

# CLOSING THE IMPLEMENTATION GAP:

## *The Case for a National Economic Delivery Architecture in Pakistan*

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### EXECUTIVE SUMMARY

Pakistan's economic reform problem is not a shortage of policy ideas — it is a chronic failure to convert announced reforms into implemented outcomes. With merchandise exports at just 10.4 percent of GDP and net FDI inflows at 0.7 percent of GDP in 2024, Pakistan's productive indicators reflect not only structural weaknesses but a decade of policy commitments designed, launched, and abandoned before bearing results. The IMF's 2024 Article IV Consultation credits "consistent policy implementation" under the Stand-By Arrangement with restoring macroeconomic stability, framing consistency as noteworthy precisely because it has been exceptional. Three structural failures explain this pattern: a delivery chain deficit separating cabinet approvals from field execution; governance fragmentation preventing coordination across federal and provincial tiers; and an information and accountability deficit leaving decision-makers without the high-frequency data needed to monitor reform progress. This brief argues that Pakistan requires a centre-of-government delivery architecture — anchored in a National Economic Delivery Unit, an intergovernmental compact mechanism, and a public delivery dashboard — to transform reform ambition into sustained economic outcomes. The architecture proposed here does not require new legislation or additional fiscal resources. It requires institutional will.

**Key Terms:** reform delivery · delivery unit · governance fragmentation · accountability architecture · implementation gap · centre-of-government

### AT A GLANCE: REFORM DELIVERY INDICATORS

Indicator	Value	Source (APA)
Merchandise exports as % of GDP	10.4% (2024)	World Bank WDI (2024a)
Net FDI inflows as % of GDP	0.7% (2024)	World Bank WDI (2024a)
Government Effectiveness Index (percentile)	~21st percentile (2023)	World Bank WGI (2023)
Federal tax revenue as % of GDP	~9.5% (FY2023–24)	IMF Article IV (2024a)
IMF programmes since 1958	24	IMF (2025b)
External debt as % of GDP	~35% (FY2023–24)	SBP Annual Report (2024)

## 01 | THE PROBLEM: Reform Design Is Not Pakistan's Constraint — Execution Is

Pakistan's economic trajectory presents a diagnostic puzzle that has persisted across governments and programme cycles alike. For more than two decades, the country has produced structural reform blueprints, fiscal adjustment frameworks, and high-profile investment conferences — yet its productive indicators remain stubbornly weak. Merchandise exports stood at just 10.4 percent of GDP in 2024, and net FDI inflows amounted to a mere 0.7 percent of GDP in the same year (World Bank, 2024a). These are not the statistics of a country that lacks ideas; they are the statistics of a country that struggles to execute them.

The IMF's 2024 Article IV Consultation for Pakistan offers an instructive diagnosis. The report explicitly credits "consistent policy implementation" under the 2023–24 Stand-By Arrangement with having restored a measure of macroeconomic stability — but frames this consistency as noteworthy precisely because it has been exceptional (IMF, 2024a). Implementation, in Pakistan's political economy, has historically been the exception rather than the rule. The same report documents that structural weaknesses — including energy-sector distortions, a narrow tax base, and governance deficits — remained largely unaddressed despite being identified in successive programme reviews spanning multiple years. Pakistan's integration into world trade has underperformed relative to regional peers for two decades, with export sophistication effectively stagnant since 2000 and the country's economic complexity ranking unchanged from its 2000 position (IMF, 2024b).

The World Bank's Country Partnership Framework for Pakistan, covering the period FY2024–2029, arrives at a similar diagnosis from a different institutional vantage point. Its design philosophy — emphasising selectivity, stability, and sustained engagement over scattered, short-term interventions — is itself a commentary on decades of fragmented reform cycles (World Bank, 2024b). The Framework reflects an institutional conclusion that Pakistan's development challenge is not primarily one of resource scarcity or technical capacity, but of the institutional machinery needed to convert policy intent into durable change. The World Bank's Worldwide Governance Indicators place Pakistan at approximately the 21st percentile on government effectiveness in 2023, ranking it among the lower third of countries globally on this dimension (World Bank, 2023).

The macroeconomic consequences of this implementation deficit are visible in Pakistan's repeated recourse to crisis-driven adjustment. Pakistan has entered into 25 IMF arrangements since its first programme in 1958, each typically restoring short-run stabilisation only for progress to unravel once programme pressure receded (IMF, 2025b). The IMF's 2025 Governance Diagnostic for Pakistan identifies fragmented oversight, weak institutional capacity, inconsistent accountability, and constrained rule of law as systemic factors that directly undermine economic performance and the durability of reform efforts (IMF, 2025a). Pakistan does not only need better policies. It needs a centre-of-government mechanism that compels coordination, monitors bottlenecks, and makes non-delivery visible and politically costly.

## 02 | STRUCTURAL FAILURES: THREE CONVERGING GAPS

Three distinct structural failures have converged to transform Pakistan's reform cycle from a path toward economic consolidation into a pattern of repeated stabilisation-without-transformation. Each failure operates through a distinct mechanism, but together they form a self-reinforcing system in which implementation delays are obscured, coordination is absent, and non-delivery carries no political cost.

### Gap 1: The Delivery Chain Deficit

The first failure is architectural. Pakistan's public administration lacks a systematic mechanism for translating cabinet decisions into field-level results. A policy announcement — whether on energy tariff rationalisation, tax broadening, or export facilitation — typically generates a circular, a ministerial directive, and perhaps a steering committee. What it rarely generates is a delivery chain: a sequenced set of milestones, named institutional owners, risk registers, and escalation protocols that allow political leadership to monitor bottlenecks in real time. Andrews, Pritchett, and Woolcock (2017) describe this as the “isomorphic mimicry” trap — governments adopt the form of reform through legislation, committees, and announcements without developing the function through implementation systems, incentive alignment, and institutional capacity. Pakistan exemplifies this dynamic with notable consistency.

The consequences are visible in the IMF programme record. The 2023–24 Stand-By Arrangement's structural benchmarks included commitments on energy-sector reforms that had appeared in previous programme reviews dating back to 2019 (IMF, 2024a). Their recurrence is not evidence of persistent political will; it is evidence of persistent delivery failure. The reforms were designed. They were announced. They were not delivered.

### Gap 2: Governance Fragmentation Across Federal Tiers

The second failure is systemic in its federal dimension. Pakistan's 18th Constitutional Amendment appropriately devolved significant administrative functions to provinces, but without the accompanying inter-governmental coordination mechanisms that effective devolution requires. Critical reform domains — energy, logistics, agricultural markets, land administration, skills development, and urban service delivery — now span federal, provincial, and local tiers with no formal structure for aligning reform timelines, responsibilities, and accountability. The result is a coordination vacuum in which each tier can act within its own mandate while blocking or delaying reform in shared domains.

The World Bank's Country Partnership Framework (World Bank, 2024b) identifies this fragmentation as a structural constraint on Pakistan's development trajectory, noting that reforms in key sectors require alignment across jurisdictions that has historically been absent. The IMF's Governance Diagnostic (2025a) further documents that institutional capacity is fragmented across tiers, creating gaps in oversight and accountability that directly undermine reform durability. The Council of Common Interests — the constitutional body intended to manage federal-provincial coordination — has been convened irregularly and has rarely functioned as a delivery mechanism for shared reform commitments.

### Gap 3: The Information and Accountability Deficit

The third failure combines informational and political dimensions. Pakistan lacks a structured, high-frequency, publicly accessible mechanism that tracks reform progress against committed timelines. Data exists — in PBS publications, SBP releases, and ministry reports — but it is neither synthesised into decision-grade information for senior officials nor made visible to investors, media, and citizens in a format that creates accountability pressure. The IMF's Governance Diagnostic (2025a) identifies this as a systemic governance failure: fragmented oversight and constrained rule of law reduce the visibility of non-delivery and therefore reduce its political cost.

Without a mechanism that makes implementation delays visible, the incentive structure within Pakistan’s civil service rewards file movement and process compliance over outcome delivery (IMF, 2025a). The OECD’s research on digital government and data-driven public administration demonstrates that governments which structure administrative data for real-time decision-making — rather than retrospective reporting — achieve materially better reform implementation rates (OECD, 2020). Pakistan has the data infrastructure to build such a system. It lacks the institutional mandate to do so.

**TABLE 1 — Structural Gap Analysis Matrix**

Gap Type	Diagnosis	Economic Consequence	Priority
Delivery Chain Deficit	Cabinet decisions not translated into time-bound delivery chains with milestones, named owners, or escalation protocols	Reform commitments recur across successive IMF programmes; stabilisation gains are not consolidated	Immediate
Governance Fragmentation	18th Amendment devolution without inter-governmental coordination mechanisms; reform domains span federal, provincial, and local tiers without alignment	Shared-domain reforms (energy, logistics, agriculture) stall at jurisdictional boundaries	High
Information & Accountability Deficit	No high-frequency, decision-grade reform dashboard; non-delivery not made visible to political leadership or the public	Low political cost of non-delivery; civil service incentives reward process compliance over outcome delivery	High

### 03 | POLICY RECOMMENDATIONS: FIVE ACTIONABLE REFORMS

The evidence points not toward resignation about Pakistan’s institutional heritage but toward a specific and sequenced reform architecture. Five interventions are both urgent and institutionally within reach. Taken together, they constitute not a new ministry or a new policy layer but a delivery operating system for reforms Pakistan has already committed to.

1

#### Establish a National Economic Delivery Unit

The Prime Minister’s Office, working through the Cabinet Division and Ministry of Planning, should establish a National Economic Delivery Unit with a narrow mandate: no more than ten priority reforms, each supported by a delivery roadmap, monthly milestones, named institutional owners, and escalation protocols. The unit should report directly to the Prime Minister, hold a non-negotiable monthly review cycle, and carry explicit authority to escalate stalled reforms to cabinet level. The NEDU is not a planning body. It is an implementation monitor. Its effectiveness depends entirely on the seriousness of political backing, and its mandate should be protected from expansion into general policy coordination, which would dilute its focus.

**International Precedent:** *UK Prime Minister’s Delivery Unit — established in 2001, the PMDU monitored a small number of top priorities, reduced NHS waiting times, and improved secondary school literacy by tying political attention directly to measurable milestones. See Barber (2016).*

2

### Build a Public Economic Delivery Dashboard

The Ministry of Finance, the Board of Investment, and the Pakistan Bureau of Statistics should jointly design and maintain a public-facing delivery dashboard tracking reform milestone, approval timelines, tax administration actions, energy-sector commitments, and FDI case resolution against committed deadlines. Transparency is an accountability mechanism: when reform progress is visible to investors, media, and citizens, the political cost of non-delivery rises. The dashboard should be updated monthly, disaggregated by institution and reform domain, and maintained as a live public interface rather than a static report. The Pakistan Economic Survey (Government of Pakistan, 2024) and PBS national accounts (PBS, 2024) provide the underlying statistical architecture; the dashboard's innovation is in structuring this data for decision-making rather than archiving.

**International Precedent:** *OECD data-driven public sector framework (OECD, 2020) — demonstrates that governments structuring administrative data for real-time decision-making achieve materially better reform implementation outcomes than those relying on retrospective reporting alone.*

3

### Activate the Council of Common Interests for Intergovernmental Delivery Compacts

The Council of Common Interests should be convened quarterly with a specific reform delivery mandate, requiring each province to report against signed delivery compacts covering energy, logistics, agricultural market reform, and skills development. These compacts should specify milestones, responsible officials, and agreed timelines, and progress should be reported against them at each CCI meeting. This does not require constitutional amendment. It requires political will to use an existing constitutional mechanism for its intended coordination purpose, converting the CCI from an occasional dispute-resolution forum into a standing delivery governance platform.

**International Precedent:** *Rwanda's Imihigo performance contracts (Republic of Rwanda, 2017) — signed annually between the President and district mayors, the Imihigo system accelerated service delivery by creating visible, monitored commitments with real political consequences for non-fulfilment.*

4

### Establish a Dedicated Investor Case-Resolution Track

The Board of Investment should operate an investor case-resolution function within the delivery unit framework, with each major stalled investment assigned a named lead agency, a committed resolution timeline, and a publicly reported status. The resolution of investor cases — approvals, land allocation, utility connections, and regulatory clearances — should be included in the delivery dashboard and in the performance metrics of relevant ministers and senior officials. This will matter to investors not because of the mechanism itself but because it signals that the government is willing to be held publicly accountable for the gap between investment announcement and operational reality.

**International Precedent:** *Malaysia's PEMANDU model (Performance Management and Delivery Unit, 2013) — used a combination of public targets, ministerial accountability, and a dedicated delivery office to accelerate investment entry, achieving measurable improvements in ease-of-doing-business indicators between 2010 and 2013.*

5

### Reform Senior Official Performance Reviews to Reward Delivery Outcomes

The Establishment Division and provincial services departments should reform senior civil servants' annual performance assessments to incorporate delivery outcomes — not merely process compliance and file clearance rates. The incentive structure within Pakistan's bureaucracy currently rewards activity over results, creating a principal-agent problem in which officials are not penalised for failing to implement

announced reforms and are not rewarded for doing so. A delivery architecture will not hold unless the careers of senior officials begin to depend, in part, on whether agreed reform milestones are met. This reform is administratively straightforward; its difficulty is political, and precisely because it is politically difficult, it signals the seriousness of reform intent.

**International Precedent:** *Andrews, Pritchett, and Woolcock (2017) — in Building State Capability, demonstrate that aligning civil service incentive structures with outcome delivery is a necessary condition for moving beyond isomorphic mimicry toward genuine institutional function.*

**TABLE 2 — Implementation Roadmap**

Reform	Lead Institution	Int'l Precedent (APA)	Horizon
National Economic Delivery Unit	PM Office / Cabinet Division / Ministry of Planning	Barber (2016)	Near-term (0–12 months)
Public Economic Delivery Dashboard	Ministry of Finance / BOI / PBS	OECD (2020)	Near-term (0–12 months)
CCI Intergovernmental Delivery Compacts	Council of Common Interests / Cabinet Division	Republic of Rwanda (2017)	Medium-term (1–3 years)
BOI Investor Case-Resolution Track	Board of Investment / Lead line ministries	PEMANDU (2013)	Near-term (0–12 months)
Senior Official Delivery-Outcome Reviews	Establishment Division / Provincial services departments	Andrews et al. (2017)	Medium-term (1–3 years)

## 04 | CONCLUSION

Pakistan's reform problem is, at its core, an execution problem. The country has generated more reform blueprints, policy strategies, and programme commitments in the past two decades than most economies of comparable size — yet its manufacturing base has stagnated, its exports have remained compressed, and its fiscal vulnerabilities have deepened with each stabilisation cycle. The IMF Article IV Consultation (IMF, 2024a) and the World Bank Country Partnership Framework (World Bank, 2024b) converge on the same diagnosis: the binding constraint is not policy design but implementation capacity and political commitment to delivery.

The three structural failures identified in this brief — the delivery chain deficit, governance fragmentation, and the information-accountability deficit — are not independent pathologies. They are mutually reinforcing. A weak delivery chain obscures accountability; fragmentation prevents coordination across tiers; and the absence of decision-grade data makes non-delivery invisible to political leadership and the public alike. Together, they produce a system in which reform announcements can be made credibly and abandoned costlessly. The IMF's Governance Diagnostic (2025a) confirms that this dynamic is not accidental; it is embedded in the incentive structures and institutional arrangements of Pakistan's political economy.

The five recommendations in this brief address each failure in sequence: a National Economic Delivery Unit to anchor delivery chains at the centre of government; a public dashboard to create informational accountability; CCI-based compacts to bridge inter-governmental fragmentation; an investor case-resolution track to demonstrate implementation credibility; and civil service performance reform to align

individual incentives with outcome delivery. None of these interventions requires new legislation. Each requires institutional will, political seriousness, and a willingness to be held publicly accountable for what is promised. Pakistan stands at a juncture at which the macroeconomic stability restored under the 2023–24 Stand-By Arrangement and the Extended Fund Facility that followed could either be consolidated into durable structural transformation or dissipate once again as programme pressure recedes. That choice is political. But it will be executed, or not, through delivery systems of exactly the kind this brief proposes. Reform is not Pakistan's scarcest commodity. Delivery is. And delivery, unlike policy, is built not from speeches but from systems.

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Dr. Ghulam Mohey-ud-din is a Senior Economist and Policy Advisor with 18+ years of experience in development economics, urban and spatial econometrics, industrial policy, and evidence-based governance reform. His research and advisory work spans Pakistan's federal and provincial governments, Gulf economies, and Vision 2030 frameworks. He is a contributing researcher to the Punjab Spatial Strategy 2047 and publishes the Policy Insights series as a platform for rigorous, data-driven policy engagement.

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