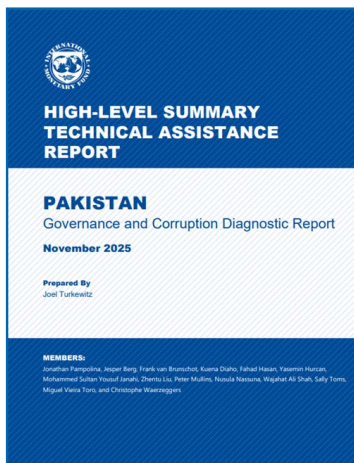
<b>IMF Perspective</b> 	<p>The IMF report highlights that state owned assets, especially land, are managed in a disconnected manner, with weak oversight and unclear, discretionary transfer processes.</p>
<b>ICMA Comments</b> 	<p>ICMA recommends establishing a publicly accessible, centralized registry of all state-owned land and non-financial assets, along with transparent, rule-based procedures for transfers. In addition, ICMA calls for biannual public reporting on the volume, recipients, and value of asset transfers to foster oversight and prevent misuse.</p> <p><b><u>Rationale</u></b></p> <p><i>A unified registry and clear transfer rules will reduce opportunities for corruption, improve fiscal accountability, and ensure that public assets are used in the public interest. Regular public reporting will provide a mechanism for independent monitoring and increase confidence in how the government handles its property, addressing a core weakness identified by the IMF.</i></p>



## (32) Strengthening Alternative Dispute Resolution

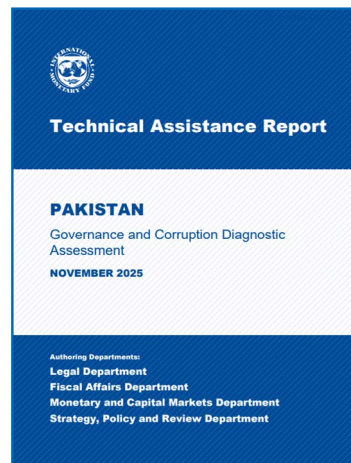
<b>IMF Perspective</b> 	<p>The IMF notes that Pakistan’s judicial system is burdened by backlogs, and ADR mechanisms like mediation and arbitration remain underused, limiting efficient contract enforcement and reducing access to justice.</p>
<b>ICMA Comments</b> 	<p>ICMA strongly supports scaling up ADR through the International Mediation and Arbitration Center (IMAC), which was established by the Ministry of Law and Justice with the mandate to modernize dispute resolution. IMAC has already conducted nationally accredited mediation training for legal professionals, judges, and business leaders, and has signed cooperation agreements to expand its reach. ICMA urges that IMAC’s center capacity be increased, arbitration facilities proliferated across provinces, and ADR legislation strengthened to institutionalize a modern, efficient dispute resolution system.</p> <p><b><u>Rationale</u></b></p> <p><i>Expanding ADR will significantly reduce the burden on Pakistan’s courts by offering faster, affordable, and more flexible dispute resolution. This will improve contract enforcement, boost investor and business confidence, and help align Pakistan’s legal infrastructure with international norms, directly addressing the IMF’s governance and judicial efficiency concerns.</i></p>

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1. **Cabinet Division:** <https://cabinet.gov.pk/>
2. **Ministry of Finance:** <https://www.finance.gov.pk/>
3. **Ministry of Law and Justice:** <https://molaw.gov.pk/>
4. **Federal Board of Revenue (FBR):** <https://fbr.gov.pk/>
5. **Public Procurement Regulatory Authority (PPRA):** <https://ppra.gov.pk/>
6. **Special Investment Facilitation Council (SIFC):** <https://www.sifc.gov.pk/>
7. **Securities and Exchange Commission of Pakistan (SECP):** <https://www.secp.gov.pk/>
8. **State Bank of Pakistan (SBP):** <https://www.sbp.org.pk/>
9. **National Tariff Commission (NTC):** <https://www.ntc.gov.pk/>
10. **Ministry of Interior and Narcotics Control:** <https://www.interior.gov.pk/>
11. **National Accountability Bureau (NAB):** <https://nab.gov.pk/>
12. **Federal Investigation Agency (FIA):** <https://www.fia.gov.pk/>
13. **National AML and CFT Authority:** <https://amlcft.gov.pk/>
14. **Financial Monitoring Unit (FMU):** <https://www.fmu.gov.pk/>



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