

**Property tax system of Karachi to be improved, modernised under CLICK**

KARACHI: The property tax system of Karachi will be improved and modernized under Competitive & Livable City of Karachi Project (CLICK) at the cost of \$40 million.

CLICK is comprised of four components, which include improving Urban Immovable Property Tax (UIPT) system and provide a large and stable base of recurrent revenue for the city to finance its service delivery needs.

Under this project, a property survey to update the property tax database of Karachi City and fiscal cadastre will be carried out whereas eleven systems would be upgraded to house the fiscal cadastre information and associated trainings to run and operate these systems.

Capacity building of UIPT administration staff, taxpayer sensitization and outreach and support for implementation of a revised institutional structure for UIPT including any reviews of relevant legislations or regulations would also be undertaken.

The project also envisages survey, establishment of IT data base, review of tax policies, technical assistance, consultancy and non-consultancy services, goods, trainings an incremental operating costs.

The project also includes improvement of city competitiveness and business environment component at the cost of \$ 20 million. This component will support improvements to the business regulatory environment and improvements in IT systems to streamline, automate and integrate selected administrative and regulatory processes.

The proposed interventions will improve competitiveness and remove constants to private investment in the city of Karachi.

A key activity will be the development of a Sindh Business Portal (or One-Stop-Shop) for business facilitation which uses technology for institutional integration and disentangles the procedural web which the private sector has to navigate to both register and operationalize their businesses.

The specific activities under this component will include regulatory process mapping & simplification, design & implementation of Sindh Business Portal and analytical work on women-run businesses and feasibility of Karachi Infrastructure Fund.

A Public-Private Partnership (PPP) mode at local government district will be set up for facilitation of private investment and will lay the foundation of an enabling framework for private provision of public services and infrastructure.

Karachi is listed among the five least livable cities in the world, ranked 137 out of 140. There are four interlinked constraints which are impacting the city's livability and competitiveness: (a) Very low institutional capacity due to institutional fragmentation, nascent systems, and unclear and overlapping responsibilities; (b) Poor and declining basic service delivery; (c) limited financing for

the city and inadequate capital investment due to poor own-source revenue (OSR) generation; and  
(d) Onerous and opaque business environment constraining private sector investment and operations.

The project is offshoot of Karachi Transformation Strategy (KTS) and is expected to long-term engagement of WB in Karachi to address the structure development needs of the city and is aimed at competitiveness and livability of Karachi.

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