



**Pakistan
Institute
of
Development
Economics**

Topic
**National Finance
Commission
Awards in →
Pakistan; A
Historical
Perspective**

Authors

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Mahmood Khalid**

Nurturing Minds

**A Weekly Seminar Series to give impetus
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intellectual thought**

The study explores the evolution of national financial commission award in Pakistan. In Pakistan most of the revenue is collected by centre and then redistributed vertically between federal and provincial governments and horizontally among the provinces. Provinces then also redistribute among lower tiers of the government, through a revenue sharing formula. A thorough look into the history indicates that this process has been complex and has far reaching impacts. A less systematic approach has been adopted to decentralize the financial matters. Over time the divisible pool has been increased due to heavy reliance on indirect taxes as well as improvement in the collection. Population is the sole distribution criteria, adopted in all NFC awards from divisible pool. This raised friction among provinces therefore necessitating inclusion of other potential variables which comes from international best practices.

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**Venue: PIDE Seminar
Hall**

**Date: Thursday June
21st, 2007**

Time: 11.30 am

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