

**Pakistan: Civil Society Report by the
Pakistan Institute of Legislative Development and Transparency (PILDAT)
An input to the UNCAC Implementation Review Mechanism:
Fourth year of review of UNCAC Chapters II and V**

This is the executive summary of a civil society shadow report from October 2021 that reviews Pakistan’s implementation and enforcement of selected articles in UN Convention against Corruption (UNCAC) Chapters II (Preventive Measures) and V (Asset Recovery). The report was supported by the UNCAC Coalition and is intended as a contribution to the UNCAC peer-review process of Pakistan covering those two chapters. The full report is available on the UNCAC Coalition's website.¹

Assessment of the review process

Did the government disclose information about the country focal point?	Yes	The focal point is located within the National Accountability Bureau (NAB).
Was the review schedule known?	Not yet	Originally scheduled to take place in 2019, the schedule of the review is yet to be updated Due to COVID-19. Information on the schedule was not published by NAB.
Was civil society consulted in the preparation of the self-assessment?	Yes	As informed by NAB, they consulted only Transparency International Pakistan in the preparation of the self-assessment. Upon request for the draft to be shared with PILDAT, NAB responded that it was not possible as work on it was still being undertaken.
Was the self-assessment published online or provided to civil society?	Not yet	As reported by NAB, the final draft of the self-assessment will be shared with all relevant stakeholders.
Did the government agree to a country visit?	Yes	
Was a country visit undertaken?	Not yet	It has not been scheduled yet.
Was civil society invited to provide input to the official reviewers?	Not yet	
Was the private sector invited to provide input to the official reviewers?	Not yet	
Has the government committed to publishing the full country report?	No	The first review cycle full country report was also not published.

¹ <https://uncaccoalition.org/new-civil-society-report-on-pakistans-uncac-implementation-calls-for-strengthening-of-accountability-and-oversight-mechanisms/>.

Main Findings and Recommendations (R)

Political financing

Political parties must report on received contributions and campaign expenses to the Election Commission (ECP), which is mandated to verify the receipt and returns immediately. This documentation is then accessible to the public, upon paying a fee, and for only one year. Alleged financial irregularities of political parties have remained under ECP's investigation for many years, including cases of alleged illegal foreign funding related to mainstream parties.

R: Develop legislation to fix and enforce an election spending limit on political parties; The ECP should strictly monitor election-related expenses and be provided with sufficient human and financial resources to effectively enforce election expense-related laws.

Access to information (ATI)

ATI laws exist at the federal and provincial levels. The updated Right of Access to Information Act includes expanding the scope of disclosure, reducing exemptions, and providing a right to appeal with a dedicated Information Commission (PIC). Some landmark cases have resulted in the release of information key to promoting accountability of decision-makers. However, ATI has also been restricted: In 2020, the PIC ruled that asset declarations of NAB top officers should not be disclosed due to privacy concerns.

R: Improve implementation and awareness of freedom of information laws. Adopt measures to promote an institutional culture of transparency, open data, open-door policies, and regular communication between the government and civil society, including on the UNCAC review process.

Asset declarations of elected and public officials

Electoral candidates submit to the ECP declarations of assets and liabilities and extensive information including about the taxes paid. These are no longer accessible to the public on ECP's website but are made public through printed government notifications. The National Assembly has yet to adopt a law addressing public officials' conflicts of interest of public officials. The provinces of Punjab (in 2019) and Khyber Pakhtunkhwa (in 2016) have passed conflict of interest laws that are required to establish Conflict of Interest and Ethics Commissions. However, both these Commissions have not been constituted so far.

R: Introduce and pass a Federal Conflict of Interest law; The ECP should scrutinize candidates' and legislators' critical assets and liabilities statement and install a well-staffed political finance division that would be able to carry out a meaningful analysis of such statements.

Budget Transparency

While all main elements of the budget are included in the budget documents and disclosed, the level of detail included in budget documents varies. Performance-based budget reports are regularly published online, but the audit reports of the Auditor General are not made available on the website.

However, the 2020-2021 budget is the first one since the adoption of the 1973 Constitution that is adopted by Parliament under the Public Finance Management Act (PFMA), 2019. Until the adoption of the PFMA, for 47 years, the parliament did not regulate the federation's public accounts.

R: Present the Finance Bill to the Finance Parliamentary Committee for scrutiny before it can be passed in the plenary. Allow for the relevant parliamentary committees to scrutinize budget proposals before the full house debate. Significantly increase the period of the annual budget

debate in the Parliament and allow the private sector, civil society and the general public to provide input. Amend Constitution-Article 84 allowing the Executive to amend the Parliament-approved budget in any way it finds fit during the year, without prior approval by the Parliament.

Lack of public consultations

Civil society, the private sector, and other stakeholders are generally not consulted when drafting new legislation. New rules on the removal and blocking of online content deemed to be unlawful were drafted without affected stakeholders' involvement. These rules will apply to all social media companies operating in Pakistan and might also affect reporting on corruption and other forms of wrongdoing, as well as public access to free and open internet. The media, however, freely reports on legislation while under consideration by the parliament.

R: Implement mechanisms that allow for civil society consultations in legislative drafting processes.

Whistleblowing

Pakistan does not have a federal law on whistleblower protection and reporting mechanisms. Khyber Pakhtunkhwa is the only province with a whistleblower law adopted in 2016. However, the province's Commission intended to protect whistleblowers has not been formed even five years after the adoption of the law.

R: Adopt a Federal law on the reporting and protection of whistleblowers.

Judicial independence

The higher judiciary is generally perceived as independent and of integrity. However, some decisions involving top politicians and judges of the superior judiciary have created a perception that the judiciary may be subjected to pressure by powerful segments of society. At the same time, the judiciary has not resolved problems facing the lower courts where ordinary citizens remain much more likely to encounter the judicial system. The rate of cases pendency has risen almost 100% during the past five to seven years, including a record high in the Supreme Court as of January 2020.

Politicization of anti-corruption bodies

Recently, there have been several cases filed against politicians and public officials. While some government officials are under investigation, more cases link to opposition party leaders, contributing to the perception that the NAB has become politicized and is targeting certain political leaders. The country's accountability process is perceived as a tool of political engineering. Attempts have been made to improve the National Accountability Ordinance (NAO) which is at the center of the anti-corruption framework. Various meetings were held between the opposition and the government to discuss the proposed amendment to NAO, but so far, no agreement has been reached.

R: Amend the NAO in the light of superior court observations such as the provision of bail, collective decision-making for crucial decision-making such as arrests. Tax matters and regulation of businesses should be left for other organizations to deal with.

Private sector transparency

Companies are required to maintain an up-to-date register of ultimate beneficial owners. While the beneficial ownership information is available to law enforcement agencies like the NAB, banks and financial intelligence units, this information is not publicly accessible. The company registry under the Securities and Exchange Commission e-services project does not publish the identities of the legal and natural persons involved in the establishment and management of corporate entities. However, their names are available in an online search.

Anti-money laundering

Between 2013 and 2018, Pakistan's law enforcement agencies undertook 2,420 investigations of suspected money laundering cases, resulting in 354 prosecutions. However, only one single case resulted in the conviction of a high-level political. – a case that was dealt with on a priority basis upon the decision of the Supreme Court. Pakistan remains on the grey list of the FATF and is currently implementing a FATF action plan to address gaps and weaknesses in its anti-money laundering framework. The FATF, however, has recently acknowledged that Pakistan has made substantial progress and implemented a major part of the Action Plan.

R: Adequately identify, analyze and understand the country's Money Laundering and Terror Financing risks in order to be able to implement a risk-based approach to combating these crimes.