



**GOVERNMENT OF KHYBER PAKHTUNKHWA  
PLANNING & DEVELOPMENT DEPARTMENT**

Dated Peshawar, December 02, 2022.

**NOTIFICATION:**

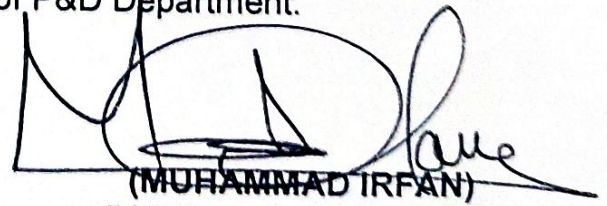
**No. SO(E)P&D/3-4/PIP/2022.** In pursuance of the Rule-3(3) read with entries 3 & 8 under Planning & Development Department, Schedule-II (dealing with distribution of business amongst departments) of Khyber Pakhtunkhwa, Government Rules of Business, 1985, in exercise of the powers conferred to P&D Department under the said rules and in supersession of the Khyber Pakhtunkhwa Project Policy, 2008, the Provincial Cabinet, Khyber Pakhtunkhwa has been pleased to approve Project Implementation Policy, 2022 as a guiding paradigm/policy for all approved development projects of the Government of Khyber Pakhtunkhwa. Planning & Development Department will be the custodian of the subject policy.

**SECRETARY  
P&D DEPARTMENT**

**ENDST: NO. & DATE EVEN.**

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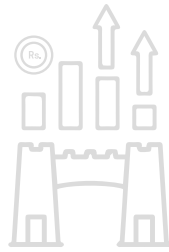
1. Senior Member Board of Revenue, Revenue & Estate Department.
2. Principal Secretary to Governor, Khyber Pakhtunkhwa.
3. Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
4. All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
5. PSO to Chief Secretary, Khyber Pakhtunkhwa.
6. All Divisional Commissioners in Khyber Pakhtunkhwa.
7. All Deputy Commissioners in Khyber Pakhtunkhwa.
8. All Senior Chief of Sections/Chief of Sections in P&D Department.
9. All Heads of Attached Departments.
10. Incharge, Resource Centre, P&D Department with the request to upload the Project Implementation Policy on official web-site of P&D Department.

  
(MUHAMMAD IRFAN)  
DEPUTY SECRETARY-I



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# KHYBER PAKHTUNKHWA PROJECT IMPLEMENTATION POLICY 2022



KHYBER PAKHTUNKHWA  
PROJECT IMPLEMENTATION POLICY

2022



# Preface

The Planning and Development Department Khyber Pakhtunkhwa is continuously striving to improve the pace of development in the province. Formulation of Project Implementation Policy (PIP) is another such effort to improve the preparation, execution, monitoring and evaluation of development projects in the province. Project Implementation is a complex process consisting of setting up of PMU, human resource management, financial management, procurement management, monitoring & evaluation and revision of projects. The 2008 project policy of the provincial Government covered the Human Resource component only. In the absence of a detailed policy document, there was always a chance for uninformed decisions based on a lack of knowledge, arbitrariness or bias. A need was therefore felt to develop a comprehensive policy document to streamline the whole process of project implementation and guide the stakeholders. The PIP is the first-of-its-kind policy instrument in the history of the province, which covers all aspects of project implementation.

The Project Implementation Policy (PIP) covers the implementation process of development projects holistically. It has been divided into 14 chapters, i.e. General Principles, Transition into Project Implementation, Establishing Project Management Unit (PMU), Human Resource Management, Revenue Clearance, Procurement Management, Operational/ Project Management, Financial Management (Accounting and Auditing), Institutional Arrangements for Project Implementation, Monitoring and Evaluation, Project Revision, Out-Transition / Project Closure, Advice of Approval Forums and Provisions related to special types of projects. Each chapter deals with a specific aspect of the implementation process. The updated version of Project policy 2008 has been made part of the Human Resource Management chapter of the Project Implementation policy.

The policy was developed after a detailed study of the relevant laws, rules, policies and various issues encountered related to projects. Series of meetings were held under the chair of the Chief Secretary, Additional Chief Secretary, Secretary Establishment, Secretary Finance and Secretary P&D, where detailed discussions were held on all aspects of the new policy. It has been ensured that the policy is in conformity with other prevalent policies and rules dealing with project implementation, either explicitly or impliedly.

The policy shall be applicable to all projects being funded by the Annual Development Plan (ADP) of the Provincial Government, Public Sector Development Program (PSDP), executed by the Provincial Government, Accelerated Implementation Program (AIP), ADP for Merged Areas and special categories projects. The document would improve the quality of decision-making at all levels. It would enable both the planners and implementers to make informed, efficient and timely decisions leading to risk reduction in all the phases of project management.

Being a live document, all suggestions for its correction, amendments, improvements etc., are welcomed.

**Shah Mahmood Khan**  
Secretary Planning and Development Department  
Government of Khyber Pakhtunkhwa

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# Acronyms

<b>AB</b>	Autonomous Bodies
<b>ADP</b>	Annual Development Programme
<b>AIP</b>	Accelerated Implementation Programme
<b>C&amp;W</b>	Communication and Works Department
<b>CPO</b>	Chief Planning Officer
<b>DDC</b>	District Development Committees
<b>DDO</b>	Drawing and Disbursement Officer
<b>DDWP</b>	Departmental Development Working Party
<b>EOL</b>	Extraordinary Leave
<b>FD</b>	Finance Department
<b>FTN</b>	Free Tax Number
<b>KP</b>	Khyber Pakhtunkhwa
<b>KPRA</b>	Khyber Pakhtunkhwa Revenue Authority
<b>KPPRA</b>	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
<b>LC</b>	Letter of Credit
<b>NTN</b>	National Tax Number
<b>P&amp;DD</b>	Planning and Development Department
<b>PC-I</b>	Planning Commission form number 1
<b>PD</b>	Project Director
<b>PDA</b>	Peshawar Development Authority
<b>PDWP</b>	Provincial Development Working Party
<b>PHE</b>	Public Health Engineering Department
<b>PIP</b>	Project Implementation Policy
<b>PKHA</b>	Pakhtunkhwa Highways Authority
<b>PMU</b>	Project Management Unit
<b>PSC</b>	Public Sector Companies
<b>PSDP</b>	Public Sector Development Projects
<b>PPP</b>	Public Private Partnership
<b>SNE</b>	Schedule of New Expenditure
<b>WeBOC</b>	Web Based One Customs

# Introduction

In pursuance of Rule 3(3) read with entries 3 & 8 under Planning & Development Department,<sup>1</sup> Schedule-II (dealing with distribution of business amongst departments) of Khyber Pakhtunkhwa Government Rules of Business, 1985 notified vide **No. SO(O&M) S&GAD/3-3/1985 dated 6th April, 1985 and amended from time to time**, and in exercise of the powers conferred to P&D under the said rules, the **Project Implementation Policy** is being notified as a guiding paradigm/policy for all approved development projects of the Government of Khyber Pakhtunkhwa.

## Objective of Project Implementation Policy

Project execution is far more comprehensive and complex than the Human Resource component only. The previously issued project policy has been issued under Section 25 of KP Civil Servant Act, 1973 and thus essentially focuses only on human resource functions. Other areas such as setting up of PMU, financial management, procurement management, institutional mechanisms for project management, monitoring & evaluation of projects, and revision of projects based upon execution needs to be covered in a holistic manner. This Project Implementation Policy (PIP) intends to cover all these areas.

Moreover, there are other important policies/ rules covering certain areas and providing for the extent of power/ function vested in the executing agency. Thus, it is important to bring relevant provisions under one umbrella and explain the manner in which these powers/ functions shall be executed. PIP intends to serve as this overarching instrument to cover every aspect of implementation holistically.

The ultimate objective is to facilitate executing agencies in fast tracking implementation of approved projects by elaborating areas those are not previously covered.

## Scope of Project Implementation Policy

**Applicability:** The policy shall be applicable to all projects being funded by ADP, PSDP (provincially executed projects), AIP or any other project falling under the development portfolio, including special category projects (e.g. projects those are part of development portfolio and have foreign component, HDF component or PPP component or any other such area).

However, in case of these special category projects, the provisions of PIP shall be read along with provisions of any policies, rules, practices and contractual obligations dealing with such projects.

**Nature of Projects Being Covered:** the nature of development projects over the years has undergone significant expansion from traditional civil infrastructure projects to covering broad areas, such as micro finance loans, stipends, cash hand-outs, innovative

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<sup>1</sup> Appraisal, monitoring and evaluation of development projects and programmes, Determining policies for approval, review and monitoring of development schemes for Government

financing arrangements such as financing interest payments/ default risk, projects involving outsourcing of services, management contracting, restructuring/ strengthening of organizations, rental arrangements for services/ equipment/ vehicles/ supply chain & warehousing etc. This PIP aims at covering all such innovative projects. Moreover, certain explanatory provisions dealing with land acquisition guidelines, and feasibility schemes (to be executed in PC-II mode) have also been included in this PIP.

**Execution Agency:** The Project Implementation Policy shall be applicable to all projects being funded through development portfolio regardless of executing agency whether it is administrative department itself, or any of its attached entities (directorate or any unit), autonomous body, or public sector company, or any other such unit. The role of Executing Agency shall remain in its own defined legal framework, with other options allowed by the client organizations/entities as permissible under legal and regulatory framework.

## Relationship of Project Implementation Policy with other Policies

Project Implementation Policy shall be read and interpreted in backdrop of following other policies and rules in vogue dealing with project execution either explicitly or impliedly (so far as possible, referencing to these provisions has been ensured in instant policy). These include:

- **Khyber Pakhtunkhwa Government Rules of Business, 1985, notified vide No. SO(O&M) S&GAD/3-3/1985 dated 6th April, 1985**
- **KP Annual Development Programme Policy, 2019-23**
- **Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441**
- **Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II, and as amended from time to time**
- **Recruitment Policy for Market based Talent vide No SO(Policy)/ E&AD/1-10/2019 dated 10th October, 2019**
- **Assan Assignment Account Procedure (Local Currency), 2020, approved by Finance Division, Islamabad vide No. F.2(2)BI/2008/2020-1081 and circulated by the CGA vide No.1376/CGA/A.A/RP-2018 (L.C), dated 26.10.2020**
- **KP PFM Act 2022 and provisions as in line with the provincial manual for the development projects KP 2022**

Furthermore, provisions of the Manual for Development Projects have been intuitively incorporated while formulating the Project Implementation Policy.

The instant project implementation Policy refers to many provisions as per current practice/ authorization in vogue. In case of change in such policies (like opening of Assan Assignment Account, KPPRA rules, Delegation of Financial Powers etc.), the provisions of those amended policies shall prevail w.e.f. the date of such amendment. The Project Implementation Policy shall be deemed to be amended, mutatis mutandis, to the extent of those provisions.

## Project Implementation Policy and Project Policy 2008

*KP policy regulating appointment to posts in development projects, 2008, along with amendments has been made part of the project implementation policy as a preferred/first mode of engagement/recruitment of staff for first level and mid-level managerial/ technical positions. In addition, for specialized positions, option of 'Recruitment Policy for Market based Talent' is also available. In case KP Government adopts MP-Scale policy, it will also become an option for specialized recruitments.*

It is reiterated that the Project Implementation Policy is meant to be understood in conjunction with existing policies or rules and any other relevant policy instruments.

### Structure of Project Implementation Policy

*The Project Implementation Policy has the following chapters:*

- Chapter 1: General Principles**
- Chapter 2: Transition in the Execution of Project**
- Chapter 3: Establishing PMU**
- Chapter 4: Human Resources Related Provisions**
- Chapter 5: Practice of Revenue Clearance**
- Chapter 6: Procurement Management of Project**
- Chapter 7: Operational/ Project Management**
- Chapter 8: Financial Management (Accounting and Auditing) of Project**
- Chapter 9: Institutional Arrangements for Project Implementation**
- Chapter 10: Monitoring & Evaluation**
- Chapter 11: Revision of Project**
- Chapter 12: Project Closure/ Transition Out of Project**
- Chapter 13: Advice of Approval Forums**
- Chapter 14: Provisions Related to Special Types of Projects**

# Chapter 1: **General Principles**

The Project Implementation Policy (PIP) is prospective in nature. However, this section lays out the principles which shall help in improving the quality of project documents such as PC-I, ultimately leading to improved implementation of projects. Similarly, so far as possible, these shall be adhered to during revision of these PC-Is.

## **Understanding PC-I forms**

Any well designed project has to come from a well drafted PC-I form. The PC-I form shall be treated as a project implementation document, rather than just an instrument to access development funding. This implies that a PC-I form shall mention all necessary steps required to implement the project. Three key aspects of a well drafted PC-I include;

- (i) **Key Supporting Documents**
- (ii) **Sustainability**
- (iii) **Ownership and Responsibility**

### **Key supporting documents for PC-I**

All PC-Is should include, as far as possible, detailed documentation of the following;

#### **Implementation Plan**

An implementation plan should be drafted using tools such as Gantt Charts, or any suitable alternative representation of implementation steps. The implementation plan should clearly outline which sub-activities need to be undertaken at what time during the project life cycle, in order to carry out the main activity to completion. The more detailed an implementation plan, the better the overall execution of the project.

#### **Procurement Plan and Procurement Committees**

The PC-I form should also include a detailed procurement plan, along with proposed procurement committees. Additionally, to the extent of suggesting possible mechanisms for timely procurements, Grievance Redressal Mechanisms and Committees shall also be included in the PC-I form.

#### **Human Resource Plan**

Any project does not necessarily start off with a fully formed team. Recruitments of good quality staff, ensuring that the right person is hired for the right job, and good HR management such as HR appraisals, are crucial steps needed to ensure proper HR management. Therefore, all PC-I forms should identify a detailed HR plan. The HR plan should ideally identify the posts required, their job descriptions, minimum qualifications, experience required, pay packages, and appointing authority. Any hiring should be done according to these specifications, and due diligence, e.g. verification of experience certificates from issuing authorities may be undertaken before hiring.

Additionally, projects should aim for a more dynamic mode of hiring, such that contractual provisions require a three month probation period upon hiring, during which contract termination can be done without notice; subsequently, a thirty day notice period may be given for any termination of contract, regardless of whether request for termination was initiated by the resource, or the project.

## Financial Plan

As a critical component of project execution, financial plans are not just important; they remain a necessity for the financial health of the project. Thus, all PC-Is should have, as far as possible, detailed Financial Plans, along with expected financial phasing needs.

## Cash Flow Plan

Each PC-I should aim to include a cash flow plan, which can help feed into the financial phasing of the project.

## Risk Register

Any venture is prone to risk. But timely risk identification, management, and mitigation can help increase the risk appetite for projects. Thus, all PC-Is should have a detailed risk register, and risk mitigation plan.

## Monitoring and Evaluation Plan

Well-drafted PC-Is should identify critical and responsive KPIs that may be measured over time. This includes identification of certain outcome, output, process, and input based KPIs which can be tracked throughout the life cycle of the project. Thus, each intervention being undertaken shall have clear linkage with output and outcome indicators.

Well-drafted PC-Is should also identify means of verification for each indicator that can be tracked throughout the life cycle of the project.

## Capacity building plan

For projects where the focus may be on service delivery, as opposed to traditional brick and mortar projects, capacity building may be needed to ensure that staff involved in service delivery is capacitated enough to take on their jobs in a safe and responsible manner.

## Exit Strategy

For projects where the aim is to introduce and institutionalize service delivery innovation in particular, or for other innovative projects such as cash handouts etc., a viable exit strategy must be included in the PC-I, outlining how the project will be phased out.

## Sustainability

While innovation is appreciated, sustainability should be the focus of all projects. Hence, all projects, by virtue of their PC-Is, should identify how sustainable impact will be generated from project activities.

## Ownership and Responsibility

Successful implementation of PC-I remains the responsibility of the administrative department that prepares the original/ revised PC-I. The Administrative Department needs to ensure that PC-Is, and by virtue of PC-Is, all projects, are carried out as best as possible.

## Evidence-based Planning

All PC-Is should be based on utilizing statistics and data to as far an extent as possible, to ensure that any project is driven by verifiable data and evidence.

## Applying PIP to Current Projects

In cognizance of the fact that the PIP will be implemented within an ongoing development eco-system, any PC-Is that are already in implementation may continue until any future revisions are needed. All revisions shall incorporate these principles including already notified (if any) procurement, recruitment committees and any other committees may be made part of revised PC-I.

## Being Mindful of Diversity and Inclusion

So far as practicable, any project or intervention having significance in terms of inclusiveness for minorities, marginalized communities, or differently abled people, gender mainstreaming, environmental effect/ climate change resilience, energy efficiency (including focus on renewable energy) shall be highlighted. P&D and other departments of the Government of Khyber Pakhtunkhwa shall support the project and create an environment conducive to attributing and compiling these efforts.

## Community Engagement and Feedback Mechanisms

The primary aim of any project remains the social or economic uplift of the people, to the extent that projects are usually aimed at bettering public service delivery. It is critical that the project should speak to the needs of the public. To do so, it is suggested that open channels of communication may be maintained with communities and people who will be impacted by any project. These channels of communication can be e-based, through social media, or in-person communication. Ultimately, the aim of this community engagement should be to establish a vibrant and transparent feedback mechanism, whereby community stakeholder feedback can be used to adjust projects if need be.

## Project Phasing

For any project, it is important to recognize that three distinct phases constitute the entire project cycle; inception, operations, closure. These phases are explained below.

### Inception Phase

The inception phase of the project can last between 3 to 6 months from the commencement date of the project (the date on which the Administrative Approval was signed), depending upon the nature of the project. It is to be noted that during the inception phase only skeleton staff may be available, in the form of a lean leadoff team.

*This leadoff team should be able to initiate key functions such as:*

- **Initiate recruitments such that all recruitments can be completed by the time the inception phase ends**
- **Initiate banking processes and streamline financial processes**
- **Initiate baselines, such as baseline development and data collection processes**

## Operational Phase

The operational phase of the project will start after 3 to 6 months of the project commencement, depending upon the nature of the project, and the length of the inception phase. During this phase, the project is expected to have the following:

- **100% staffing to ensure that all activities of the project can be initiated.**  
As the heaviest phase of the project, in terms of work and activities undertaken, the operational phase will require a completely staffed team
- **Timely initiation of procurements, civils works, and any other activities listed in the implementation plan**
- **Routine monitoring of physical and financial progress, and tracking of all key indicators to identify bottlenecks and critical points for project course correction**

## Closure Phase

The closure phase can last between 3 to 6 months at the end of the project. While project staff can be present, a skeleton team will be required to oversee the final documentation of the project. This skeleton team will be responsible for:

- **Closing financial accounts**
- **Conducting audits, if need be**
- **End line monitoring, especially if a PC-IV has to be prepared. It is imperative that monitoring and evaluation staff be involved in, and possibly even lead, the preparation of PC-IV forms**



## Chapter 2: **Transition into Project Implementation**

Consequent upon approval of the PC-I form by the concerned approval forum, the administrative department shall issue Administrative Approval that is construed to be the official commencement date of the project.

Project implementation provisions for 'transitioning-in' into a project, mentioned in this chapter, are general and may be used as guidelines. However, the Administrative Department may adopt their own steps, if need be.

### **Notifying the Project Director**

After issuance of administrative approval, both in case of a full time Project Director, or ex-officio Project Director, the administrative department shall notify the Project Director (or any other appropriate designation as mentioned in the PC-I) for the project. The PD shall be notified soon after issuance of AA preferably within one month. In case there is a full time PD, the same be notified with full powers in accordance with Delegation of Financial Powers Rules 2018 and GoKP procurement rules 2014 enabling him/her to take full charge and act with authority. In no case the project shall be run on additional charge basis for more than six-month period. The PD shall be hired through any swift mechanism permissible under PIP. The Government employees may also participate for hiring but in that case they will have to proceed on extra ordinary leave (EOL). As far as posting through deputation is concerned, the appointing authority shall also consider the relevant experience and qualification of the officer before such appointment.

### **Reporting Hierarchies**

The notification of project director role shall deem to transition the project from the Planning Cell of the Department (such as CPO wing), to the PD of the project. In order to expedite the communication related to project items, PD may directly submit all cases (if any) to administrative Secretary or through Special Secretary or any other officer in-charge of development matters, rather than through Planning Cell of the Department.

### **Inception Phase**

After the approval of the administrative Secretary, the PD shall undertake key steps to ensure that the project is initiated efficiently. These steps are outlined below:

#### **Human Resources**

##### **Leadoff Team**

Upon the approval of the administrative Secretary, and notification of PD, additional charge of key positions shall be provided to the most suitable individuals available within the department or any of its attached departments/ entities (including ABs/ PSCs).

## **Project Posts for PMU or Service Delivery**

In case the project requires recruitment of HR for the Project Management Unit (PMU), PD shall start the recruitment process by giving advertisements as required under relevant provisions of this project implementation Policy. With regard to any of the service delivery positions provided in the PC-I (any post that is not part of PMU), PD, after recording reasons, may proceed with recruitment of such staff as per relevant provisions governing this.

Ideally PD shall be appointed first through head hunting or through any fasted mechanism; the rest of the team shall be hired once the PD is on board.

## **Financial Management**

PD shall also send the case for release of fund, through the Planning Cell (such as CPO wing), to the Finance Department in respect of allocation for the year. However, to expedite the processing, PD may send an advance copy directly to the Finance Department.

In addition, PD may also process cases for opening of Assan Assignment Account and/or designated account (if required), justifying the need for them. Assan Assignment Account permission is granted by Administrative Secretary whereas for designated account, Finance Department will grant the requisite permission. In case the project requires, PD shall also get necessary documentation for NTN/ FTN/ WeBOC or any other registrations like KPRA or social security etc.

## **Notifying Relevant Committees**

PD shall also notify all other committees such as Procurement Committees, Project Steering Committee, or any other committees either mentioned in PC-I or otherwise required for smooth implementation. The PC-I may list indicative ToRs for all proposed committees.

## **Additional Steps**

In addition, PD shall take all other necessary measures that are required by the peculiar nature of the project. The PD must be empowered to exercise all his powers in light of DOP 2018, Project Implementation Policy 2022 and as approving authority being head of procuring entity under KPPRA Procurement Rules 2014. This shall notified by the concerned approving forum i.e. DDWP and/or PDWP etc.

## Chapter 3: Establishing Project Management Unit (PMU)

Project implementation is a specialized task and timely execution of a project requires focused and dedicated effort. Delays in execution lead not only to cost escalation, but also delayed service delivery. Key considerations for establishing a Project Management Unit (PMU) are provided below.

### Financial Limits Mandating a PMU

P&D may issue instructions from time to time to define financial limits that make it mandatory for any project to have a dedicated PMU. However, as a starting point, the following financial limits may be used:

Approved Cost	Status of PMU
Rs 1 Billion plus	Full time dedicated PMU
Rs 200 Million to Rs 1 Billion	Preferably dedicated PMU, though Administrative Department may decide not to have
Less than Rs 200 M	Administrative Department to decide. However, PMU cost shall preferably be less than 5 percent of project cost

### Other Considerations for Establishing a PMU

Following are additional considerations while deciding upon PMU structure and role. These considerations can ensure that any PMU remains a high functioning and efficient unit.

#### Utilizing Existing PMUs for Projects of Like Nature

For projects of like nature, where a PMU exists for an ongoing project, one PMU may cater for more than one project. The subsequent PC-I may refer to the ADP scheme under which PMU has been established.

In such cases, where a PMU already exists, and another project is assigned to it, the subsequently assigned PC-I may provide for strengthening of existing PMU through additional HR or operational budget.

#### Civil Infrastructure Schemes or Projects

For schemes involving civil infrastructure only, to be executed by dedicated agencies like C&W, PKHA, PDA,, other works departments (irrigation, PHE and others) etc., the provision of dedicated PMU may be dispensed with. If, however, the Executing Agency does not have the requisite expertise for carrying out the scheme or project, it may engage a short-term or a long-term expert of the relevant discipline.

## Large Scale, Multi-Component Projects

For large-scale projects, involving multiple components such as civil works, procurements, recruitments, setting up a management structure etc., establishing a smart PMU shall be the preferred option. Even if recruitments are carried out through the current side against SNE posts, a dedicated PMU shall ensure that all these steps are tracked and supported. The team for such projects may also be hired from the market on contractual basis fully.

## Complex and Non-Traditional Projects

For complex/ non-traditional projects, particularly involving procurements, recruitments, stipends, and financial support dispensation (either directly or through intermediate financial institutions) etc., setting up of a dedicated PMU shall be the preferred option. The team for such projects may also be hired from the market on contractual basis fully.

## Execution through Autonomous Bodies or Public Sector Companies

In cases where the execution of project is done through Autonomous Bodies (ABs)/ Public Sector Companies (PSCs), the provision of a dedicated PMU may still be a preferred mode; yet depending on capacity of respective AB/ PSC, provision of a dedicated PMU may be dispensed with.

## Projects without PMUs

In cases, where the administrative department prefers not to have a dedicated PMU, the department shall still notify an ex-officio project director, who shall carry out necessary steps mutatis mutandis as referred in above chapter of Transition into project.

## Housing the PMU

The housing of any PMU may preferably be within the administrative department. However, in most cases, due to space deficiency within existing buildings of the administrative department or its attached bodies, the option of housing the PMU in a rented building may be explored.

## Renting space for PMU

The prescribed procedure may be adopted while selecting office space for PMU. Usually, in such cases, some rent is required to be paid in advance. For such purposes, an approval may be obtained from Finance Department under relevant provisions, such as the Second Schedule of the Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP. Good practices of office management including co-working space/ work stations, and smaller conference room-cum-work stations may be adopted. Separate offices may be restricted only for Project Director.

## Procurement of office furniture, equipment, and cars

The procurement of office furniture and equipment shall be carried out on priority, to ensure that PMU is functional in the least possible time. These items shall be part of PC-I. Relevant provisions, such as Chapter II (Methods of Procurement of Goods) of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II shall be followed for procurement of furniture and equipment.

The growing tendency of using PMUs as a tool to procure vehicles needs to be discouraged. While the instant policy allow for procurement of vehicles for project usage, the preferred mode in this regard is entering into contract, following relevant provisions, such as Chapter III (Procurement of Works and Non-Consulting Services) of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II, for rent-a-car model. This allows greater flexibility and more efficient utilization of resources without creating any long term liability and is deemed to be effective in restricting utilization for office use only. Either models of rent-a-car, vis-à-vis monthly mode and/or daily mode may be adopted. Similarly, driver, POL and repairs and maintenance shall be part of agreed contractual terms with the service provider, in addition to preferable presence of tracker in these vehicles.

Ultimately, procurement of office furniture, equipment, and cars, shall enable projects to utilize finances more efficiently, and reduce the cost of purchase of durable assets as well as to reduce incremental operating cost (IOC) related to the project.

## HR for PMU

PMU shall comprise mostly of managerial and technical personnel. They may be recruited using any of the methods as outlined in the HR chapter of this policy. The practice of using PMUs as a source of employment for support staff shall be discouraged. The managerial and technical staff shall be placed in a flat hierarchy and they shall carry out their work themselves rather than getting ministerial support in the form of Stenos, Assistants, Senior Clerks, Junior Clerks etc. These ministerial roles shall not be allowed for PMUs under instant Project Implementation Policy. Instead, the Project should aim at hiring experts who have demonstrated experience in relevant fields, to create a high-functioning body which can deliver on its objectives and results.

Similarly if the project is of complex nature, or requires specialized technical expertise of consultants, after making necessary budgetary provisions in PC-I, relevant provisions such as Chapter IV (Procurement of Consultancy Services) of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II may be followed for procurement of consultant for design, or any other support. These provisions may be used to procure services of individual consultants/ firms.

## Outsourced functions in PMU

Support functions such as janitorial, security, office boys, MEPG services (Mechanical Electrical Plumbing and generators), gardeners etc. shall preferably be outsourced using relevant provisions of KPPRA. Since the instant policy envisages rent-a-car model as preferred mode for transportation services hence, no driver shall be recruited under instant policy.

Similarly, if the nature of project so requires, PMU shall also procure services of warehousing, supply chain and transportation and/or any third party services, as project nature may require.

### Operational Expenditures

The operational expenditures of PMU, such as salary of PMU employees, utilities and other non-salary expenditures may be spent as per prescribed procedure after getting approval of Project Director.

Moreover, processing of such small individual bills may not be the most efficient process. Hence, after getting approval from Finance Department under Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP, the Project Director may obtain a monthly limit against which the funds may be drawn from Assan Assignment Account/ other fund center, and deposited into designated bank account authorized for this purpose by Finance Department.



## Chapter 4: **Human Resource Related Provisions**

Any project PC-I may require recruitments for PMU or any of service delivery posts. The project may opt for one or more modes for different types of personnel to be recruited against various positions. It is suggested that the PC-I may identify which mode of recruitment the project will opt for. However, should the PC-I remain silent on mode of recruitment, the default mode of recruitment shall be assumed to be recruitments under this policy, unless the competent authority allows for an alternative mode after due diligence is conducted. All these positions/ recruitments shall be on contract basis and shall not be liable to regularization under any circumstances. The instant chapter deals with modes of recruitment as well as the preferred mode for different types of positions. The available modes are:

- Method of appointment to posts in development projects provided in this policy below
- Recruitment Policy for Market based Talent vide No SO(Policy)/ E&AD/1-10/2019 dated 10th October, 2019
- KP Government's adoption of MP-Scale policy, as an option for specialized recruitments
- Customized Mode of recruitment as defined in PC-I and approved by PDWP (it shall be applicable only for projects approved by PDWP / higher forums and shall not be applicable for lower forums such as DDWP, DDC etc.
- Customized mode of recruitment
- Engaging HR through Third Party Firms
- Process of recruitment under various modes

### **Recruitments for Development Projects Under the Policy**

Method of recruitment given here shall apply to all posts in the approved development projects funded fully or partially by the Provincial Government or controlled by the Provincial Government. Terms and conditions for appointment under the policy shall be made part of the PC-I to be approved by the relevant approval forum. Project posts which have already been advertised shall be filled based on Project Policy 2008. Project posts in approved projects which are yet to be advertised, may be filled through this policy, after approval of the P&D Department.

#### **(2) NOMENCLATURE AND PAY SCALES / PACKAGES OF THE POSTS**

- (i) As far as possible, nomenclature of the posts and pay scales should be such that it exists in the regular service cadres of the Department and for which service recruitment rules have already been prescribed.
- (ii) The educational qualification, experience, age limit, scale of post, pay package, number of posts, duration of appointment and responsibilities etc. of each post sanctioned for the project shall be prescribed in the PC-I. Moreover, selection on project posts through initial recruitment or by way of deputation shall also be specified. Furthermore, the required scoring matrix for the purpose of shortlisting and final merit list, as mentioned at 6(iii) from (a) to (d), shall also be specified for each category of posts.
- (iii) Fixed pay package for project posts shall be sanctioned at the time of approval of PC-I with reference to the responsibilities attached to the post. Fixed package with reference to various pay scales shall be as follows:

Revised Pay Packages				
Sr. No.	Pay Scale on Regular Side	Minimum Rs.	Increment at 5% of the Minimum (Rs.)	Maximum Rs.
1	BPS 3-4	25,000 *	1,250	37,500
2	BPS 5-8	25,000	1,250	37,500
3	BPS 9-10	35,000	1,750	52,500
4	BPS 11-13	40,000	2,000	60,000
5	BPS 14-15	55,000	2,750	82,500
6	BPS 16	75,000	3,750	112,500
7	BPS 17	110,000	5,500	165,000
8	BPS 18	150,000	7,500	225,000
9	BPS 19	200,000	10,000	300,000
10	BPS 20	300,000	15,000	450,000
11	BPS 21	400,000	20,000	600,000
12	BPS 22	600,000	30,000	900000

Provided that for ongoing projects, salary of existing staff shall be fixed in a way that it is not less than the salary last drawn.

Provided further that projects where daily waged staff is to be hired as per requirement/ nature of project, in all such cases the monthly income of the hired staff shall not be less than the minimum wages fixed by Government from time to time.

- (iv) Negotiable Pay Package: Special Pay Package as determined by the administrative department shall be included in the PC-I with full justification for such positions which are (a) either specialized in nature, (b) Unique in terms of qualification, experience and availability of such services in market are either scarce or monopolized and (c) highly paid.

**Note:** In the instant case BPS system shall not apply. Furthermore, approval of such positions shall be granted by the committee headed by the Additional Chief Secretary, Planning & Development, Khyber Pakhtunkhwa.

- (v) Civil Servants appointed against project posts on deputation basis will get pay and allowances corresponding to their own pay scales, a deputation allowance at the rate of 20% of the basic pay subject to the maximum of Rs.12,000/- per month, and a project allowance equal to two basic salaries last drawn on regular post;

Provided that if the circumstances demand for provision of special incentives to the deputationists in a project, the same special incentives will be placed for consideration before the committee to be headed by Additional Chief Secretary, P&D with Secretaries of Finance, Establishment and concerned department as members.

**\*NOTE:** As per minimum wages notification issued by Labour Department vide Notification No. UN-SKILLED/1/161/6404-6 dated: 17.08.2022 in compliance with the recommendations of the Provincial Government.

### **(3) PROCEDURE TO FILL THE POST**

If the competent authority decides to make appointment to a project post through initial recruitment, the following procedure shall be followed:

- (i)** Applications for the posts shall be invited through wide publicity in the print media. The advertisement shall be published in at least two leading newspapers having wide circulation as well as through the official website of the project / concerned administrative department.
- (ii)** A reasonable time not less than fifteen (15) days may be given in the advertisement inviting applications for the posts to provide adequate opportunity to eligible candidates to apply and to ensure maximum competition. However, in case of urgency, to be determined by the Administrative Secretary concerned, time for inviting applications can be reduced to seven (7) days from the date of publication of the advertisement. In case the last date for receipt of applications falls on a public holiday, the last date shall stand extended to the next working day. Urgency can be declared in such cases wherein expeditious implementation/ execution is desired in the best public interest. Without prejudice to the generality of the aforesaid, urgency can be declared if one or more of the following circumstances exist:
  - (a) Security issues/Projection of counter narrative
  - (b) Disaster Management/Health Issues
  - (c) Projects involving seasonal factors
  - (d) Signature/pilot project
  - (e) Projects at the verge of completion
- (iii)** The terms and conditions for appointment including but not limited to following shall be clearly advertised:
  - (a) Nomenclature of the posts
  - (b) Pay scale or Pay Package
  - (c) Number of vacancies
  - (d) Minimum Qualification Required
  - (e) Minimum Experience Required
  - (f) Age limit at the time of closing date
  - (g) Duration of Appointment
  - (h) Nature of Appointment
  - (i) Mode of Appointment (Testing Service etc.)
  - (j) Duties & Responsibilities
  - (k) Station of duty etc.

**Note:** Applicants with incomplete documents shall not be entertained.

Minimum qualification shall be specified clearly against which clear scoring can be made.

- (iv)** The appointing authority / administrative department, before advertising the posts, keeping in view the anticipated number of the applicants and scoring matrix approved for the posts, shall assign the conduct of test to Khyber Pakhtunkhwa Educational Testing and Evaluation Agency (ETEA) and in case of refusal by ETEA to conduct such test, services of a suitable and registered testing agency to be hired after getting NOC from ETEA. MoU signed with the testing service agency shall clearly mention passing marks in terms of percentage for a particular post. Passing score for a post in a test should not be less than 40%.
- (v)** Applications received for a post shall be scrutinized by the shortlisting committee (Para-8) constituted for the purpose. After thorough scrutiny of record, list of shortlisted candidates will be finalized, duly signed by all the members of shortlisting committee containing marks obtained in minimum required academic qualification, higher qualification, relevant experience, test score if any, training, age limit and other conditions strictly according to selected scoring matrix.
- (vi)** The appointing authority/administrative department shall ensure competition in the hiring process. However, it may shortlist 03 to 05 applicants against one post for interview by the concerned Selection Committee. Furthermore, the number of candidates to be called for interviews should not be less than 03 per post in the case of posts falling in specialized

categories. Reasonable time may be given to the candidates to appear for the interview. The names of those candidates who do not appear for the interview shall be dropped from the selection process.

- (vii) Selection Committee (Para-7) shall interview the qualified and eligible candidates and shall devise a merit list on the basis of weightages assigned to each component of the scoring matrix: academic qualification, higher qualification, relevant experience, **test score**, professional skills as well as marks obtained in the interview.
- (viii) The list containing order of merit of the candidates must be signed by all members of the Committee including its chairman and forwarded to the Secretary of the department concerned to process the case for approval of appointing authority.
- (ix) The appointing authority shall approve appointment, in order of merit, on the recommendations of the Selection Committee and orders in this regard shall be issued within 10 days. In case, the first candidate on the merit list does not join service within a period of one month, his offer shall stand cancelled, after ensuring that appointment order was duly received by the candidate, and offer of appointment may be extended to the next candidate on the merit list. After completion of the hiring process in a project, a waiting list duly signed by all members of the selection committee shall be maintained. Such waiting list will be valid for 06 months from the date of issuance and any candidate on merit can be appointed during the period from the list if a post is fallen vacant due to the following reason:
  - (a) Failure to report arrival before the stipulated deadline
  - (b) Resignation from the post
  - (c) Disqualification due to disciplinary action
  - (d) Disqualification due to procedural lapse in recruitment
  - (e) Disqualification due to non-verification of documents
  - (f) Disqualification due to Unsatisfactory / Negative Police Report
  - (g) Disqualification due to being medically unfit
- (x) Staff appointed by initial recruitment in a project shall not be entitled to pension or GP fund. They shall also not be treated as "Civil Servants".
- (xi) Project employees will receive medical allowance as per medical attendance rules of the Provincial Government.
- (xii) They shall be entitled to TA/DA in accordance with the TA rules of the Provincial Government.
- (xiii) Project employees shall be entitled to avail leave as given below:
  - (a) **Casual Leave:** 15 days once in a calendar year (lapsable). Maximum of 5 days casual leave can be granted at a time by the competent authority.
  - (b) **Long Leave:** 45 days without pay, during the whole project cycle subject to cogent justification and at the discretion of the competent authority.
  - (c) **Maternity Leave:** Admissible to the female employees as per Khyber Pakhtunkhwa Civil Servants Revised Leave Rules, 1981.
- (xiv) Additional Charge of project posts of mega projects (Rs. 3 Billion and Above) shall not be allowed to officers of line Department. For projects less than Rs. 3 Billion additional charge of project posts may be allowed to nominees of line departments on case by case basis, for a specified period, to be determined by the committee, headed by Additional Chief Secretary P&D comprising Secretaries of Finance, Establishment and concerned Department. The additional Charge Allowance will be 100% of the running basic pay. No additional charge will be allowed below BS-17 in any case. Additional charge of the post shall not be given for a period of more than 06 months.
- (xv) If the competent authority decides to make an appointment to a project post through deputation, the procedure given in para-4 shall be followed.

- (xvi) Civil Servants can apply for the project posts by following the procedure given in Para-5 hereof. In case of selection, the Civil Servants will be entitled to draw salary at market rates, as provided in PC-I.
- (xvii) Project Director and staff will be appointed for a period of three years or project term whichever is less. The Government will discourage frequent transfer of Project Director, officers and staff of the project during execution. However, during execution of the project, transfer of Project Director if warranted will be notified to the P & D Department. In case of poor performance, contracts of PD or project staff can be terminated at any time.
- (xviii) No extension will be allowed to project staff including Project Director. For cases of extreme importance, extension beyond three years or for revised extended period of the project, shall be allowed after approval from the next higher authority.
- (xix) Documents to report proceedings of the selection process, including list of shortlisted candidates, waiting list and final list of selected candidates shall be published on the website of concerned Administrative Department as proactive disclosure of information.
- (xx) The entire process from advertisement till final merit list shall be completed within 03 months including the selection of Project Director. Provided that the administrative secretary concerned, under unavoidable circumstances, can extend this period for 02 additional months, after recording the reasons for delay.
- (xxi) After joining the project post and before payment of salary, the character antecedents shall be verified through Police and academic / experience certificates shall be verified through concerned Board/University etc. In addition, a medical certificate shall be obtained by him/her from the DHQ / MTI duly signed by the Medical Superintendent / Head of MTI.
- (xxii) Pay scale of Project Director shall be BS-19 or above for projects costing Rs. 3 Billion or more. For other projects, Project Director shall not be less BS-18 in any case.
- (xxiii) Appointment on daily wages shall be allowed for project posts in BPS-03 to BPS-05 only and mode of appointment shall be specified in PC-I as well as in revenue clearance of the Finance Department for this purpose.

#### **(4) DEPUTATION OF CIVIL SERVANTS TO PROJECT POSTS**

In case the competent authority decides to fill a post by transferring a regular civil servant to project post on deputation basis, the procedure laid down herein below shall be followed:

- (i) The Administrative Department where the project has been initiated will provide a panel of at least 3 officers keeping in view the qualifications and other terms and conditions prescribed in PC-I for the P&D Department.
- (ii) The panel will be considered by the Provincial Project Selection Committee (PPSC) for selection of civil servants on deputation to project posts falling in BS-17 and above, strictly on merit keeping in view the job relevance, experience and service record. Deputation to project posts less than BS-17 shall not be allowed. The constitution of the Provincial Project Selection Committee (PPSC) shall be as under:

1. Additional Chief Secretary Khyber Pakhtunkhwa	Chairman
2. Secretary Establishment Khyber Pakhtunkhwa	Member
3. Secretary Finance Khyber Pakhtunkhwa	Member
4. Secretary P&D Khyber Pakhtunkhwa	Member
5. Secretary of concerned Department	(Ex-officio Member)

- (iii) On receipt of requisition for deputation of a civil servant to a project post, his administrative department will decide whether the services of the civil servant concerned be lent for the project post or not. If he can be spared for deputation to project post, the Department concerned will prepare a self-contained Working Paper for consideration of

the PPSC, keeping in view the qualifications and other terms and conditions prescribed in PC-I, which may be circulated among all members three days before the meeting. Subsequently, notice of the meeting and working paper will be issued to all members after obtaining approval of the Chairman of the PPSC. The working paper shall, inter alia, contain the following:

- (a) Provisions of PC-I containing details of post including pay package etc. of the post, life of project and relevant extract of PC-I;
  - (b) Academic qualification of the officer proposed for deputation, training received and research work done, if any;
  - (c) Service history including present pay scale, cadre of officer and important posts held by him with assignments;
  - (d) Mode of appointment of officer to post presently held (i.e. initial recruitment or promotion); and whether probation period after appointment/promotion has been completed or not;
  - (e) Any disciplinary proceedings initiated against the officer, if so, the outcome thereof;
  - (f) Whether living in Government or in a private/ own house;
  - (g) Nature of duty attached with the project post and relevance of the previous assignments of the officer with the post to which deputation is proposed;
  - (h) Stations of duty (in present post and after proposed deputation)
  - (i) Whether previously served in a project deputation basis and if so period of stay and other details; and how much period has lapsed since his repatriation from the last project assignment;
  - (j) Grading of PERs/ACRs for the last five years
  - (k) Any other information which may be helpful in disposal of the case by the PPSC
- (iv) In case of deputation of a Civil Servant to a project which is fully funded by the Provincial Government, the pension contribution shall continue to be paid from the proceeds of the Provincial Government. However, in other cases, the procedure in vogue regarding pensionary/leave and other service liabilities of the civil servant shall be followed.
  - (v) During deputation, retention of officially allotted residential accommodation shall be governed by Khyber Pakhtunkhwa Residential Accommodation Rules 2018. Payment of house rent shall be made to the relevant head of account as per provisions of the said rules.
  - (vi) Civil Servants who are in receipt of housing subsidy shall be entitled for the said facility even after their posting in a project.
  - (vii) The initial period of deputation will be three years extendible for another two years or till the project life, whichever is earlier.
  - (viii) Civil servant will not be considered for deputation to a project post unless he/she has successfully completed the initial as well as extended period of probation. He/she will also not be considered for deputation unless a period of at least 4 years has elapsed after his/her return from last deputation to a project.

## **(5) APPOINTMENT OF CIVIL SERVANTS TO PROJECT POSTS THROUGH COMPETITION**

- (i) Any Civil Servant holding appointment on a regular basis and possessing the minimum qualification, experience and fulfilling other conditions advertised, may apply for a project post through proper channels.
- (ii) In case of shortage of time, a Civil Servant may forward an advance copy of the application for the post and simultaneously submit application to the departmental authority for permission which may be furnished before interviews for the post are held.

In the event of failure to produce departmental permission at the time of interview, the candidate shall not be interviewed or considered for appointment to the post.

- (iii) The department concerned of the Civil Servant shall process her/his application in a timely manner and may forward the same to the quarter concerned.
- (iv) In the event of appointment of a Civil servant to the post through open competition, she/he shall be required to obtain extra ordinary leave before joining the project provided he/she is entitled for EOL as per the Khyber Pakhtunkhwa Civil Servants (Revised Leave) Rules, 1981. Moreover, he/she shall relinquish charge once he/she is relieved by the competent authority so that his/her pensionary and other service liabilities are not accumulated against the Government for service rendered in the project.
- (v) Civil servants passing through probationary period and those holding appointments on contract basis may apply for project posts. However, in the event of their appointment, they shall be required to resign from government service.
- (vi) On joining the project post by availing Extra-Ordinary Leave (Leave without pay), retention or vacation of officially allotted residential accommodation shall be governed by Khyber Pakhtunkhwa Residential Accommodation Rules 2018.
- (vii) On completion of the project or its conversion into current budget, the services of the Project staff appointed on contract basis shall stand terminated. However, Government Servants serving in the project on deputation basis or on EOL (without pay) basis shall be repatriated to their parent department

## (6) CRITERIA FOR SELECTION

- (i) A candidate for a project post must possess the minimum educational qualification and experience and they must be within the age limits advertised for the post.
- (ii) A candidate shall be a citizen of Pakistan domiciled in Khyber Pakhtunkhwa. However, in case of a post requiring highly Technical and Professional qualification and experience, the appointing authority, with the approval of the next higher authority, may appoint a candidate domiciled in any other province provided that there is no candidate available having domicile from Khyber Pakhtunkhwa.
- (iii) Selection for all the project posts will be based on merit on such criteria which shall be determined by the selection committee. Without prejudice to the generality of the aforesaid, the selection criteria shall be based on academic qualification, higher qualification, relevant experience etc. in accordance with any of the following criteria from (a) to (d). The desired criteria shall be specified against each post in PC-I as well as in revenue clearance to be issued by Finance department.

S. No.	(a)	(b)	(c)	(d)
Minimum Qualification	60	40	30	15
Higher Qualification	10	10	10	10
Experience	10	10	-	15
Training	5	5	07	07
Test	-	-	45	30
Interview	15	35	8	23
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**A. Minimum Qualification:****For General Cadre / Non-Technical Posts:**

Minimum Prescribed Qualification/ Certificate/ Degree		Marks Share & Distribution											
		60			40			30			15		
		1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div
1	Matric	60	45	36	40	30	24	30	23	18	15	12	9
2	Matric	30	22	18	20	15	12	15	11	9	7	6	4
	FA/F.Sc./ Equivalent/ 12 Years Education	30	23	18	20	15	12	15	12	9	8	6	5
3	Matric	20	15	12	13	10	8	10	7	6	5	4	3
	FA/F.Sc./ Equivalent/ 12 Years Education	20	15	12	13	10	8	10	8	6	5	4	3
	BA/B.Sc./Equivalent/ 14 Years Education	20	15	12	14	10	8	10	8	6	5	4	3
4	Matric	15	11	9	10	7	6	7	5	4	3	3	2
	FA/F.Sc./ Equivalent/ 12 Years Education	15	11	9	10	7	6	7	6	4	3	3	2
	BA/B.Sc./Equivalent/ 14 Years Education	15	11	9	10	8	6	8	6	5	4	3	2
	MA/M.Sc./Equivalent/ 16 Years Education	15	12	9	10	8	6	8	6	5	5	3	3

### For Professional / Technical Posts:

Minimum Prescribed Qualification/ Certificate/ Degree		Marks Share & Distribution											
		60			40			30			15		
		1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div	1st Div	2nd Div	3rd Div
1	For 4 Examinations												
	1st Professional	15	11	9	10	7	6	7	5	4	3	3	2
	2nd Professional	15	11	9	10	7	6	7	6	4	3	3	2
	3rd Professional	15	11	9	10	8	6	8	6	5	4	3	2
	Final	15	12	9	10	8	6	8	6	5	5	3	3
2	For 3 Examinations												
	1st Professional	20	15	12	13	10	8	10	7	6	5	4	3
	2nd Professional	20	15	12	13	10	8	10	7	6	5	4	3
	3rd Professional	20	15	12	14	10	8	10	8	6	5	4	3

**Note:** For degrees in CGPA, equivalent percentage ranges will be as under:

CGPA 4.0 Ranges	CGPA 5.0 Ranges	Equivalent %age Ranges
Greater Than or equal to 2.5	Greater Than or equal to 3.5	Greater Than or equal to 60
Greater Than or equal to 1.8 and Less than 2.5	Greater Than or equal to 2.8 and Less than 3.5	Greater Than or equal to 50 and Less than 60
Less than 1.80	Less than 2.80	Less than 50

**Note:** Degrees / Certificates of CA/ACMA/ACCA will be awarded marks of first division.

### B. Higher Qualification

Maximum of 10 marks will be awarded for having qualification above minimum required qualification as under:

One level advanced degree: 7 Marks  
Two levels advanced degree: 10 Marks

Provided that extra marks shall be awarded to higher qualification only, if it is in continuation with the minimum required qualification for the project post.

### C. Experience

Maximum of 15 marks will be awarded for experience over and above minimum required experience at the rate of 1 mark per year. Only relevant and verifiable experience will be counted. The relevant experience gained prior to or during the period of minimum qualification shall not be counted, however, experience gained during higher qualification shall be counted. However, it will not include an internship done in partial fulfillment of a degree. Internships completed under National or Provincial Internship Programs / Policies shall be counted for experience.

**Note:** No marks will be awarded for experience under scoring matrix (c) as tabulated on the previous page.

### D. Training Course

Maximum of 07 marks will be awarded for minimum three-month training in the relevant field from a university / institution recognized by the HEC or any Board of Technical Education or any training institute established by the Federal Government or any Provincial Government or from an internationally recognized organization.

### E. Test

Marks obtained in test conducted by ETEA or other testing agencies, as provided under para 3(iv), will be counted under scoring matrices (c) and (d), based on its weightage in relevant matrix. Owing to Specialized and technical nature of the posts, the administrative department may decide to consider any one of the four tests, i.e. GRE/GMAT/MCAT/SAT for this purpose. Scoring scales of these tests shall be converted for quantification under relevant scoring matrix in this policy and shall be duly approved by the administrative secretary concerned before advertisement.

If scoring matrix (a) or (b) is selected for recruitment of project posts in BS-11 to BS-17, having no weightage for test, conduct of test shall be compulsory and test score shall be used for screening purpose only.

### F. Interview

A candidate securing less than 40% in an interview under the relevant scoring matrix shall be considered as failed.

**(iv) Zonal allocation formula shall not apply to the project posts. However, for recruitment against posts in BS-16 and below, included in projects under Merged Areas ADP and Accelerated Implementation Plan (AIP), additional 05 marks shall be awarded to the candidates holding domicile of tribal districts or tribal subdivisions, till further orders.**

For project employees, who have rendered 02 years continuous service in a developmental project of Govt: of Khyber Pakhtunkhwa shall be entitled for 10 years automatic age relaxation in upper age limit.

## **(7) COMPOSITION OF SELECTION COMMITTEES**

Recruitment to the project posts shall be made on the recommendations of Selection Committees. Composition of Selection Committee for appointment to posts in different pay scales or equivalent posts will be as under:

### **(a) For posts in BS-19 and above or equivalent posts:**

1. Additional Chief Secretary Khyber Pakhtunkhwa ——— **Chairman**
2. Secretary Establishment or his nominee  
not below the rank of Additional Secretary ————— **Member**
3. Secretary Finance or his nominee  
not below the rank of Additional Secretary ————— **Member**
4. For Technical posts, an expert from the  
Technical Department or public Sector University ——— **Member**  
may be associated with the Committee
5. Representative of P&D Department not ————— **Member**  
below the rank of Additional Secretary
6. Secretary of the concerned sponsoring Department — **Member/Secretary**

### **(b) For posts in BS-17 & BS-18:**

1. Secretary of the Department ————— **Chairman**
2. Representative of the Establishment or  
his nominee not below the rank of Deputy Secretary — **Member**
3. Representative of the Finance or his nominee  
not below the rank of Deputy Secretary ————— **Member**
4. In case of technical posts, an expert from  
Technical Departments or public Sector ————— **Member**  
University may be associated with the Committee
5. Representative of P&D not below ————— **Member**  
the rank of Deputy Secretary
6. Project Director/ Additional Secretary or ————— **Member/Secretary**  
Deputy Secretary, if there is no Additional  
Secretary in the Department

### **(c) For posts in BS-3 to 16.**

1. Project Director ————— **Chairman**
2. Additional Secretary or Deputy ————— **Member**  
Secretary of the concerned Department
3. Representative of Establishment Department ——— **Member**
4. Representative of Finance Department ————— **Member**
5. Representative of the Project Director ————— **Secretary**

## **(8) SHORTLISTING COMMITTEE**

To facilitate the Selection Committees a Short-Listing Committee with the following composition will shortlist the candidates on the basis of their academic qualification, past experience, test scores, age limits and other conditions advertised for the post:

### **(a) For the post of Project Director**

1. Administrative Secretary concerned \_\_\_\_\_ **Chairman**
2. Additional/Deputy Secretary \_\_\_\_\_ **Member**  
of concerned Department
3. Representative of Establishment \_\_\_\_\_ **Member**  
Department not below the rank  
of Deputy Secretary
4. Representative of Finance Department \_\_\_\_\_ **Member**  
not below the rank of Deputy Secretary
5. Representative of P&D not \_\_\_\_\_ **Member**  
below the rank of Deputy Secretary

### **(b) For other posts**

1. Project Director \_\_\_\_\_ **Chairman**
2. Additional Secretary or Deputy \_\_\_\_\_ **Member**  
Secretary of the Department concerned
3. Representative of the Establishment \_\_\_\_\_ **Member**  
Department not below the rank of  
Deputy Secretary
4. Representative of the Finance \_\_\_\_\_ **Member**  
Department not below the rank  
of Deputy Secretary
5. Representative of P&D not below \_\_\_\_\_ **Member**  
the rank of Deputy Secretary

## **(9) APPOINTING AUTHORITIES**

Project Director would exercise the powers of appointing authority for posts in and equivalent to BS 3-16, whereas Administrative Secretary concerned would be appointing authority for all posts equivalent to BS-17 and above. However, approval of the Chief Minister, Khyber Pakhtunkhwa shall be obtained, if deputation of Administrative Secretary or Head of Attached Department to the Project posts is involved.

## **(10) TERMINATION OF SERVICE ON COMPLETION OF PROJECT**

- (i)** A project employee shall work against that post for which she/he was recruited and shall not be transferred to any other post in the project or at any other station.
- (ii)** A project employee shall also not be transferred to any other project under the same department / Government.
- (iii)** If the performance of the employee is found unsatisfactory, his/her services shall be terminated on a fifteen day-notice or payment of fifteen days salary in lieu of notice. In the event such an employee is a Government Servant, he/she may be repatriated to their parent department.
- (iv)** At the time of appointment, each employee shall give an undertaking to the effect that during the employment, they shall be held responsible for the losses (accruing to the project due to them and shall be held answerable therefore) and shall be bound to follow the terms and conditions mentioned in the agreement provided in this chapter.
- (v)** On completion of the project, the services of the project employees shall stand terminated. However, they shall be re-appointed on a need basis, if the project term is extended.
- (vi)** In case the project posts are converted into regular budgetary posts, the posts shall be filled in according to the rules prescribed for the post by the Public Service Commission or the Departmental Selection Committee, as the case may be. Ex-project employees shall have no right of adjustment against the regular posts. However, if eligible, they may also apply and compete for the posts with other candidates.

## **(11) PERFORMANCE MANAGEMENT & EVALUATION**

- (i)** Performance of Project Directors for projects having cost above Rs. 3 billion shall be evaluated by a committee in P&DD against a Performance Evaluation Matrix. The matrix shall be reviewed and updated periodically by Planning and Development Department and will essentially include all general parameters about performance of the project focusing on timely recruitment, financial and physical progress of the project as specified in PC-I, accomplishments of project objectives, to timely assess the magnitude of deviations from the original project plan.  
  
For projects costing less than Rs. 03 billion, performance evaluation of the project directors, if any, will be carried out by the concerned Administrative Departments.
- (ii)** Project Director shall devise an appraisal matrix for all the key staff having direct influence on progress of the project, based on targets and achievements. Annual performance of the report will be shared with the Administrative Department clearly mentioning deviations from targets, if any, and recommendations.
- (iii)** Performance Evaluation Reports of the Government Servant shall be written by the concerned PAO during his / her appointment in the project on deputation basis and ACS P&D Department will be the 1st Countersigning Authority for the posts in BPS-19 and above or Specialized Positions under Negotiable Pay Packages.
- (iv)** The Planning & Development Department shall introduce reward for “consistently good performing project teams”. Selection of such projects will be based on the overall performance rating of projects first after mid-term review results and second on the completion of evaluation reports by the donors.

A Centralized Project Management Cell under the Special Secretary, P&D Department shall be established to monitor and resolve the issues of all the projects included in the ADP.

## **AGREEMENT**

This agreement is made on this \_\_\_\_\_ day of \_\_\_\_\_ (Two thousand, and \_\_\_\_\_) between Governor of the Khyber Pakhtunkhwa Province (hereinafter referred to as the Government) acting through \_\_\_\_\_ on the ONE PART and \_\_\_\_\_ (hereinafter referred to as the employee) on the OTHER PART;

WHEREAS the Government has agreed to employ the Employee and the Employee has agreed to serve the Government as \_\_\_\_\_ on the terms and conditions hereinafter mentioned;

NOW these present witnesses and the parties hereto respectively agree as follows:

1. Subject to clause 9, the employee shall serve the Government as \_\_\_\_\_ in the project under \_\_\_\_\_ Department for a period of \_\_\_\_\_ years commencing from the date of assumption of charge of the post.
2. *The Employee shall:*
  - (a) devote his/her whole-time to perform his/her duties as \_\_\_\_\_ in the \_\_\_\_\_Project;
  - (b) carry out such administrative functions in relation to his/her duties as the Government may, from time to time, assign to him/her;
  - (c) submit himself/herself to the lawful orders of the Government and of the officers and authorities under whom his/her services may be placed from time to time, during the currency of this Agreement; and
  - (d) Proceed, whenever required, to such part of Pakistan and perform such duties relating to his/her appointment as the Government may specify.
3. a) For the services rendered, the Employee shall be entitled to receive pay as may be prescribed in this policy/PC-I and shall not be entitled to earn any annual increments during his contractual appointment. The pay of the Employee shall commence from the date of his/her assumption of charge of the post and cease on the date of termination of this agreement or on termination of his/her services for any reason, whichever may be earlier.
  - (b) The Employee shall, if required to travel in the public interest be entitled to receive traveling allowance at such rate as may be prescribed, and
  - (c) The Employee shall not, unless permitted by the Government, indulge in private practice, nor shall he indulge, directly or indirectly, in any trade, business or occupation, and in any political activity whatsoever, other than his obligations under this Agreement.
4. In the event of misconduct as defined in the Khyber Pakhtunkhwa Government Servants Conduct Rules 1987 or breach of any of the terms and conditions specified herein or in the PC-I or this Policy on the part of project employee, except deputationist

or those Government Servants who joined the project on Extra Ordinary Leave (Leave without pay), a fact finding inquiry shall be conducted. If charges are proved his/her services shall be terminated, besides recovery in case of pecuniary loss to the project. The appointing authority, in such cases, shall be the competent authority in respect of the project staff, other (Leave without pay). If a deputationist or those who join the project on Extra Ordinary Leave (Leave without pay), are involved in misconduct or breach of terms and condition or cause pecuniary loss to the project, they shall be repatriated to their parent department with proposed action, recovery and penalty which shall be decided by their respective competent authorities.

5. If the performance of the employee is found unsatisfactory, his/her services shall be terminated on fifteen days notice or payment of fifteen days salary in lieu of notice. In case of a Government Servant, he may be repatriated to his/her parent department.

6. The Employee shall be held responsible for the losses accruing to the Project due to his carelessness or inefficiency and shall be recovered from him.

7. The employee shall be entitled for TA/DA in accordance with the TA rules of the Khyber Pakhtunkhwa.

8. The Employee shall not be entitled to any pension or gratuity for the service rendered by him;

9. Either party to this agreement may terminate the agreement by giving to the other party fifteen days notice in writing of its intention to do so and on the expiration of such notice this agreement shall be terminated:

Provided that where no notice is served or served of a shorter period, the defaulting party shall pay to the other party an amount equal to the pay of the employee for the period of fifteen days or for such period by which the notice falls short, as the case may be:

10. On completion of the project, the services of the employee shall be terminated. He may, however, be re-appointed if any phase of the project is there.

11. Stamp Duty, if any, on this instrument shall be borne by the employee.

In witness whereof the said \_\_\_\_\_ and \_\_\_\_\_ on behalf of the Government have hereunto set their hands first above written.

Signed by \_\_\_\_\_

In the presence of:

**Witness** 1. \_\_\_\_\_  
2. \_\_\_\_\_  
*Signed by* \_\_\_\_\_

In the presence of:

**Witness** 1. \_\_\_\_\_  
2. \_\_\_\_\_

It shall come into force at once and shall not affect the terms and conditions of the staff already working in the projects. Unless specified otherwise, all recruitments to project posts shall be carried out using this policy (even if PC-I is silent on mode of recruitment). This is usually the preferred mode for all first level managers and middle managers.

## **Recruitments Using Recruitment Policy for Market Based Talent**

This policy may be followed for senior positions such as Project Director, Deputy Project Director, CFO or equivalent, Chief Technical Officer or any other specialized expertise/skills set. PDWP (or higher forum) shall be categorically apprised of the circumstance those warrant use of this mode. The relevant committees vis-à-vis Short Listing Committee, Aptitude Test Committee and Selection Panel shall be approved by PDWP. Once approved by PDWP, the concerned department shall carry out the hiring process as per set criteria and shall submit the recommendations for approval to administrative secretary in case of PD whereas for remaining positions, PD along with a committee constituted by the administrative secretary shall accord approval. The salary ranges shall also be approved by PDWP. For budgeting purposes, middles of the range may be mentioned in PC-I cost estimates, however, the selection panel shall be competent to decide upon the final offer. The PC-I may use in vogue MP scales to benchmark the salary ranges. For positions opting for this mode of recruitment, the Project Director shall preferably get third party validation of the process.

## **Recruitment Using MP Scales Policy**

The Federal Government has notified the Management Position Scales Policy, 2020, vide O.M. No. 1/3/202-E-6, amended vide O.M. No. 1/3/2020-E-6 to establish a mechanism by which individuals may be hired on MP Scales. As against any previous MP Policies notified by the Federal Government, where the emphasis was mainly on pay scales, however, the year 2020 policy mentions the mechanism of hiring individuals as well. Before putting this into practice, under Project Implementation Policy, the Establishment Department of Government of KP shall formally notify its adoption after fulfilling codal formalities.

Once notified, for specialized positions, the PC-I may opt for this mode. If any such post within the project requires a resource with a highly specialized or technical knowledge based skill set, such that neither the KP policy regulating appointment to posts in development projects, 2008, nor the Recruitment Policy for Market based Talent, 2019, result in the identification or selection of such a resource, then the Project may decide to recruit through the Management Position Scales Policy, 2020.

## **Customized Mode of Recruitment**

For certain projects, where the approval forum is PDWP or higher, there can be instances where neither of the above three modes of recruitment are suitable for the type of HR required. In such instances, PDWP projects may, after providing sufficient justification, resort to a customized mode of recruitment and salary packages, contingent on approval of relevant authorities.

## Engaging Human Resource through Third Party Firms

The project may engage a third party to provide for the requisite human resource for a particular project. This mode may be adopted for a variety of positions/ skills set. Some of examples include:

- (i) Doctors, nurses, paramedics, teachers required for a project**
- (ii) Computer software or hardware or networking engineers required for development or maintenance of system**
- (iii) Data entry operator (with or without laptops/ computers) required for a project**
- (iv) Entomologists, epidemiologists required for a project**
- (v) GIS specialists along with their requisite equipment (with or without mobility) and/or with or without android or any other devices**

The individuals so provided by third party firms shall not have individual contracts with the project rather they shall be on payroll of third parties. Third parties may be given a certain management fee for managing these contracts.

The project shall mention the eligibility requirements to the third party along with either fixed remuneration or may ask remuneration to be part of the submitted bid. In order to ensure that there are no intermediary fees (except management fee), the project may require a third party to make all payments through the bank accounts of individuals. Similarly, only the process for recruitment under pre-agreed criterion and methodology may be outsourced and HR so recruited may be offered contractual position.

## Hiring of Project Staff Under KP Procurement Regime

Hiring of specialized staff may also be done through KPPRA Procurement Regime (KPPRA Act 2012). The procedure given for individual consultants/expert/advisors/ Staff can be used to define a criteria based on qualification and experience of the applicant. After shortlisting, detailed interviews can be held as per prescribed procedures.

## Process of Recruitment Under Various Modes

Subject to any changes subsequently made in this Policy , PC-I may allow the project to outsource one or more steps of recruitment process including receipt of applications, evaluation/ shortlisting of applications, conduct of one or 2 stages of written test, interviews, finalization of selected candidates, joining, posting plans and/ or orientation.

## Outsourcing Entire Process of Recruitment

The PC-I may also choose to outsource the entire hiring process, to ensure that all processes, up to the final selection, are done in a transparent, meritocratic manner.

## Chapter 5: Practice of Revenue Clearance

Project implementation is a specialized task and timely execution of a project requires focused and dedicated efforts. This section deals with the due diligence aspect carried out during any PC-I appraisal (both initial approval and subsequent revisions). The due diligence aspect for the capital component of a project is usually carried at the level of P&D, whereas whatever is reflected on the revenue side, is considered part of revenue clearance at the Finance Department.

This chapter of Project Implementation Policy deals with a more pragmatic approach and intuition behind revenue clearance. Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP give absolute authority and power to P&D for approval of development schemes at level of PDWP (above Rs 200 Million) and similarly to other respective forums. The current practice of revenue clearance for the entire revenue component rests on the principle that any long term liability in terms of SNEs, vehicles etc., shall be with the concurrence of the Finance Department. However, the underlying presumption is that the development schemes have a large capital component (like road or building schemes) and a very minor revenue component. This presumption is no longer true with all innovative projects comprising a significant pie of overall development portfolio such as stipends, and micro finance loans, etc. Projects such as hospitals, with significant machinery and equipment components, or schools where furniture for students and laboratories is cleared through revenue clearance, rather than due diligence at concerned sections of P&D.

### Revenue Clearance at Finance Department

The instant Project Implementation Policy allows revenue clearance at the Finance Department only in respect of items which create long term liability, such as SNE or any equipment that has substantial maintenance costs beyond the project life.

### Instances Where Revenue Clearance May Be Required at Finance Department

The following examples shall help in understanding instances where Revenue Clearance at the Finance Department is required:

- **Scheme of school upgradation/ girls stipend, revenue clearance will be required ONLY for any PMU posts being recruited on BS scales**
- **Outsourcing of equipment (where equipment remains property of service provider) like CT Scan, MRI etc., provided contractual obligations go beyond project life (for example MRI is installed on a 7 year contract with yearly pay for performance basis payments. In case PC-I life is only 2 years but payments will continue for 7 years, in such case revenue clearance will be required.**
- **Any project posts in PMU or otherwise those are fixed pay positions and have direct equivalence with BS regime**

## Revenue Clearance at P&D

In case any line item in the revenue component of a project is not creating any long term liability, the due diligence shall be carried out at the level of P&D, instead of revenue clearance at the Finance Department. Most notably, all core equipment of the project, outsourced support functions such as janitorial, security, supply chain and warehousing etc. are expenditures limited to the project life only, and have no long-term implications. Hence, they shall be excluded from revenue clearance of the Finance Department.

## Instances Where Revenue Clearance May Be Required at P&D

The following examples shall help in understanding instances where Revenue Clearance at P&D is required:

- Scheme of school upgradation, no revenue clearance required for furniture for students and teachers, laboratory equipment etc.
- Equipment of hospitals for upgradation/ new hospitals
- Stipend to girls student for high school (the scheme's core function is stipend and will continue during project life only)
- Outsourcing of support functions like janitorial, security etc.
- Outsourcing of equipment (where equipment remains property of service provider) like CT Scan, MRI etc., provided contractual obligations go beyond project life (for example MRI is installed on a 7 year contract with yearly pay for performance basis payments. In case PC-I life in 7 years (no revenue clearance required).
- Any project posts in PMU or otherwise those are fixed pay positions and have no equivalence with BPS regime
- Purchase of books under Directorate of Archives and Libraries in higher education department
- Disbursement of stipend to school going children under AIP program in E&SE department
- Hiring of teaching staff in government colleges under PMU or higher education programs etc.

## Revenue Clearance for HR

With regard to human resource, the regularization of project staff in the past successive tenures of Governments has created the potential risk of long term liability. The instant policy has provided for multiple routes for recruitment of project staff. Furthermore, regularization is only associated with BS scales; no regularization can take place for special / fixed pay packages/ MP Packages. Hence the Project Implementation Policy requires only those project posts to be considered for revenue clearance, which are recruited on BS scales. For all fixed pay/ special pay or MP based positions, the due diligence at level of P&D shall be carried out.

## Chapter 6: **Procurement Management for Projects**

Procurements remain an important component of project execution. Good project management includes ensuring that all components of the project vis-à-vis civil works, goods procurements and human resources are completed in a manner such that service delivery of the project shall commence at the earliest. However, there has been a tendency to take a conservative view and start procurement as a sequential step after civil works. This is, at times, also driven by the absence of adequate storage for these equipment/ furniture. Resultantly, even after completion of civil works, service delivery cannot commence.

### **Relevant Rules for Procurement**

All procurements under projects are carried out as per Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II, and as amended from time to time. The instant Project Implementation Policy elaborates the manner in which the procurement rules are put into practice in project setting. The provisions of KPPRA Rules, therefore, shall have an overriding effect.

### **Mode of Procurement**

Once the project is approved, it shall be the authority of the PD to determine the most appropriate method for procurement. This has been legally covered under section 33 of KPPRA Act that it is the authority of the procuring entity (Project authority in this case) to select the most appropriate method for carrying out procurements. Devising bid solicitation documents (BSD) and specifications, TORs, evaluation criteria, all rest with the project authority and that is the reason PD of the projects has been classified as Category-I officer in Delegation of Financial Powers Rules 2018.

### **Procurement Process**

The Project Director shall constitute all relevant procurement committees, such as for devising BSD (specifications/BOQ/Drawing/Design/Evaluation Criteria/ Type of contract etc.) and if required, a sub-committee for technical evaluation, a committee for Grievance Redressal and a committee for physical inspection as per provisions of KPPRA Procurement Rules 2014. For observance of codal formalities, the project director shall be responsible.

### **Constituting Committees for Procurements in Projects**

During preparation of PC-I/ revision of PC-I, the committees mentioned in this chapter may be mentioned. However, in case PC-I is silent, and the nature of project so requires, Project Director may constitute one or more of following procurement committees/ subcommittees.

## Procurement Committee

This is an overarching committee and shall have ultimate responsibility and authority to approve recommendations of other sub-committees. Normally the Project Director may head this committee. However, PD may assign someone under them to head this. Membership may include representatives of administrative departments; though this remains purely optional.

## Procurement Sub-Committees

One or more sub-committees may be notified to support and assist the primary Procurement Committee amongst following:

### Technical Specification Committee

This committee will be responsible for finalizing specifications of goods/ equipment/ furniture, services/ consultant's specifications and deliverables.

### Tender Committee

This committee shall initiate the tender process and shall carry out steps like publishing of ad (if required), pre-bid conferences, receiving of bids.

### Technical Bid Opening Committee

Once bids have been received by the tender committee, they shall hand over the technical bids to the technical evaluation committee. They shall evaluate bids and upload technical evaluations.

**Note:** in case of pre-qualification/ EOI, technical bid opening committee may also evaluate the bid against pre-qualification criterion.

### Financial Bid Opening Committee

After technical evaluation is completed, the tender committee shall handover financial bids of technically qualified bidders to the financial opening committee that shall open the bids.

Procurement committee based upon technical and financial evaluation shall finalize the overall evaluation and shall upload final evaluation.

### Physical Inspection Committee

Once goods or services are delivered, this committee may verify the physical quantities and conformance with specifications.

### Grievance Committee

Grievance committee shall be constituted to decide upon grievances. Usually, mid to senior level officers from the Administrative Department shall chair this committee.

Membership is different from other committees to ensure impartial redressal with the exception of one individual (who may serve as secretary of the grievance committee). Additionally, the Grievance Committee shall ensure the application of, and compliance with, the Khyber Pakhtunkhwa Public Procurement Grievance Redressal Rules, 2017, notified vide No. SO(FR)/FD/9-7/2011/Vol-II.

### **Price Reasonability Committee**

The PD has to make a price reasonability committee to determine if price is reasonable or not, especially for high cost procurements.

## **Mode of Procurement**

An important decision during procurement of equipment is mode of procurement. Commonly used Inco Terms like DDP, C&F or any other are admissible. The decision regarding choosing one mode over others or seeking bids for more than one mode clearly indicating preferred mode for evaluation of bids may be decided upon by the committees and shall be reflected in procurement documents.

Depending upon project nature, the Project Director and Procurement Committee may ask for third party inspections of firms both in case of local and imported firms. The third party inspection is a preferred mode, in case monetary volume of a particular item is high or quantities are high or complex items are being procured. For imported items, third party pre shipment inspection may be invoked too. In order to meet with the costs involved, preferably PC-I shall provide for some funds. However, some of the third party inspections, after mentioning in procurement documents, may be carried out at the vendor's cost.

## **Supply Chain Management**

An important reason for delayed project execution is delayed procurement of goods (equipment, furniture etc.) on account of non-availability of space to store these items. In order to address this issue, PC-I and/ or Procurement Committee may opt for procuring services of supply chain, warehousing and transportation service providers. Similarly, the procurement documents may allow for partial payment upon receipt of procured items and the balance payment after successful installation and operationalization.

## **Service Level Agreements**

In order to have long term operationalization of procured items, service level agreements may be made part of procurement by the Procurement Committee (say 3 to 5 years). However, it shall be either quoted separately or some percentage (say to 2% to 5% for each year) of total bid may be retained for each completed year and respective part shall be paid on each successful year completion.

## **Procurement of Machinery & Equipment, Furniture or Other Items on Placement Basis/ Rental Mode With Guaranteed Load**

In order to encourage use of pay for performance model and to get maximum benefit out of actual utilization of any machinery, equipment, furniture or other items, PC-I may opt for getting the item on placement basis or rental basis with guaranteed load. This may include either time based or usage based arrangement. This may be used for any medical equipment, laboratory items, heavy machinery like bulldozers, excavators, tractors, trolleys, mining and agriculture equipment etc. Similarly, if the project nature so desires, it may also be used for office equipment like generators, photocopiers etc.

### **Utilization of Procured Items**

In order to have efficient utilization of procured items, a role may be given in PC-I or by administrative department or Steering committee (for details, see Chapter 9: Institutional Arrangements for Project Implementation), to use delivered items of one project against any other project where funds are available and Purchase Orders of similar items have been issued. However, extreme caution shall be carried out in this regard so that the original project does not suffer due to any breakdown in supply of future orders and supply chain.

### **Variation of Estimated Amounts From Bid Amount**

Project execution in many instances suffer greatly, and can be delayed on account of non-clarity in cases where the bids price received is more than the estimated price provided in PC-I. In this regard, it is important to understand that PC-I prices are, at best, an intelligent estimate; these estimation may not be true reflection of actual price. The inflationary trends and gap between preparation of PC-I and actual procurement also contributes towards this.

Procurement on other hand is a completely separate process and is a reflection of market forces (so far as it is transparent and competitive as per spirit of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014). Hence the variation in prices shall not be a reason for stopping procurements; provided that the Procurement Committee is convinced that all relevant provisions of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 have been fulfilled AND price reasonability has been ascertained.

Usually the Procurement Committee shall be competent to decide upon the way forward in this regard, keeping in view the options listed in next para of instant chapter. However in case of large volume procurements and for the options other than Option-I, the Procurement Committee may seek advice of either administrative department or Steering Committee (see Chapter 9: Institutional Arrangements for Project Implementation, for details)

There are potentially four options to deal with the above mentioned proposition.

- **Option 1:** Reduce quantities in a manner that overall funds provision is adhered to
- **Option 2:** Re-appropriate from other heads preferably within revenue component and meet the additional funds through the re-appropriation
- **Option 3:** P&D guidelines provide to go overall 10% to 15% over and above approved cost and the same cushion may be utilized for meeting enhanced cost
- **Option 4:** Combination of above

## Chapter 7: **Operational/ Project Management**

Development projects are implemented in order to improve outreach and service delivery of respective functions of government departments, which may not be easy to realize using current budget mode of financing and instruments like service rules, organizational structures etc. It is, therefore, imperative that development schemes are provided with more flexibility and innovative approaches. On the other hand, it is equally important that these projects do follow modern practices and deliver efficiently rather than retrogress into a medium to funnel these resources through porous channels. The instant chapter deals with some of these principles and instruments to help projects deliver more efficiently.

### **Project Conception**

Projects shall be conceived as one complete whole, comprising various components such as civil works, goods (equipment etc.), services, human resource, trainings and capacity building, Standard Operating Procedures (SOPs) and Project Management (the instrument that connects all individual components).

### **Project Implementation Plan**

Successful implementation of a project requires a detailed implementation plan. Ideally all PC-Is shall have this. Prospectively, during revision of PC-Is, detailed project implementation plan shall be invariably ensured, mentioning key interventions, activities and sub activities under each area and timelines along with key milestones. It shall help in identifying activities along the critical path (though the critical path may keep on changing depending upon delays in each or some activities).

### **Technical Support**

Modern project management requires a variety of skill sets. However, it is not absolutely essential to have all these expertise as in-house resources. Some of the expertise may be tapped in externally, on a need basis. It implies that whether a PMU is formed or not, on a need basis, so far as practicable, these expertise may be sourced-in for short term/ medium term support. The executing agency in such a case, may build only enough capacity in-house, such that it allows the executing agency to benefit from the external resources (to be able to interpret the reports and advice of external support).

Examples of such external technical support includes software development, GIS mapping and other spatial planning components, financial and performance audits, legal services, transaction advisory services, communication services (including social media and design services). The instant Project Implementation Policy not only acknowledges these areas but also encourages executing agencies to use this as a preferred mode going forward (for projects to be developed in future/ projects undergoing revisions).

## **Design Consultants & Resident Supervision**

In case the project has a complex nature, it is imperative to engage design consultants, rather than solely relying on in-house capacity of the works department (C&W, PHE, Irrigation, LG, Tourism or any other department/body). Similarly, in most of such cases, it shall be imperative to engage design consultants too so that there are no gaps at time of execution between the design and implementation. This has stretched implications for transactions that require specialized knowledge, such as complex energy projects for which project aims either IPO (initial public offering) or strategic buyouts or any other mode.

## **Certification**

An important area to enhance service delivery is enhancing our focus to standardization and Standard Operating Procedures and this can be best achieved through various certifications in respective fields. This may include both national and international certification and licensing. Projects are encouraged to build provisions for such licensing and certification fees as part of PC-I, along with provisions necessary to achieve these certifications, such as trainings etc.

## **Logistics Support**

Projects are encouraged to utilize third party logistics services rather than in-house purchase of such goods or services. These include supply chain, warehousing and transportation services instead of building own warehouses, rent-a-car services instead of purchasing own vehicles, use of vouchers for employees through e-based transport services, instead of own vehicles/ motorcycles, use of courier services instead of in-house capacity, renting office space for PMU instead of a project aiming to build its own office (in certain cases, this is equally applicable to service delivery projects such as rest areas at tourists spots etc.), janitorial, security, maintenance firms engagement instead of in-house capacity.

## Chapter 8: **Financial Management (Accounting and Auditing) of Projects**

Project Director of any development project is Category-I officer as per Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP. The Project Director shall be competent to sanction all expenditures as per PC-I under relevant heads.

Key financial management provisions, including the financial responsibilities of the PD, for efficient fiscal management and project functionality are explained below.

### **Responsibilities of Project Director as Drawing and Disbursing Officer (DDO)**

As per the First Schedule of the Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP, the PD is designated as a Category-I DDO. The posting order issued for the PD by the administrative department or sponsoring agency will be enough to grant Category-I powers to the PD.

If, however, the post of PD is vacant, the Administrative Secretary may give additional charge of post of PD to a suitable person for a period of 90 days, or till the appointment of regular incumbent. Any individual with the additional charge can exercise Category-I powers to ensure smooth project functionality. A three month extension may also be given in the additional charge, if no suitable candidate is found.

### **Financial Phasing of the Project**

When any administrative department, or sponsoring agency submits a PC-I to the relevant approving forum, it should add a tentative financial phasing with the PC-I. The tentative financial phasing should be on bi-annual basis (6 monthly). This phasing shall mention which project activities will be covered in which phase. However, the administrative secretary will be authorized to review and revise the financial phasing in accordance with the on ground implementation from time to time.

### **Financial Forecasting**

Financial forecasting within the project, will be adhered to, to as maximum an extent as possible. However, wherever need be, revisions can be allowed. These revisions have to come through the Administrative Secretary.

It is proposed that the Administrative Secretary will review the project on a monthly basis. If they feel that forecasting needs to be changed, then a request can be sent through P&D to FD for the next quarter.

## Projects with Exemptions

Any Projects that have any exemption by Federal Government Statutory Regulatory Order, will undertake the process for exemption as per existing rules and laws. It will be the responsibility of the PD to ensure completion of the exemption process.

## Provision of Funds and Release Mechanism

The Finance Department may release funds of approved projects to relevant heads on bi-annual basis in accordance with the financial phasing given in the PC-I. FD will release the money on controlling level. The Administrative Secretary will ensure that within a week of receipt of funds from FD, the money is made available for spending.

## Authorization of AG

Consequently, the Project director will aim at ensuring that within spending level availability, the money should be available on the withdrawal level.

## Releases According to Financial Phasing

While most projects may require phased releases, releases may not always need financial phasing. In such instances, funds can be released in their entirety.

Similarly, if the Administrative Secretary is satisfied that there is a modification required in the financial phasing given in the PC-I, then that request has to be sent through P&D to FD. FD may then release funds according to modified request.

## Assan Assignment Account

Finance Division has issued detailed instructions with regards to opening Assan Assignment Accounts, as per Assan Assignment Account Procedure (Local Currency), 2020, approved by Finance Division, Islamabad vide No. F.2(2)BI/2008/2020-1081 and circulated by the CGA vide No.1376/CGA/A.A/RP-2018 (L.C), dated 26.10.2020. Though necessary instructions have already been communicated to all concerned, a quick overview of the process of opening this account is detailed below.

In case of projects where a separate PD has been nominated, the PD will be responsible for opening Assan Assignment Account, in line with instructions in Assan Assignment Account Procedure (Local Currency), 2020.

In cases where a PD is not nominated, and the project is below a certain cost (PKR 200 million), a Principal Accounting Officer will open this account.

Signatories for the Assan Assignment Account will be in line with the directions contained in Assan Assignment Account Procedure (Local Currency), 2020. Compliance with these directions will be the responsibility of the Principal Accounting Officer. In instances where the PD has been hired, one signatory has to be PD, and one has to be a representative of the Administrative Secretary.

All payments, except for those payments which are to be made for quotation or petty purchases, must be made through the Assan Assignment Account.

## Opening of Commercial Account

A project preferably should open 2 commercial accounts. Each of these is explained briefly below.

### Account for Salary and Operational Purpose

In this account, funds will be maintained such that a one month salary budget, plus a one month operational expenditure budget for projects with a PMU is always present. These operational expenditures may be limited to operations which are procured as petty purchases below PKR 50,000/-, or procurements through quotations below PKR 100,000/-, as per provisions laid down in Chapter III, (6)(a), (6)(b) and any other relevant provision in Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, notified vide letter No.SO (FR)/FD/9-7/2010/Vol-II, and as amended from time to time.

It is crucial to note that all procurements done through competitive bidding as per KPPRA Rules, 2014, shall be paid through the Assan Assignment Account. The PD will be responsible for ensuring compliance with this condition.

### Account for LC Payments

A second commercial account will be maintained, to be used purely for LC payments. Every project above PKR 1 billion, will need to open their WeBOC account, ensure registration for tax number (FTN), and sales tax registration.

## Maintenance of Petty Cash

Projects may be allowed to maintain petty cash, in order to undertake operational expenditures. All petty cash expenditures will be verified through vouched accounts. The PD will be responsible for maintenance of petty cash vouched accounts. Petty cash provisions, with respect to the financial outlay of the project are given in the table below.

Project Cost	Petty Cash Provision (PKR per month)
Greater than PKR 1 Billion	500,000/-
PKR 200 million to PKR 1 Billion	150,000/-
Less than PKR 200 million	50,000/-

## Re-Appropriation of Funds Within the Budgetary Allocation

It is expected that certain projects may need to re-appropriate funding during the lifetime of the project. As per the financial phasing, within any one quarter, if one item has to be bought, or money has to be moved from one head to another, the Administrative Secretary shall have the re-appropriating rights to do so at the spending level.

If re-appropriation has to take place between any two subsequent quarters, the Administrative Secretary shall, again, have the right to re-appropriate.

## Need For PC-I Revision Based on Financial Changes

Project costs related to procurements may vary, especially if any procurement is necessitated at a later stage of the project. For this purpose, if any procurement is to be done outside of the procurement plan, the project can go into a PC-I revision.

Certain instances where project expenditure is upward of 15% of total approved PC-I cost, special provision can be given. In such cases, approval can be given by the administrative Secretary, which can subsequently be confirmed by the approving forum.

Similarly, if the item cost of any one particular item varies, such that this variation does not raise the cost of the project by more than 15%, the Administrative Secretary (or PD in the case of procurement of goods and works, as per the delegation of financial powers) has the power to grant approval, followed by approval from relevant forum.

## Audits

All projects shall undergo a regular audit process (statutory audit by Auditor General) on annual basis and special audit if so required. Additionally, for large and complex projects, audit by chartered accountant firms shall also be mandated.

All audits shall be conducted for three main elements, and may include any other project implementation element as per need. These three domains are:

- (i) Procurement and Financial Audits**
- (ii) Process Audits**
- (iii) HR Recruitment Audits**

Large projects shall be encouraged to have annual audits of procurement, HR recruitment, and Financials etc. on an annual basis .

Other supporting audit functions are listed below:

### Pre-Audit

Projects for which a separate PMU is made, must ensure the presence of a separate internal pre-audit wing within the PMU. All payments will be processed through this pre-audit wing. Only after a pre-audit is conducted by the internal audit wing, will payments be processed. The Internal Audit Wing will also draft and submit a yearly internal audit report, which will be put up to the administrative Secretary for necessary action and compliance.

### Audit by DG Civil Audit

DG Civil Audit will conduct an annual audit of all projects. The resultant report of this audit will be put up by the competent authority for consideration as per the audit manual and standing instructions issued by AG Pak.

## **Audit by Third Party**

Projects which have a separate PMU, will need to budget financial provision for third party audits. All third party audits will be conducted annual, as opposed to a singular third party audit during project closure. Procurement of a third party to conduct audits can be such that any one party can conduct all three audits, or three different organizations can conduct each audit. The selection of firms for audit can be done under the relevant provisions of KPPRA Rules, 2014.

These audits will cover three main types:

### **Financial Audit + Procurement Audit**

All financial procedures and procurement procedures compliance will be assessed.

### **Process Audit**

Process controls of PMU and project implementation will be assessed.

### **HR Recruitment Audit**

HR files and records will be assessed.

## **Clear and Discrepant LC Documents**

While acknowledging the discrepancy in LC documents may be non mala fide in some cases, it is important to protect the projects' own financial interests. Therefore it is proposed that a revocable Letter of Credit may be issued, wherever possible. If a revocable Letter of Credit cannot be issued, an irrevocable letter of credit may be issued. However, the irrevocable letter of credit must include strict, time-bound terms, e.g. in the case of equipment, delivery and installation of equipment may be included as a term.

## Chapter 9: **Institutional Arrangements for Project Implementation**

Under Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, notified vide letter NO.SO(FR)/FD/9-1/2018/DOP/17441KP, the ultimate authority for approval of any development project lies with respective approval forum (PDWP, DDWP etc.). However, there has been increasing emphasis on establishing certain institutional arrangements (particularly for flagship initiatives/ programs) such as steering committees (usually headed by quite senior level like Minister, concerned Secretary or Commissioners). The results of execution of such projects through oversight of such steering committees are overall encouraging. However, under current arrangement, the mandate of the steering committee with regard to any adjustment or change in project design or execution is extremely limited rather than non-existent.

The instant project implementation policy intends to develop linkages of project execution with these institutional arrangements, even if overall the powers of such institutional forums shall be quite limited.

### **Project/ Programme Steering Committee**

It shall be headed by a senior level such as Minister, Administrative Secretary or Commissioner. The committee shall oversee project implementation and shall be restricted by TORs duly approved by approval forum (mainly PDWP). For projects approved at the level of DDWP, the practice of such institutional arrangement may not be adopted unless extremely important due to the nature of the project. Generally steering committee may have following mandate:

- **Make decisions as to phasing of facilities with in overall scope of project**
- **Guide procurement committees as to cost variations between PC-I estimated and actual bids (See procurement chapter)**
- **Re-allocation of some resources (within same project), recommendations to PDWP (See Procurement Chapter)**
- **May recommend a matter to PDWP for advice (see Advice of Approval Forums chapter)**
- **May recommend revision of particular component to approval forum (See Revision of PC-I chapter)**
- **May constitute one or more committees under it to support itself (however, such committees shall be recommending bodies to Steering Committee and would be restricted by mandate of Steering Committee)**
- **Any other mandate specifically given to steering committee**

## Requisite for establishing Steering Committees as Institutional Arrangements for Project Implementation

In order to provide for the steering committee, the PC-I at time of formulation or during revisions shall mention the composition of the Steering Committee along with a mandate that is proposed to be assigned to the steering committee. The approval forum shall approve the composition and TORs/ mandate.

## Chapter 10: Monitoring and Evaluation

Monitoring, evaluation, and learning remains a key component of project management and implementation. As a critical function monitoring, evaluation and learning functions are required to;

- assess project implementation;
- recommend corrective action;
- anticipate possible bottlenecks;
- track project progress against implementation timelines;
- identify and record critical baseline, mid line, and end line data, and;
- help identify negative externalities which could impact the overall completion of the project.

### Monitoring Staff

It is recommended that all projects shall have a dedicated monitoring and evaluation team (or a single dedicated resource, in case of smaller projects). For projects with dedicated PMUs, it is imperative to include an in-house monitoring and evaluation resource.

### Project Monitoring Committee

A Project Monitoring Committee may be designated after the first quarter is over, and the project enters its' operational phase. This monitoring committee shall prepare quarterly reports, which should identify processes on key indicators of the project, and overall project implementation. These reports may be presented to the sponsoring and executing agency, and subsequently, may be forwarded to P&D, or relevant approval forums.

### Project Monitoring Tools

During the formulation of the PC-I, it is expected that all projects will incorporate a results-based monitoring paradigm, where key outcome, output, process, and input indicators will be identified and tracked throughout the lifetime of the project. All indicators must list tangible means of verification, along with proposed frequency of monitoring (if applicable). These results-based monitoring tools will remain a live document throughout the lifetime of the project, and may be revised as per need.

In addition to project specific tools that may be designed, all projects shall be monitored through available e-based portals that may be used for effective monitoring and evaluation of projects include the following:

- (i) Planning Commission Forms Management System (PCFMS)**
- (ii) Development Projects Management System (DPMS)**

Additionally, it is also recommended that projects spanning across three years or more may start submitting their PC-III forms during the second year.

## PC-IV Forms

The monitoring reports formulated by the Project Monitoring Committee may be used as justification for project revision, project extension, or for PC-IV formulation. For any projects looking to move a PC-IV, it is suggested that the PC-IV be drafted primarily, or in consultation with the monitoring and evaluation team. For this purpose, any project moving into the closure phase may retain monitoring and evaluation staff as part of the closure phase skeleton staff.

In the interest of ensuring that only projects that merit moving to the current side, move a PC-IV form, it is suggested that multi-level monitoring mechanisms may be adopted, such that for any project moving to submit a PC-IV form, the Administrative Department and P&D will work in collaboration. The Administrative Department will identify which projects can be considered for PC-IV. Ultimately, DG M&E will decide which projects qualify, in consultation with relevant stakeholders.

## Risk Assessment

A risk register must be maintained for all projects. The risk register should clearly identify high, medium and low risks to the projects, including an analysis on the risk appetite of the project. Additionally, the risk register shall also list key actions needed for risk reduction, and risk mitigation. Critical risks that should be considered include:

- **Financial risk**
- **Administrative risk**
- **Implementation risk**
- **Fiduciary risk**
- **FE projects, or projects involving foreign procurements – impact of devaluation should be accounted for before hand**
- **Environmental risk assessment: projects, especially those that focus on, or relate to civil works, should have an initial environment impact assessment, and should also undertake a biannual and/or annual exercise to ascertain the adverse environmental impacts of the project**

The project risk register should clearly identify the person responsible for periodic risk assessment, escalating high risk warnings to the concerned authority, and risk mitigation actions.

## Chapter 11: **Revision**

PC-I is the main project document and covers the entire life cycle of the project. However, the timeframe between PC-I development and execution and gestation life itself warrants revision in PC-I. The revision in PC-I is essentially not a bad practice (frequent revisions does imply project planning quality) and in certain cases it brings value by adding mid-course correction and incorporating the implementation learning experiences.

Thus, a PC-I may be revised either if it requires certain changes in scope and design or for projects with long gestation periods, mid project life revision (say after 2 years of approval) is likely to bring value and improve project implementation quality. Similarly, in cases where a project can be completed at reduced scope, the project may be sent for revision to the concerned approval forum.

For all projects going into revisions, the provisions of this project implementation policy may be incorporated so far as practicable and does not adversely affect the quality of implementation.

However, if the project requires some clarity or change in one or more aspects and it does not affect the overall scope nor it goes beyond 15% of its approved cost, the preferred method is through seeking advice from the approval forum (details in Advice of Approval Forum chapter of this policy).

### **Extension in Scope of Civil Works as a Result of Revisions**

Subject to any provisions mentioned in Building and Road Code and under KPPRA Rule 18(c)iii, the civil works exceeding 15% may be given to same contractor provided that the committee (so constituted) ascertains and certifies that the extension in scope of work is such that cannot be separated from the original scope of work and would have adverse effect on the final work completed and must certify that the conditions mentioned in above Rule 18(c) iii are met. The committee so constituted shall be headed by the Administrative Secretary of the department under which the executing agency falls. Furthermore, it shall be Project Director as its member besides membership from Finance and P&D Departments.

## Chapter 12: **Out-Transition / Project Closure**

Development Projects, by definition, have a definite and limited life. They cannot continue indefinitely, even if several extensions are granted from time to time. Project closures remain a critical component of any project, as a well-managed closure with the proper exit strategy can ensure sustainability of the impact generated by the project.

PC-IV is the project closure document and shall be prepared preferably 3 months before the end of gestation life of the project. As suggested in earlier (see Chapter 10: Monitoring and Evaluation), PC-IV forms may be developed during the Closure phase, and monitoring and evaluation personnel may assist in the formulation of a PC-IV form. However, a few other considerations need to be addressed to ensure that the out-transition of any project is smooth. These considerations are listed below. It is also imperative to note that project closure ultimately remains the responsibility of the sponsoring agency.

### **Closure of PMU**

In case a dedicated PMU was established outside the premises of the administrative department, it is imperative that all assets and equipment procured for the project are disposed of in an appropriate manner. This disposal can include auction of items, or return of items to sponsoring agencies or administrative departments. Additionally, all pending liabilities of rent must be cleared before the project ends.

In cases where the project or PMU was housed within the administrative department, all items borrowed or loaned from the administrative department may be returned back in working condition.

Ultimately, by the closing date, the complete inventory of the project must either be returned to the administrative department, auctioned, or written off.

### **HR Discharge**

In the interest of ensuring that projects do not become draconian in their closure, it is imperative that all projects must issue closure notices at least three months in advance to all staff, regardless of whether the project moves to the current side or not. Additionally, any financial liability, e.g. salaries, must be paid before the closing date of the project.

### **Integration of Project into Steady-State Service Delivery**

For projects that were introduced as a medium to introduce innovation in service delivery, it is imperative that transition of project into steady state must retain the quality of service delivery. Thus, a needs assessment of service delivery (e.g. needs assessment of service delivery staff) may be conducted to identify capacity building needs for continued quality service delivery provision, and easing any roadblocks during the transition from project mode to current/regular mode. This transition of service delivery should take place at least six months before the official closing of the project.

## Financial Closing

All projects must ensure that financial closing is undertaken efficiently. This includes ensuring that all liabilities are paid, and all accounts are adjusted before or on the closing date of the project. Two key actions that need to be undertaken are as follows:

### Closure of Designated Bank Accounts

All bank accounts must be closed by the PD, or the Principal Accounting Officer (if no PD has been appointed), upon closing for project or shifting of expenditures to pre-audit system of accounting.

### Transfer of Remaining Funds

The sponsoring agency should ensure that all liabilities are cleared well within the closure phase. Additionally, any funds remaining in any bank account may be withdrawn in the form of a pay order which can be submitted to the relevant authorities, thereby ensuring that all bank accounts are closed on the date of the project closure.

## Closure Audits

### Financial Audits

The sponsoring agency must ensure that financial audits are conducted during the last 3 to 6 months of the project to ensure that all liability, payments, and cash movements in general are accounted for. Additionally, these closing financial audits must also identify that no further expenditures are forecasted.

### Project Closure Audits

The concerned administrative department or sponsoring agency must conduct a project closure audit within the last month of the closing date.

## Chapter 13: **Advice of Approval Forums**

Project Implementation is like 'beating heart surgery'. A good PC-I shall aim to take a holistic view of project implementation and shall provide for various scenarios that may be faced during execution. However, the fact remains that in developing countries the volatility of internal and external environments and risk exposure of projects makes it very difficult to cover all scenarios. In such cases, often projects suffer delay in execution on account of lack of clarity of approval forum versus execution tier particularly at Project Director Level (even Administrative Secretary's powers in such case are unclear).

The Project Director is usually left with no other choice but to take the project to revision (through submitting revised PC-I). The current process of revision (due diligence at level of CPO, pre-PDWP, PDWP etc.) is lengthy and the clarity a particular project requires may not be the most efficient utilization of resources besides unnecessary delayed execution.

As an alternative, the instant project implementation policy is providing a quicker mechanism for such execution related issues. Thus, for any projects looking to resolve an issue which does not alter the overall project design, the project director or administrative secretary or steering committee (see institutional arrangement chapter above) may refer the specific question or issue along with background knowledge directly to PDWP or DDWP (as the case may be) in form of working paper. It shall be addressed to Secretary P&D for PDWP and head of approval forum in other cases. The Secretary P&D may, directly or after seeking advice of the concerned section, shall place the matter before PDWP along with his/her or sections' recommendations. In such cases there shall not be any need to submit revised PC-I. PDWP shall take decision after evaluating the issue at hand. The decision so taken shall be duly minuted by the approval forum and shall be deemed to be decision of PDWP/ approval forum as the case may be (provisions shall apply mutatis mutandis to DDWP and other forums). By issuance of such minutes, the PC-I shall also be deemed to be amended to that extent.

Common examples where advice of approval forum may be sought through submitting working paper include inability to find HR on approved package or mentioned age limit or qualifications in the PC-I, any particular technology or specifications have become upgraded and previous is either not available or not imperative to go for that, PC-I did not provide for funding for any of enabling/ desirable set of measures (such as outsourcing or external expertise or audits by chartered accountant or design etc.). Thus in such cases, instead of revising PC-I, advice from the approval forum may be sought on that specific issue.

## Chapter 14: Provisions Related to Special Types of Projects

In cognizance of the fact that projects remain multi-faceted, key provisions for special types of projects are given below.

### Restructuring of Organization & Institutional Development

Some departments might need projects to improve their own performance. The main aim of these projects is to improve operations (e.g. Food Authority – can be launched as a project).

In this case, all HR, along with JDs etc. will be mentioned in the PC-I to ensure that the right technical staff is hired. Additionally, basic scale and project allowance will need to be mentioned as well in the PC-I. This is necessary in cases where department thinks that recruitment has to be done on scale, and fixed pay is not suitable for the relevant posts.

For such projects, the HR may need some regulatory powers. The project needs to identify which law/rule can be used to give them such powers .

All positions may only be taken on the current side, when after PC-IV evaluation, the positions are proven to be useful and their utility has been established. If the position is shifted to the current side, and recruitment processes are initiated, staff that may already be working against these posts during project mode, may be given a fixed number of marks based upon the issuance (by the PD or equivalent in-charge) of a certificate marking satisfactory performance. These marks may not exceed 5% of the total marks available.

### Land Acquisition

Projects where a major chunk of land acquisition is involved, will require suitable staff to assist the land acquisition. This staff needs to be included in the PC-I (should be expert in land survey and land measurement).

In these cases, the PD will be responsible for identification of suitable land, draft notification under section 4 and section 6 of Land Acquisition Act, 1894. Project director will be responsible for transfer of requisite funds to the account of concerned land acquisition collector.

### PC-II

The PC-II forms address feasibility of projects. Projects that are directed by the department or approving forum, to conduct a feasibility, may do so before drafting a PC-I.

Within PC-II, all aspects can be covered to make a PC-I.

## Different Funding Sources

### PSDP, HDF, FPA

PSDP, HDF, and FPA projects usually vary only to the extent that they are funded by different sources. The PIP shall be applicable on all projects in the same manner as it would on any PDWP or DDWP project.

### PPP Projects

In case a project is being implemented in PPP mode, the following may be ensured:

- PPP engagement type
- Duration
- Responsibility and risks of private sector
- Responsibility and risks of public sector
- Draft concession agreement, or ToRs of transaction advisor
- Closure and termination mechanism
- Penalties for breach of contract
- Relevant application of KPPRA Rules, 2014

### Civil Infrastructure Projects

Civil infrastructure projects may be undertaken on rough costing.





**PLANNING & DEVELOPMENT DEPARTMENT**

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