Contemporary development discourse confers a protuberant role to Citizen Participation (CP). To comply with this developmental demand, the Government of Pakistan introduced CP reforms and decentralization measures to use local governance system as a platform for localizing development and engaging local citizens. This thesis was designed to explore the level of Citizen Participation in the local governance system of Pakistan. The study explored both the subjective factors that include the role of stakeholders (local administrators, local political representatives, Civil Society Organizations and Citizens) and objective factors such as legal and administrative basis of CP. The thesis presented evidence from a case study of the Health and Sanitation sectors in Gujranwala, Pakistan by employing mixed research methods. The techniques involved a literature review and documentary analysis, a survey conducted with stakeholders in Gujranwala as well as in-depth interviews, Focus Group Discussions and Cross Group Discussions. The findings divulged manifold problems that contributed to the ineptitude of CP in current development lexicon. Firstly, the failure of Civil Society Organizations (CSOs) in Gujranwala local government settings ascertained that Pakistan needs a certain level of political maturity to provide a working space for CSOs to foster CP. Secondly, mechanisms of direct CP is faulty. The legal framework on CP has a very high margin of manipulation. The main policy documents and laws can be easily interpreted and accommodated to different development discourses. In addition, local government administration, the provincial government and political elites are not ready to disseminate their powers. Thirdly, local bureaucrats are more empowered than any other stakeholder which is making CP a distant reality. The local political system is totally inefficient, capacity of union council and CSOs to engage citizens is very limited and intergovernmental system has largely failed to support local government and mechanism of CP adequately. Fourthly, empowerment, accountability and transparency mechanisms in Health and Sanitation sectors of Gujranwala are not functioning properly and hence the efficacy and level of CP are merely at the informing stage. Overall, the findings suggested that it will be difficult to implement participatory governance effectively in Gujranwala due to the low degree of CSOs' effectiveness, the truncated level of education regarding CP, loopholes in the legal framework and no mechanism for accountability, transparency and empowerment. Based on these findings, this study has proposed a new model for the effectiveness of CP. However, the conclusion drawn is that effective CP mechanism can make local governance system more accountable, responsive and transparent but it will require much time and resources to implement them.