From Exclusion to Inclusion: Strategic Re-Accommodation of Dropped PSDP Areas

RESEARCH CENTER, HIGH COURT OF BALOCHISTAN

COURT: **HON'BLE MR. JUSTICE EJAZ AHMED SAWATI, CJ BHC**
SUBJECT: CONSTITUTIONAL LAW/PUBLIC LAW
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BY: IZHAR AHMED AND WASEEM AHMED RESEARCH OFFICER BHC

Query

Whether a scheme reflected in the Provincial PSDP may be closed or shifted to another area of the Province; if so, under what grounds and reasons; and what mechanisms exist to ensure the originally targeted area is duly accommodated in future PSDPs.

Legal and Administrative Context of the PSDP

In the constitutional scheme of Pakistan, developmental planning is not merely an ***executive function*** but a ***constitutional obligation*** with direct bearing on the *enforcement of fundamental rights*, *economic equity*, and ***distributive justice*** under Articles 3 and 9 of the Constitution. The ***Public Sector Development Programme*** **(PSDP)**, therefore, constitutes the principal fiscal instrument through which the provinces operationalize their developmental objectives. *The Government of Balochistan formulates its annual PSDP through the Planning & Development Department* ***(P&DD),*** *which acts as the apex planning body at the provincial level.*

The process, as codified in the ***Planning and Projects Manual*** issued by the Government of Balochistan, comprises a rigorous ***five-phase cycle:*** (i) ***project identification***, (ii) ***appraisal***, (iii) ***approval,*** (iv) implementation, and (v) monitoring & evaluation. Projects are initiated through detailed concept papers, subject to feasibility assessment, sectoral priority evaluation, cost-benefit analysis, and ultimately submitted for vetting by the Provincial Development Working Party (PDWP), the primary approving forum under the Balochistan planning machinery.

To prevent arbitrary or politically expedient interventions, strict criteria are prescribed for project inclusion—emphasizing public utility, technical viability, and alignment with the Sectoral and Rolling Plans. Block allocations and individually targeted schemes are disfavoured, consistent with judicial admonitions in ***Abdul Raheem Ziaratwal v. Federation of Pakistan*** **(2014 SCMR 873),** and **Zarif Khan Hussain Zai v. Government of Balochistan *(2024 YLR 2353)*** where, respectively, the Hon'ble Supreme Court of Pakistan and Hon'ble High Court of Balochistan, categorically *held that PSDP funds must not be expended in a manner violative of the Planning Manual or used as tools of political patronage.*

Grounds and Justifications for Closure or Shifting of PSDP Schemes

Once a scheme is duly approved and reflected in the PSDP, its subsequent closure or geographical shifting is an ***extraordinary act***, requiring adherence to both administrative principles and constitutional oversight. The Supreme Court in *Ziaratwal* (supra) underscored that no project, approved or otherwise, may be arbitrarily altered or executed in deviation from the Planning Department's procedures. Moreover, the Court explicitly directed the Provincial

Government to ensure that any movement or modification of development projects must not result in deprivation of the affected area's equitable entitlement.

The **GoB Planning Manual** (Chapter 11: **Project Closure**) outlines specific grounds for ***closure*** of a development project. These include:

Changed Priorities (Section 11.2): The project is **no longer aligned** with provincial/national development goals or sectoral plans or the **Policy shifts** make the project redundant or less viable.

Inability to Achieve Objectives (Section 11.2): The project **fails to meet its intended outcomes** due to technical, financial, or managerial issues. **Persistent delays or cost overruns** make completion impractical.

Resource Constraints (Section 11.2 & Chapter 4): **Insufficient funding** (e.g., budget cuts, lack of foreign aid). **Non-availability of land or critical inputs** (e.g., materials, skilled labor).

Better Alternatives Identified (Section 11.2 & Chapter 6): A **more efficient or cost-effective solution** is found (e.g., PPP mode, revised design). **Force Majeure or Unforeseen Events (Implied in Section 11.2) Natural disasters, security risks, or legal disputes** that halt progress indefinitely.

It would be beneficial to reproduce the section 11.2 of the Chapter 11 (Project Closure) of **Planning and Project Manual** for ease of reference:

> ***"11.2. Premature Project Closure:***
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> *It is pertinent that mere completion of the deliverables without adopting proper project closure mechanism does not mean the project is complete. There can be some situations when the projects are required to be prematurely closed.* ***Sometimes situations may arise to close the project prematurely owing to the change conditions, changed priorities or perpetual nature of project. The top management (PDWP) may not see the project feasible anymore or worth the investment upto completion stage. A failed project which is unable to deliver would only drain the resources if continued.***
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> ***In such case the project shall be closed if it is no longer justified, or can no longer achieve its development objectives and targets. The Sponsoring agency in coordination with the Executing Agency shall submit revised PC-1 for approval of competent forum i.e. PDWP justifying why the project is being closed prematurely. The PC-I shall contain details of work done against which payment made."***

Any proposal for such a closure or shift must follow a *full-cycle approval, including updated PC-I, PDWP re-endorsement, and formal minutes of justification.* This was also reaffirmed in case Zarif Khan (*supra*) where the Balochistan High Court, applying *Raja Pervaiz Ashraf* (supra), insisted on adherence to the Planning Commission's criteria and transparency norms.

Mechanism for Ensuring Re-Accommodation of the Affected Area

Where a development scheme is closed or shifted from its originally approved location, the principle of administrative fairness and equitable development mandates that the affected area not be deprived of its share in the development process. The *Planning and Project Manual* explicitly requires institutional safeguards to ensure continuity of development attention. In

Ziaratwal (*supra*), the August Supreme Court took judicial notice of unfair distribution patterns and mandated that the Planning Department ensure development funds are utilized fairly, particularly in deprived and far-flung areas. In **Zarif Khan Hussain Zai** *(supra)*, the Balochistan High Court reiterated that schemes reflected in the PSDP must be of collective nature, aligned with socio-economic imperatives, and formulated through institutionalized sectoral plans. The Hon'ble High Court emphasized that:

> ***"The Government should formulate sectoral plans in respect of each sector, preferably, the above referred sectors, for the next PSDP of the year 2019-20 and onwards, to ensure sectoral balance and regional parity at the time of allocating funds and schemes for all sectors and districts of the Province."***

The safeguards and remedial mechanisms embedded in the planning regime and guidelines in the cases law include:

Priority Status in Subsequent PSDP Cycles

As per Chapter 2, Section 2.9 of the *Planning and Projects Manual*, the PSDP formulation process is iterative and annual in nature. This allows the Planning & Development Department to revisit sectoral and regional priorities each year. In cases where a scheme has been withdrawn from a particular area, it is incumbent upon the administrative department to re-nominate that area for development in the following fiscal year's proposals. The department must prepare fresh concept papers, listing the previously affected area under high-priority categories and ensure its inclusion in the Interdepartmental Priority Committee meeting chaired by the Additional Chief Secretary (Development).

Submission of Substitute Proposals by Administrative Departments

The responsibility to propose alternate or revised schemes for the affected area lies with the same administrative department that sponsored the original scheme. According to Section 2.10 of the Manual, such proposals must be backed by updated **Concept Papers**, clearly indicating public need, and alignment with sectoral goals. Where PC-I or feasibility studies (PC-II) exist for the dropped project, these may be revised and resubmitted for approval.

Integration into Sectoral and Rolling Plans

The affected area must also be prominently reflected in the **Sectoral Development Plans** prepared under Chapter 2, Sections 2.6 and 2.3 and directed in case of Zarif Khan (*supra*) respectively. These strategic documents guide project identification for up to five years, and provide an institutional basis for prioritizing regions that have previously suffered exclusion.

Monitoring by the Planning and Development Department

The *Planning and Projects Manual* vests the P&DD with monitoring authority. As per Chapter 9, it is the responsibility of the **Monitoring & Evaluation (M&E) Wing** to maintain oversight of all development interventions, including those shifted or cancelled. The Directorate must track whether a region, from which a scheme was withdrawn, has been adequately compensated through a replacement project in a timely manner.

Public Communication and Stakeholder Assurance

To foster transparency and maintain public trust, the Manual encourages broad-based stakeholder engagement. Chapter 2, Section 2.8 provides that citizens' feedback and community needs assessments should be integrated into the project identification process. Accordingly, if a scheme is withdrawn from an area, the concerned department should engage with local communities to assure them of substitute proposals and gather data for informed resubmission.

Collectively, these mechanisms serve to preserve regional parity, ensure equity, and reinforce the legal duty of the State to plan development rationally, transparently, and inclusively.

Conclusion

It is a settled principle, affirmed in *2014 SCMR 873* and reinforced in *2024 YLR 2353*, that the allocation, implementation, and reconfiguration of PSDP schemes must be undertaken in strict adherence to the law, Planning Manual, and principles of fair governance. Schemes once approved and reflected in the PSDP may be closed or shifted **only** upon cogent, evidence-based justifications, with re-approval from competent forums. Arbitrary or politically motivated alterations are constitutionally impermissible.

Furthermore, where such closure or relocation is inevitable, the Planning & Development Department bears a **positive obligation** to ensure that the deprived area is accommodated in a subsequent PSDP, preferably with an enhanced development footprint. Failure to do so may amount to **exclusionary governance**, potentially infringing Articles 3 and 9 of the Constitution, and hence, susceptible to judicial correction.

The End