



PLANNING & DEVELOPMENT DEPARTMENT
GOVERNMENT OF KHYBER PAKHTUNKHWA

MANUAL FOR DEVELOPMENT PROJECTS

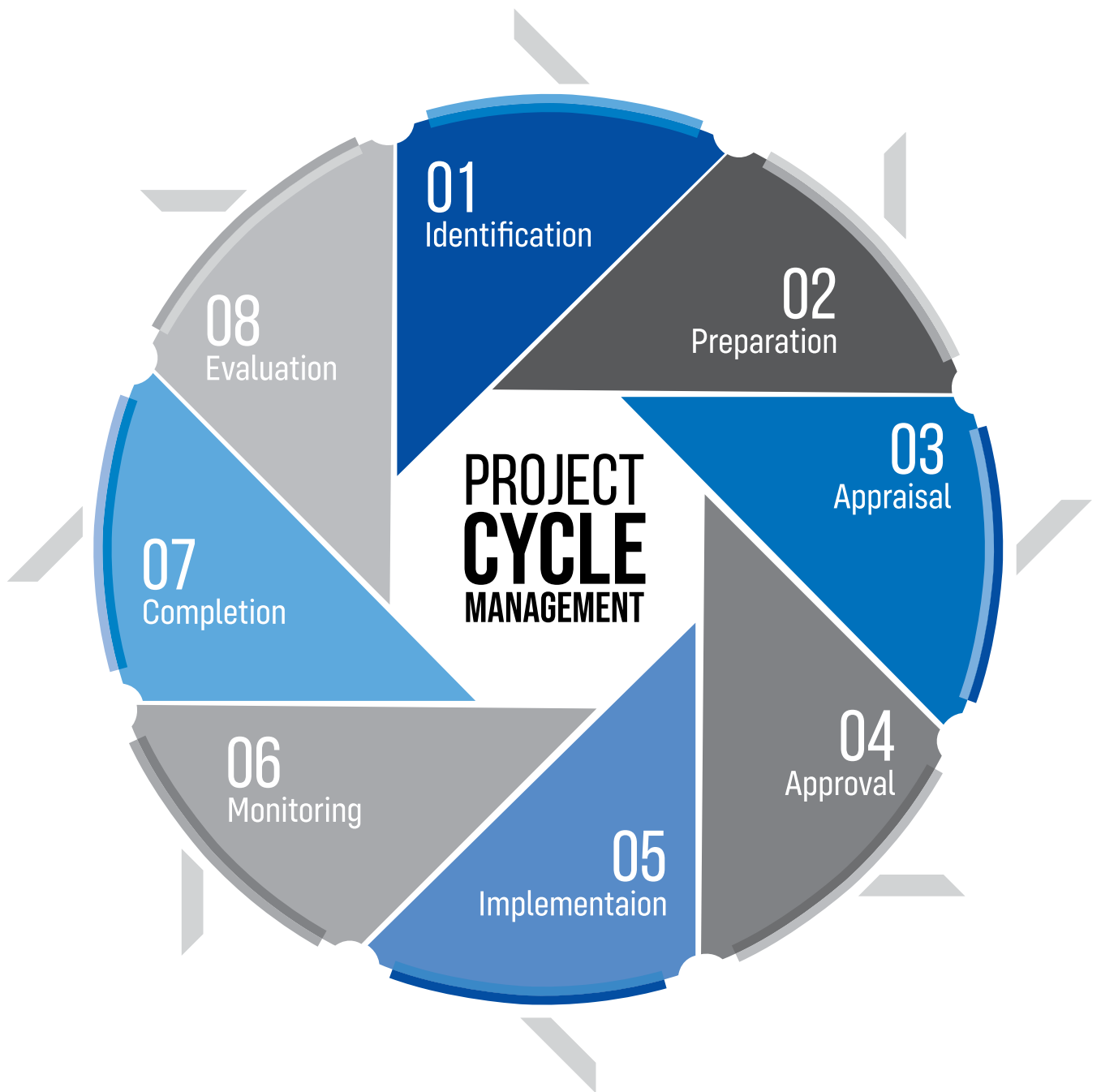
KHYBER PAKHTUNKHWA 2022



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<https://pndkp.gov.pk/startup/manual.pdf>



MANUAL FOR DEVELOPMENT PROJECTS KHYBER PAKHTUNKHWA 2022



Planning & Development Department

Government of Khyber Pakhtunkhwa

PREFACE

National and regional planning for socio economic development is the fundamental responsibility of the state, guaranteed in the Constitution of the Islamic Republic of Pakistan. Planning process at the Federal, Provincial and Local levels are well articulated and practiced since long through established institutions i.e. Planning Commission, Provincial Planning and Development Departments/Boards and local planning departments. Procedures and guidelines exist to facilitate the state functionaries and planners in processing of planning and project cycle management. However, to streamline the processes and capacity building of professionals involved in project management , from project identification to project evaluation, a need was felt to develop a comprehensive Manual to address the challenges faced by the planners and implementers.

Planning and Development Department has accordingly developed the Manual for Development Projects, first of its kind in the development history of Khyber Pakhtunkhwa. The document contains information and detail guidelines relating to planning machinery, project identification, preparation, appraisal, implementation, procurement, monitoring, evaluation, completion and emerging initiatives. The document is supported with relevant rules, regulations, procedures, decisions/directives, notified by the development forums along with checklists to ensure access to the required information.

The formulation of Manual has gone under a consistent process. The Technical Committee constituted by the P&D Department scrutinized and recommended the contents of the draft manual. The draft Manual was also discussed in the Consultative Workshop of professionals of the Provincial Line Departments. This document is a product of the joint efforts of all the key stakeholders, team members and professionals. The Manual was approved by the Provincial Development Working Party (PDWP) in its meeting held on 4th April, 2022 (Appendix - A).

Coordination Section of the Planning & Development Department, Khyber Pakhtunkhwa will be the custodian of the Manual. The manual is a live document and will be updated periodically to enhance its usefulness.

**Planning and Development Department
Government of Khyber Pakhtunkhwa**

MESSAGE FROM THE ADDITIONAL CHIEF SECRETARY

Improvement in Public Investment Management (PIM) is a significant prime mover to enhance efficiency and effectiveness of public investment for improved socio-economic development of the country. In order to achieve substantial efficiency gains and economic returns of the public sector initiatives, Planning and Development Department, Khyber Pakhtunkhwa under the Governance & Policy Project (GPP) has been developing tools and underlying processes in developing effective public investment management system with the assistance of the World Bank.



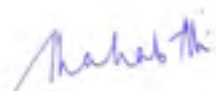
Interalia, development of the 'Manual for Development Projects' is amongst the valuable efforts to enhance capacity of the planning machinery in Khyber Pakhtunkhwa. The Manual forms part of a suite of documents that translate our commitment to deliver sustainable development through efficient planning system.

It is admitted fact that no development plan can be formulated in isolation from the projects nor the projects designed independently of the development plan. In fact the success of the development plan depends on how successfully the plan can be converted into a set of projects which are feasible. The overall development plan can be decomposed into sectoral plans and each sectoral plan can further be decomposed into projects. Keeping in view this relationship between projects and the plan, the viability of the projects would ensure attainment of the desired objectives of the development.

The 'Manual for Development Projects' is the first ever instructive and reference document developed in Khyber Pakhtunkhwa for the guidance of the project authorities and development practitioners in better project preparation, implementation and supervision of the public sector projects. The Manual has embedded rules, regulations, procedures and decisions of the NEC, ECNEC, CDWP, PDWP, Planning Commission and P&D Department, Khyber Pakhtunkhwa on the economic, social and infrastructure development.

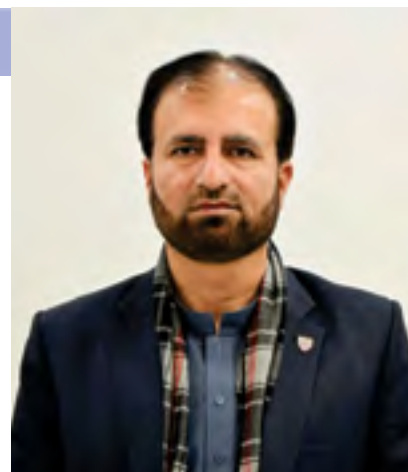
The Manual will be a live document and updated annually by supplementing decisions/directives notified by the development forums and policy changes at the national and provincial level from time to time. The Manual includes a specially designed Checklist to facilitate Planning and Development Department in processing and appraisal of development projects being considered by the PDWP and other forums.

It gives me immense pleasure to present the 'Manual for Development Projects' as a product of the joint efforts of P&D and the Line Departments, Technical Committee, Consultants and other stakeholders. The document will be a source of useful information to project authorities and executing agencies. The objective is to achieve efficiency, economy and effectiveness through proper utilization of funds so that project outputs and ultimate outcomes are assured.


(Shahab Ali Shah)

ACKNOWLEDGEMENT

This manual provides knowledge and guidelines about managing development projects implemented under the public sector development programme. The readers will have an overview of project cycle management, including project identification, preparation, appraisal, approval, monitoring, closing and evaluation of development projects and other standard activities involved in the project management. The manual is a living document and will be updated periodically to enhance its usefulness.



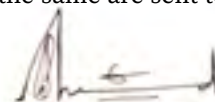
The formulation of Manual has gone under a consistent process. The Technical Committee constituted to scrutinize and approve the contents of the draft manual, discussed the updated versions at different tiers of its submission. The draft Manual was also discussed in the Consultative Workshop of professionals of the Provincial Line Departments. This document is a product of the joint efforts of all the key stakeholders, team members and professionals.

The Planning and Development Department, Khyber Pakhtunkhwa would like to express its satisfaction and appreciation for the commendable work that has led to the formulation of the 'Manual for Development Projects- Khyber Pakhtunkhwa'.

I am pleased to mention the guidance given by former and present Additional Chief Secretaries regarding the process and structure associated with fine class output. Mr. Shakeel Qadar Khan (Former ACS) and Mr. Shahab Ali Shah (present ACS) are the pioneer leaders of Government of Khyber Pakhtunkhwa whom enabled to present this Manual. I also appreciate contributions of Mr. Shahid Mehmood (Additional Secretary, P&DD) and Mr. Muhammad Ali Asghar (Chief Economist) in finalizing the Manual.

I am grateful to Mr. Muhammad Shahid (Consultant), Syed Zahir Ali Shah (DG PCNA), Mr. Ashraf Khan (Governance Specialist- GPP) and Mr. Naseer Ahmed (Coordinator GPP) and Muhammad Atif (Communication Specialist - GPP) for driving this effort. I, extend my special thanks to Mr. Amer Sultan Tareen, former Secretary, P&D Department and Mr. Sher Gul Khan, Sr. Chief, P&DD for their valuable inputs and guidance.

I wish to bring on record our thanks and appreciation for the Members of the Technical Committee who spared their valuable time to contribute towards formulation of the Manual namely: Javed Khan, Hamid Naveed, Asif Shahab, Wasif Rehman, Syed Imtiaz Ali Shah, Sher Afzal Khan, Mukhtar Ahmad, Gul Rukh, Saadia Rehman, Ozair Rahim, Zainab Khatoon, Waqas Ghaus, Muhammad Imran Kazim, Samina Gul, Muhammad Shahzad Khan, Abdul Basit and Haseeb Ali Khan. I appreciate the assistance and cooperation extended by all organs of the P&D Department and valuable feedback from all provincial departments in the compilation of this Manual. No work is ever perfect and I am sure the same is true for this document. Despite our best efforts, if any errors are detected or if there are suggestions for further improvement, we would welcome if the same are sent to us for consideration of their inclusion in the updated version of the Manual.



(Shah Mahmood Khan)

Secretary, P&D Department



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

Dated Peshawar, April 19, 2022

NOTIFICATION:

NO.CHIEF/COORD/P&D/Planning Mannul/2021-22: In pursuance of Rule 3(3) read with entries under Planning and development Department, Schedule-II of Khyber Pakhtunkhwa Government Rules of Business, 1985, the "Manual for Development Projects - Khyber Pakhtunkhwa 2022" is being notified as a guiding paradigm, duly approved by Provincial Development Working Party in its meeting dated 04.04.2022.

2. The Manual aims to bring efficiency and efficacy in project management including project initiation, preparation, approvals, financing, procurement, execution, monitoring & evaluation etc. in developmental projects/programs in Khyber Pakhtunkhwa. The compliance of this manual is mandatory in all developmental schemes and any non-adherence or breach will lead to proceedings under the relevant law including but not limited to audit observations.

3. All the Provincial Government departments and their Attached Formations, Autonomous Organizations, Body Corporates, Local Government Institutions and other relevant organizations are advised to strictly follow the Processes, Procedures, Instructions, Guidelines and Templates provided for in the document in its true letter and spirit.

4. The Planning & Development Department through its Coordination Section will be the custodian of the manual, which shall be, updated periodically in consultation with the relevant section. Any feedback for improvement in this manual, will be highly appreciated.

5. The soft copy of the manual can be downloaded from the official website of P&DD <https://pndkp.gov.pk>

**(SHAH MAHMOOD KHAN)
SECRETARY, P&D DEPARTMENT**

Copy for Informational and necessary action to the:-

- Senior Member Board of Revenue, Government of Khyber Pakhtunkhwa
- All Administrative Secretaries, Government of Khyber Pakhtunkhwa with a request to share copy of the Notification with their attached departments and project management offices/Units
- The Registrar, Peshawar High Court Peshawar
- All Divisional Commissioners, Khyber Pakhtunkhwa with a request to share copy of the Notification with all Deputy Commissioners and District Officers (Planning)
- Chairman Local Council Board, Local Governments Department with a request to share copy of the Notification with all TMOs in Khyber Pakhtunkhwa
- All heads of attached Departments and Sections, P&D Department
- PSO to Chief Secretary, Government of Khyber Pakhtunkhwa
- PS to Additional Chief Secretary, Government of Khyber Pakhtunkhwa


SECRETARY, P&D DEPARTMENT

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CHAPTER-1

SOCIO-ECONOMIC PLANNING & DEVELOPMENT



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 1: SOCIO-ECONOMIC PLANNING AND DEVELOPMENT

Economic development is a process of transforming low-income national economy into modern industrial economy, involving quantitative as well as qualitative improvements. It addresses a wide range of challenges including poverty, low agriculture productivity, regional disparity, low per capita income, high population growth rate, inclusiveness & gender vulnerability, low saving rate, low literacy rate, poor health facilities and greater vulnerability to natural disasters. An effective economic planning system translates the national vision into policy driven goals and allocate resources to programs and projects to help achieve development objectives. The projects become building blocks, transforming development plans and associated investments into physical outputs and tangible benefits.

The constitutional and legal aspects of economic planning and development practices in Pakistan are reproduced below:

1.1 Principles of Policy

Article 29 of the Constitution of Pakistan mandates that it is the responsibility of each organ and authority of the State and each person performing functions on behalf of an organ or authority of the State to act in accordance with those Principles they relate to the functions of the organ or Authority (Annexure 1-A). The Principles of Policy as per Chapter 2 of Part-II of the Constitution inter alia include:

- In so far as the observance of any particular Principle of Policy may be dependent upon resources being available for the purpose, the principle shall be regarded as being subject to the availability of resources.
- The validity of an action or of a law shall not be called in question on the ground that it is not in accordance with the Principles of Policy, and no action shall lie against the State, any organ or authority of the State or any person on such ground.
- The State shall encourage local Government institutions composed of elected representatives of the areas concerned and, in such institutions, special representation will be given to peasants, workers and women.
- Steps shall be taken to ensure full participation of women in all spheres of national life.
- The State shall protect the marriage, the family, the mother and the child.
- The State shall:
 - (a) promote, with special care, the educational and economic interests of backward classes or areas
 - (b) remove illiteracy and provide free and compulsory secondary education within minimum possible period
 - (c) make technical and professional education generally available and higher education equally accessible to all on the basis of merit
 - (d) ensure inexpensive and expeditious justice

- (e) make provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment
- (f) enable the people of different areas, through education, training, agricultural and industrial development, and other methods, to participate fully in all forms of national activities, including employment in the service of Pakistan
- (g) Decentralize the Government administration to facilitate expeditious disposal of its business to meet the convenience and requirements of the public.

The State shall:

- (a) Secure the well-being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants
- (b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure
- (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means
- (d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment
- (e) reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan.

1.2 National Planning and National Economic Coordination

National planning and national economic coordination including planning and coordination of scientific and technological research falls under Part II of the Federal Legislative List (Entry No. 7) and therefore, is the domain of Council of Common Interest (CCI), which shall formulate and regulate policies in relation to matters in Part II of the Federal Legislative List and shall exercise supervision and control over related institutions vide Article 154 of the Constitution.

1.3 Public Finance Management Act 2019 (As Amended in 2020)

The Federal Public Finance Management Act 2019 was enacted (became effective from July 1, 2019) to ensure compliance with Article 79 of the Constitution. Chapter III of the Act titled “Development Projects and Maintenance and Use of Public Assets (Sections 13-20)” has the following provisions:

i. Section 13. Classification of development projects:

Projects defined in public sector development programme, shall be classified as:

- a. core projects in national infrastructure requiring complex planning, design and implementation procedures. The Planning Commission shall designate projects as such in accordance with the criteria notified in official Gazette; and
- b. sectoral projects, projects undertaken by specific sectors, Ministries and Divisions, which are required to enhance the development of that sector or Ministry or Division and do not fall under the above category of core projects.

ii. Section 14. Preparation of development projects

- a. All development projects shall be prepared in conformity with procedures, processes and templates defined by the Planning Commission.
- b. Cost and benefit analysis and risk assessment of all development project proposals, in excess of a threshold size prescribed by the Planning Commission, shall be undertaken.

iii. Section 15. Quality assurance:

Development project proposals which exceed in their total cost thresholds defined by the Planning Commission shall be subject to quality assurance. Such quality assurance shall be undertaken by an individual/body, which is independent of the sector/Ministry/Division that has initiated the preparation of the development project proposal.

iv. Section 16. Technical approval

- a. All development project proposals shall be subject to a technical approval process. Technical approval shall only be granted to projects which are compliant with the standards and procedures set by the Planning Commission.
- b. Findings and recommendations of the independent quality assurance reports and cost and benefit analysis and risk assessment, where required per sub-section (2) section 14, shall be taken into account by these forums while considering the development project proposals.

v. Section 17. Inclusion of development projects in demands for grants

- a. No development project shall be considered for inclusion in demands for grants that has not been granted technical approval.
- b. No development project shall be considered for inclusion in demands for grants unless it is provided with a budget allocation for the coming year which fully reflects the proposed project cost for each year.

vi. Section 18. Monitoring and evaluation of development projects

- a. Development projects shall be subject to the following forms of monitoring and evaluation, namely:
 - i. monitoring of progress during implementation;
 - ii. evaluation of the project on completion; and

- iii. in case of the projects with a total cost exceeding a threshold to be set by the Planning Commission, an independent impact assessment within five years after completion of the projects.
- iv. Timelines, forms and formats and guidance on conducting monitoring and evaluation and reporting shall be as may be prescribed.

vii. Section 19. Budgetary provision for maintenance of assets

- a. Every Ministry and Division shall include in its demands for grants adequate funds dedicated for operation and maintenance of the physical infrastructure assets under its supervision.
- b. The Planning Commission shall define adequacy requirements for different categories of physical infrastructure, expressed as the ratio of the annual provision for maintenance and the current market value of the asset.

viii. Section 20. Utilization of public assets

- a. Principal accounting officers shall ensure that the maximum possible returns are achieved on each and every asset falling under the oversight of the Ministry and Division.
- b. The returns on a public asset may include utilization of the asset for delivery of one or more public services or a financial return accruing to the Government from utilization of the potential of the asset.
- c. With a view to achieving the maximization of returns on public assets, government may establish sovereign wealth funds through an Act of Parliament. The objective of a sovereign wealth fund is to act as a holding institution for public assets, which is capable of bringing to bear sound management and exploitation of opportunities for the maximization of returns from the public assets.

An additional provision to the Public Finance Act 2019 was added through Finance Act 2020 for Plan-based Government expenditure. All government expenditures, whether from a recurrent or a development demand for grant, shall be based on well-defined plans and the strategic priorities approved in the budget strategy paper.

CHAPTER-2

PUBLIC SECTOR PLANNING MACHINERY



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 2: PUBLIC SECTOR PLANNING MACHINERY

A - National Level

2.1 Planning Commission

The Planning Commission (PC) is a financial and public policy development institution of the Government of Pakistan. The Planning Commission undertakes research studies and state policy development initiatives for the growth of national economy and the expansion of the public and state infrastructure of the country in tandem with the Ministry of Finance (MoF).

It is an apex planning and coordination body at Federal level and is functioning under the Chairmanship of the Prime Minister. The operational head of the Planning Commission is Deputy Chairman. The Planning, Development and Special Initiatives Division (PD&SID) serves as the Secretariat to the Planning Commission. The relationship between the PD&SID is as defined in the Cabinet Division's Resolution No. 4-6/2006-Min.I dated October 30, 2013 (Annexure 2-A), which is still enforce.

2.1.1 Mission of Planning Commission

The Mission of the Planning Commission, as explicated in the Cabinet Division Resolution of October 2013, is:

- i. Act as the apex Think Tank for the Government in the context of adjusting to the new realities and challenges including the recognition including increased role of private sector, impact of globalization, and impact of National Finance Commission Award 2010 on economic policy.
- ii. Effectively plan for the economic and social development of the country.
- iii. Moving to a new paradigm of Participatory and Collaborative Planning involving Parliament, Ministries/Division, Provinces, Special Areas, Private Sector, Academia, civil society, and diaspora to play the role of facilitator and stewardship as well as an integrator in the areas of economic policy.

2.1.2 Constitution & Functions of Advisory Committee

- An Advisory Committee of the Planning Commission was notified in October 2013, comprising 26 members, 12 Federal Secretaries, Chairman FBR, Chairman BOI, VC PIDE University, Chairman P&D Punjab and Sindh, and Additional Chief Secretaries of Balochistan and Khyber Pakhtunkhwa [Reference Annexure 2-A]. The Terms of Reference of the Advisory Committee are to:
 - i) Promote public and private sector interface and develop participatory approach in decision making
 - ii) Work as a strategic think tank on policy issues of planning commission/ ministry of planning & development
 - iii) Guide planning commission/ministry of planning & development in policy formulation, reform and its implementation in accordance with the vision of present government and in the national interest

- iv) Generate and build consensus on policies and strategies of the planning commission/ministry of planning & development, and
- v) Provide input and feedback from non-government stakeholders to the policies/performance of the planning commission/ministry of planning & development.

2.1.3 Core Development Functions

- Preparing the National Plan, review and evaluate its implementation:
 - i) Formulating annual plan and Public Sector Development Program (PSDP)
 - ii) Monitoring and evaluating implementation of major development projects and programmes
 - iii) Stimulating preparation of sound projects in regions and sectors lacking adequate portfolio
 - iv) Continuously evaluating the economic situation and coordinate economic policies and decision making
 - v) Organizing research and analytical studies for economic decision making.

2.1.4 Vision, Strategic Planning and Capacity Building Functions

- Assisting in defining the national vision, and undertaking strategic planning
- Assessing the material, capital, and human resources of the country and formulating proposals for augmenting such resources
- Assisting the Government in providing a conducive macroeconomic and regulatory framework, improved resource mobilization, an institutional framework and efficient public investment
- Promoting and developing role of the private sector as engine of growth by co-opting it as a partner in development process through institutionalized effective consultative process
- Facilitating capacity building of agencies involved in development, and
- Promoting and coordinating reforms and innovations in the government, in partnership with relevant Ministries / Divisions and Organizations.

2.1.5 Think Tank including Research and Development Functions

- Promoting and developing social capital for development with stakeholders (SDGs), poverty alleviation, social harmony)
- Promoting and coordinating economic and infrastructure initiatives towards developing regional economic integration
- Monitoring Pakistan's economic competitiveness and developing strategies for its enhancement with relevant Ministries / Divisions and organization
- Promoting development discourse in the country towards participatory and collaborative planning and development
- Study trends and evaluate impact of globalization and develop appropriate national responses in coordination with relevant Ministries / Divisions and Organizations
- Study and evaluate impact of new technologies on development and develop appropriate national responses in coordination with relevant Ministries / Divisions and Organizations, and
- Any other function assigned by the Prime Minister.

2.2 Restructuring of Ministry of Planning, Development & Special Initiatives

The Federal Government vide Notification No. 4-6/2006-Min dated 18th June, 2019 has decided to harmonize and improve the coordination and synergy amongst the top hierarchy of the Planning Commission (Annexure 2-B). The Deputy Chairman, Planning Commission was made responsible to report to the Minister for Planning, Development & Special Initiatives, in the following areas:

- All issues, which require approval or consideration of the Prime Minister, Cabinet, National Economic Council (NEC), Economic Coordination Committee of the Cabinet (ECC), and Executive Committee of National Economic Council (ECNEC).
- Brief and seek approval of the Minister on the agenda of Central Development Working Party (CDWP).
- Finalization of Public Sector Development Program (PSDP) in consultation with the Minister.
- Close liaison with Minister on all matters pertaining to the development policy formulation

2.3 Development Plans

2.3.1 Perspective Plan

A Perspective Plan is a long term (20-25 years) document providing policies regarding development of social and economic infrastructure and resource mobilization, that are necessary to achieve the desired objectives. Pakistan had developed first perspective plan for 1965-85 followed by vision 2025 and vision 2030.

2.3.2 Medium Term / Five-year Plan

The Medium Term / Five-year Development Plan is a policy document to strengthen the national economy and civil infrastructure. The development plan is generally designed to turn the country into a major industrialized nation, increase the speed of human development and poverty reduction. The plan facilitates in formulation of policies in agriculture, manufacturing, infrastructure, health, education, labour, trade, science & technology, taxation and financial management. The list of national five-year plans and medium-term plans is placed at (Annexure 2-BB).

2.3.3 Roll-on Plans

A roll-on plan is a plan which is developed for a certain period of time, and during that time, adjustments and changes are made in the plan e.g. the Roll-on Plan is initially prepared for A, B, C years. Next year the “A” year is ousted and “D” entered. In this manner the plan still remains for three years. For the “B” and “C” years adjustments are made according to the implementation of “A” year. The rolling plans allow for revisions and adjustments and becomes a continuous exercise.

2.3.4 Annual Plan

An annual plan is an operational plan that indicates specific goals and objectives to be achieved within a specific timeframe, usually one year. It is the principal instrument for translating five-year plan to operational program on yearly basis. The annual plan is an outline of the investment program in the public / private sector and economic policy, necessary to achieve the desired targets.

2.4 National Economic Planning and Coordination Forums

2.4.1 National Economic Council (NEC)

National Economic Council (NEC) is the apex economic and development policy forum mandated by the Constitution. It approves vision statements, long-term perspective plans, five-year plans, annual plans, and the Public Sector Development Program (PSDP). The President of the Islamic Republic of Pakistan, as per clause (1) of Article 156 of the Constitution, approved the following composition of the NEC. It has been notified by Cabinet Division on 10th December, 2019 (Annexure 2-C) as amended vide notification dated 4th May, 2021 (Annexure 2-D) respectively and is reproduced below:

- (a) The Prime Minister Chairman
 - (b) The Chief Ministers of the Provinces of Balochistan, the Khyber Pakhtunkhwa, the Punjab and Sindh Members
 - (c) Four members nominated as under by the Prime Minister under paragraph (c) of clause (1) of Article 156 of the Constitution: Members
 - (i) Mr. Shaukat Fayaz Ahmed Tarin, Adviser to the Prime Minister on Finance and Revenue
 - (ii) Mr. Asad Umar, Minister for Planning, Development and Reform
 - (iii) Mr. Abdul Razak Dawood, Adviser to the Prime Minister on Commerce, Textile, Industry & Production and Investment
 - (iv) Dr. Ishrat Hussain, Adviser to the Prime Minister on Institutional Reforms and Austerity
 - (d) Four members nominated as under by the respective Chief Ministers under paragraph (b) of clause (1) of Article 156 of the Constitution: Members
 - (i) Mr. Jan Muhammad Jamali, Member Provincial Assembly nominated by Chief Minister Balochistan
 - (ii) Mr. Taimur Saleem Khan Jhagra, Minister for Finance nominated by Chief Minister Khyber Pakhtunkhwa
 - (iii) Makhdum Hashim Jawan Bakht, Minister for Finance nominated by Chief Minister Punjab, and
 - (iv) Mr. Nisar Ahmed Khuhro nominated by Chief Minister Sindh
1. The following shall be invited to attend the meetings of the National Economic Council for all items on the agenda, namely:
- (a) Governor, Khyber Pakhtunkhwa
 - (b) Prime Minister, Azad Jammu and Kashmir
 - (c) Chief Minister, Gilgit - Baltistan
 - (d) Deputy Chairman, Planning Commission
 - (e) Secretary, Finance Division
 - (f) Secretary, Economic Affairs Division, and
 - (g) Secretary, Planning, Development and ~~Reform~~ Special Initiatives Division

2. Other Federal Secretaries, including Chief Secretaries of the Provinces, Azad Jammu and Kashmir and Gilgit-Baltistan shall on need basis attend the meetings of the National Economic Council by special invitation.
3. The meetings of the National Economic Council shall be convened in accordance with Article 156 of the Constitution read with Rule 22 of the Rules of Business, 1973.

The meetings of the Council are summoned by the Chairman or at the request of one-half of the members of the Council. The Council shall meet at least twice a year, and the quorum for a meeting of the Council is one-half of its total membership. The Council is answerable to the Parliament and submits its Annual Report to each House – the Senate and National Assembly – of the Parliament.

2.5 Economic Coordination Committee of the Cabinet (ECC)

The Economic Coordination Committee has been constituted to handle the urgent economic matters and coordinate economic policies of various government entities. The composition of ECC as per Cabinet Division Notification No.F.5/3/2018-Com dated 15th December, 2020 (Annexure 2-E) is as follows:

1. Minister for Finance and Revenue	Chairman
2. Minister for Communications	Member
3. Minister for Economic Affairs	“
4. Minister for Industries and Production	“
5. Minister for Interior	“
6. Minister for Law and Justice	“
7. Minister for Maritime Affairs	“
8. Minister for National Food Security and Research	“
9. Minister for Planning, Development & Special Initiatives	“
10. Minister for Power	“
11. Minister for Petroleum	“
12. Minister for Privatization	“
13. Minister for Railways	“
14. Minister for Water Resources	“

2.6 Annual Plan Coordination Committee (APCC)

The Annual Plan Coordination Committee (APCC) is mandated to:

- i. Review Annual Plan targets of current year and to discuss and recommend proposed Annual Plan of next year for submission to NEC
- ii. Review Public Sector Development Program (PSDP) of current year and to recommend proposed PSDP of next year for submission to NEC.

The APCC is Chaired by the Deputy Chairman, Planning Commission, and has the Governor, State Bank of Pakistan; Ministers for Finance and Planning and Development of all provinces, GB and AJ&K; Chairman, P&D Board, Punjab and Sindh and Additional Chief Secretaries (Development) of Sindh, Balochistan, KP, AJ&K, and Gilgit-Baltistan; provincial Finance Secretaries; Secretaries of all federal ministries; Chief Economist, Planning Commission; Chairmen, FBR / NHA / WAPDA / PAEC / PNRA /

HEC / CDA; Economic Adviser, Finance Division; Additional Secretary (Budget), Finance Division; and Director, PIA as members (Annexure 2-F).

Development Project/Programme Approval Forums

2.7.1 Executive Committee of the National Economic Council (ECNEC)

The Composition of the Executive Committee of National Economic Council (ECNEC), as notified by the Cabinet Division vide notification No.F.5/2/2018-Com dated 7th May, 2021, (Annexure 2-G) is as follows:

- | | |
|---|----------|
| 1. Mr. Shaukat Fayaz Ahmed Tarin, Minister for Finance and Revenue | Chairman |
| 2. Mr. Asad Umar, Minister for Planning, Development & Special Initiatives | Member |
| 3. Mr. Makhdum Khusró Bukhtiar, Minister for Industries & Production | Member |
| 4. Mr. Muhammad Hammad Azhar, Minister for Energy | Member |
| 5. Makhdum Hashim Jawan Bakht, Minister for Finance, Punjab | Member |
| 6. Mr. Nisar Ahmed Khuhro, Sindh | Member |
| 7. Mr. Taimur Saleem Khan Jhagra, Minister for Finance, Khyber Pakhtunkhwa | Member |
| 8. Nawabzada Tariq Khan Magsi, Minister for Communication and Works Department, Balochistan | Member |

By Special Invitation for all Items:

- i. Deputy Chairman, Planning Commission
- ii. Adviser to the Prime Minister on Commerce and Investment
- iii. Adviser to the Prime Minister on Institutional Reforms and Austerity
- iv. Secretary, Economic Affairs Division
- v. Secretary, Finance Division
- vi. Secretary, Planning, Development and Special Initiatives Division
- vii. Chairman, Planning & Development Board, Punjab
- viii. Chairman, Planning & Development Board, Sindh
- ix. ACS (Dev), Planning & Development Department, Khyber Pakhtunkhwa
- x. ACS (Dev), Planning & Development Department, Balochistan

Other officers of the Federal and Provincial Governments as well as of the Government of AJ&K and Gilgit-Baltistan shall be invited to the meetings of ECNEC on need basis.

Functions and powers of the ECNEC include:

- i. sanctioning development projects (both in public and private sectors) costing above Rs. 10 billion and foreign funded projects pending their approval of the NEC
- ii. allowing moderate changes in the Plan and sectoral adjustments within the overall plan allocation
- iii. supervising the implementation of the economic policies, laid down by the Cabinet and the National Economic Council
- iv. pronouncing on cases for the grant of protection of indigenous industry

- v. pronouncing on cases involving the grant of licenses for exploration or exploitation of oil and other mineral resources or extension operation
- vi. issuing reports asked for by the Committee in pursuance of its earlier decisions
- vii. acting on any other matter referred to the Committee by the Prime Minister, the National Economic Council, the Council of Common Interests (CCI), the Cabinet or raised by a member in the Committee with the permission of the Chairman

2.7.2 Central Development Working Party

Ministry of Planning, Development and Special Initiatives vide Notification No. 20 (1) PIA-I/PC/2021 dated December 15, 2021 has notified the composition of the Central Development Working Party (CDWP) (Annexure 2-H). The composition of the CDWP includes:

1. Deputy Chairman, Planning Commission	Chairman
2. Chairman, Planning & Development Board, Government of Punjab, Lahore	Member
3. Chairman, Planning & Development Board, Government of Sindh, Karachi	Member
4. Additional Chief Secretary (Dev.), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar	Member
5. Additional Chief Secretary (Dev.), Planning & Development Department, Government of Balochistan, Quetta	Member
6. Additional Chief Secretary (Dev.), Planning & Development Department, Government of AJ&K, Muzaffarabad	Member
7. Additional Chief Secretary (Development), Gilgit-Baltistan, Gilgit	Member
8. Representative of Finance Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
9. Representative of Economic Affairs Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
10. Representative of Climate Change Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
11. Representative of Ministry of Housing & Works Government of Pakistan, Islamabad (not below the rank of AS/Sr. JS)	Member
12. Chairman, Pakistan Council of Science & Technology, Islamabad	Member
14. Chief Statistician, Pakistan Bureau of Statistics	Member
15. Relevant Federal Ministry (Secretary/Incharge)	Member

Planning Commission / Ministry of Planning, Development & Special Initiatives

1. Secretary	Member
2. Additional Secretary (Dev & SI)	Member
3. Chief Economist	Member
4. All Members, Planning Commission	Member
5. Vice Chancellor, PIDE	Member

6. Joint Chief Economist (Economic Policy)	Member
7. Joint Chief Economist (Operations)	Member
8. Sr. Chief (Tech)/Chief (PP&H)	Member
9. Chief, Public Investment Authorization (PIA)	Member
10. Chief, Public Investment Programming (PIP)	Member
11. Chief, Economic Appraisal Section	Member
12. Chief, Employment & Research Section	Member
13. Chief, Foreign Assistance Section	Member
14. Chief, Governance Section	Member
15. Chief, SDGs Section	Member
16. Director General, PPMI	Member
17. Director General, (Evaluation) Projects Wing	Member
18. Director General, (Monitoring) Projects Wing	Member
19. Chief of concerned Technical Section of MPD&SI	Member

By Special Initiatives

1. Representative of Pakistan Engineering Council (PEC)	Member
2. Director General, Board of Investment	Member
3. Chief Executive Officer, PPPA	Member
4. Director General, Environment Protection Agency	Member
5. Advisor, (Climate Change), MPD&SI	Member
6. Advisor, (Water), MPD&SI	Member

Functions of Central Development Working Party (CDWP)

- Consider and approve all development schemes costing between Rs. 2,000 million to Rs. 10,000 million prepared by the Federal Ministries.
- Consider and recommend all federal and provincial projects costing more than Rs. 10,000 million for consideration by ECNEC.
- Projects co-financed by the federal and provincial governments, will also be considered by the CDWP/ECNEC.
- Consider and approve all development projects, irrespective of the cost, having more than 25% capital cost in foreign exchange.
- Consider and approve all development projects, irrespective of the cost, relating to water sector.
- Ensure that the project proposal has been prepared in accordance with the instructions of the Planning Commission.
- Ensure that the project has been prepared keeping in view the priorities assigned in the perspective and five-year plan.
- Ensure projects are prepared to meet the ultimate objective of addition to GDP, and increase in per capita/income.
- Observe meeting the strategic needs of the country.

- Establish harmony amongst different segments of the society.

2.7.3 Processing of Development Projects

Planning, Development & Special Initiatives Division (PD&SID) is the secretariat for processing and appraisal of development projects to be considered by the CDWP for consideration and approval. The development projects received from Line Ministries are circulated to all members of the CDWP and Technical & Economic Sections of Development & Special Initiatives Division (PD&SID) for comments. The members of the CDWP and Technical & Economic Sections communicate their comments to the Technical Section of the Planning, Development & Special Initiatives Division (PD&SID). The consolidated working paper, incorporating the comments of all concerned, is prepared by the respective technical section for its consideration in the pre-CDWP meeting chaired by the Member, Planning Commission with representation of Finance Division, Chief of the Technical and Economic Appraisal Section (Annexure 2-HH). Planning, Development & Special Initiatives Division (PD&SID) appraise the following aspects of the development project:

- Technical
- Managerial
- Financial
- Economic
- Social
- Environmental
- Employment
- Removal of regional disparity
- Poverty alleviation

Efforts are made to resolve the issues raised in the working paper. A revised working paper based on the outcome of the pre-CDWP meeting is prepared for consideration of CDWP.

2.8 Development Working Party (DWP – Autonomous Organizations)

Public sector autonomous organizations, whether commercial or non-commercial (with a functional board by any name) are competent to sanction their development schemes based on 100 per cent self-financing, having no government guarantee and involving less than 25 per cent foreign exchange assistance, subject to the following requirements:

1. The Development Working Party should be constituted by each organization and notified to consider and approve their self-financed projects
2. The Development Working Party should be headed by the Chairman/Head of the organization
3. The quorum of the DWP will be incomplete without the presence of either representative of the Finance Department and Planning & Development Department. In case either of these departments does not agree to the project proposal or any aspect thereof, the case will be referred to the PDWP for its consideration

4. The decision of the DWP will be subject to the endorsement of the Board of the organization. (Annexure 2-J)

B - Provincial Level

2.9 Planning Machinery at Provinces Level

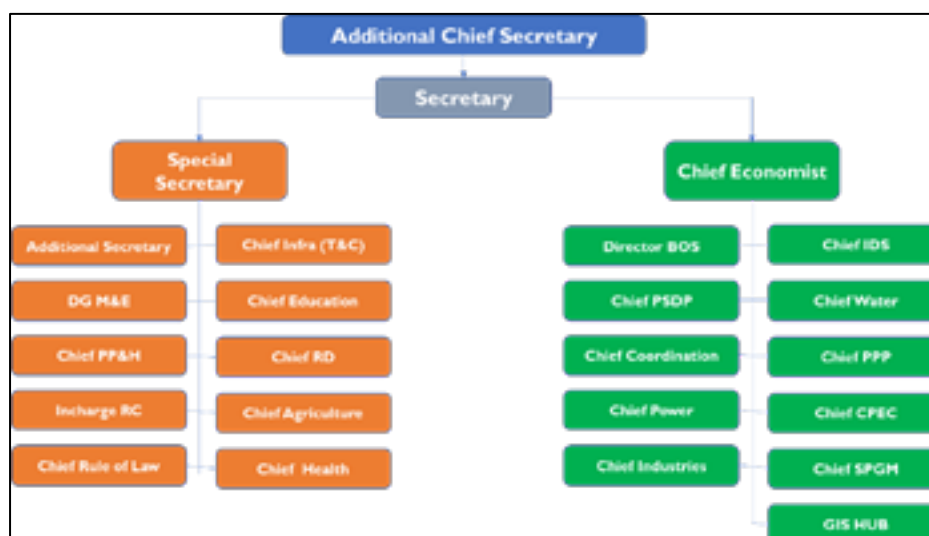
In the aftermath of 18th Constitutional Amendment, provincial planning has undergone a transformation with the introduction of a medium-term perspective, increased inflow of resources, and new planning imperatives such as public-private partnership (PPP) and result-based management (RBM). The formulation of the Annual Development Programme (ADP) and approval of development projects are important exercises carried out by the Planning and Development (P&D) Boards/Departments at provincial/special area level, in consultation with concerned provincial departments and agencies. This exercise is based on the guidelines provided by the Federal Government in accordance with the national priorities and resources availability. The ADP formulation exercise determines the size and the direction of the public sector programmes in the provinces.

Planning Machinery in Khyber Pakhtunkhwa

2.10.1 Planning and Development Department

The Planning and Development Department, Khyber Pakhtunkhwa was established in 1985 and is headed by the Additional Chief Secretary, Development. The organogram of the P&D Department is presented below:

Organogram of P&D Department



2.10.2 Functions of Planning & Development Department

The Planning & Development Department is the major policy decision-making stakeholder, especially in the field of development in the province. It is responsible for the implementation and monitoring of the overall development plans of the province. It plays the most important role in policy making (provincial and sectoral policies, priorities for projects according to the required resources), appraisal and processing of development projects/schemes and implementation (monitoring releases, intra-sectoral re-appropriation and evaluation). The functions of approval (ADP compilation, allocation of funds, recommendation) are an important activity of the Department. Following are the main functions of the P&D Department:

- Strategic planning for provincial economy
- Formulation of Annual Development Plan
- Appraisal and review of Projects
- Monitoring and evaluation of development schemes, Socio-economic impact analysis
- Management of Provincial Statistics
- Foreign Development Assistance – Donors Coordination.
- Processing Foreign trainings & visits
- Lead Provincial representation in National Development Forums
- Lead Steering Committees and PRBs of mega projects
- Secretariat support to PDWP/CDWP/ECNEC/NEC, etc
- Coordination and implementation of Reforms Agenda

Development Projects Approval Fora in Khyber Pakhtunkhwa

2.11.1 Provincial Development Working Party (PDWP)

The composition of Provincial Development Working Party, Khyber Pakhtunkhwa includes:

Additional Chief Secretary (Dev)	Chairman
Secretary, Finance Department	Member
Secretary, Forestry, Environment & Wildlife Department	Member
Secretary, Communication & Works Department	Member
Secretary, LG&RD Department	Member
Secretary, Concerned Department	Member

Functions of PDWP

The PDWP approves projects upto Rs.10 billion from provincial resources. The development project, involving foreign financing and Rupee cover from Provincial Government and co-financed projects by the Federal Government, are discussed by PDWP and recommend to CDWP/ECNEC for consideration and approval.

2.11.2 Procedure for Project Preparation and Approval by PDWP

The following procedure is adopted for project preparation and its approval by PDWP:

- The Executing Agency prepares the PC-I and submit to the concerned Administrative Secretary/Department for further necessary action.
- The Department concerned with the approval of Secretary, upload the PC-I on PCFMS and submit it to concerned Section of P&D Department for appraisal/scrutiny and further necessary action.
- The executing agency obtain clearance of the revenue component from Finance Department before its consideration by the PDWP (Annexure 2-M).
- Development Projects, involving civil works, need clearance from the Infrastructure Section of the Planning and Development Department (Annexure 2-N).
- The concerned Chief of Section, P&D Department, on receipt of development projects financed by donors, Public Sector Development Program (PSDP) and Annual Development Program (ADP) at cost sharing (irrespective of cost), and ADP funded schemes (costing Rs. 500 million & above) may be sent to Appraisal Wing of Directorate General, M&E P&D Department for appraisal and evaluation prior to holding the pre-PDWP. The Appraisal Wing will furnish the appraisal report and recommendations to the concerned section within 7 days otherwise the scheme will be considered as viable for processing and approval (Annexure 2-O).
- The concerned Chief of Section, P&D Department, scrutinize and appraise the project/PC-I and call pre-PDWP for detail discussion. The representative of Finance, M&E, concerned Department/C&W attend the pre-PDWP meeting.
- The Chief of Section P&D Department upload the working paper along with observations (if any) on the software "PCFMS (PC-I automation system) and request the Chief Coordination Section P&D Department for inclusion in the agenda of forth coming PDWP meeting.
- PDWP under chairmanship of ACS (Dev), P&D Department consider the PC-I for approval.
- Concerned Chiefs of Section P&D Department record and process the minutes of PDWP meeting for approval of ACS and circulate the same to all Members and concerned Departments for further necessary action.
- After approval of PC-I, the Sponsoring Agency process the Administrative Approval of PC-I for approval of the Secretary concerned and for further circulation.

2.11.3 Departmental Development Working Party (DDWP)

The development projects are also considered and approved by the Departmental Development Working Party costing upto **Rs.200 million (provincial funding)**. The forum is chaired by the concerned Administrative Secretary and comprises of representative of the Finance Department and P&D Department together with the representative of respective executing department. The composition of the DDWP is given below:

Secretary (Concerned Department)	Chairman
Representative, P&D Department	Member
Representative, Finance Department	Member
Representative, LG&RD Department	Member
Representative, Environment Department	Member
Representative, C&W Department	Member
Concerned Executing Agency	Member

Approval Policy to Finance Provincial Projects

The National Economic Council , in its meeting held on 7^h June, 2021 has approved policy to finance provincial projects (Annexure 2-P) which interalia include:

- a. The Federal/PSDP funding will cover only:
 - i. Capital investment
 - ii. Projects located in deprived areas
 - iii. Original approved cost. Any subsequent change due to scope or any other reason in cost would be responsibility of Provincial Government
- b. The Provincial Government would be responsible:
 - i. To bear the cost of land acquisition, resettlement, provincial taxes and cost of PMU
 - ii. To take over the project on completion immediately
 - iii. In case of irrigation projects, Provincial Governments would simultaneously develop command area to fully benefit from the project.
 - iv. The projects which are selected for financing by the Federal Government adhering to the above policy would be approved by the competent forum by adopting the following approval procedure:
 - o Projects identified by Provincial Governments for Federal financing are to be recommended by concerned PDWP for placing before CDWP/ ECNEC for consideration as the case may be. The PC-Is of these projects would be signed by the respective Chairman/ ACS, Planning & Development Boards/ Departments.
 - o For projects identified by Ministries/ Divisions to be implemented / executed with the collaboration of Provincial Governments, the PC-Is are to be signed by PAO of the concerned Ministry and approved by relevant fora as per project cost.
 - o The project PC-I must also be uploaded on i-PAS (Annexure 2-PA) online by logging on to the web link www.ipas.pc.gov.pk

C – District Level

District Development Committee (DDC)

The composition of District Development Committee is presented below:

- i. Deputy Commissioner (Chairperson)
- ii. District Planning Officer (Member-cum-Secretary)
- iii. District Officer Finance Department (Member)
- iv. Assistant Director LG&RDD (Member)
- v. Executive Engineer C&W Department (Member)
- vi. Executive Engineer PHED (Member)
- vii. DO Social Welfare (Member)
- viii. District Head of Concerned Department (Member)

2.14 Composition of City / Tehsil Development Committee (TDC)

The composition of Tehsil Development Committee is as follows:

- i. City Mayor / Tehsil Chairman (Chairperson)
- ii. ADC (F&P) (Member)
- iii. Assistant Director LG & RDD (Member-cum Secretary)
- iv. District Officer Planning (Member)
- v. District Finance Officer (Member)
- vi. Tehsil Municipal Officer (Member)
- vii. Sub-Divisional Officer PHED (Member)
- viii. DO Social Welfare (Member)
- ix. Representative of Departments Concerned (Member)

2.15 Village Councils / Neighbourhood Councils Project Approval Committee (VC/NC)

The composition of Project Approval Committee (For Village Councils / Neighbourhood Councils projects) is as follows:

- i. Assistant Director LG & RDD (Chairperson)
- ii. Chairman of VC/NC (Concerned - Co Chairperson)
- iii. Tehsil Supervisor (Concerned) (Member)
- iv. Sub Engineer (Concerned) as Technical Expert
- v. Secretary of VC, NC concerned (Member-cum-Secretary)

2.16 Procedure followed at District, Tehsil, VC/NC Approval Forums:

- i. The concerned Department shall prepare cost estimates/PC-Is for the projects related to their sectors for inclusion in the Annual / District Development Programs.
- ii. Projects of District ADP recommended by District Planning Office shall be placed before District Development Committee (DDC) for consideration and approval.
- iii. After approval of the projects by the respective committees, the Administrative Approval will be issued by the respective secretariats as constituted in the above proposed committees.
- iv. Tehsil ADP schemes approved by the Tehsil Council will be placed before the project approval committee as proposed above under the chairmanship of City Mayor / Tehsil Chairman.
- v. Village/ Neighbourhood Council ADP Schemes / Projects after approval by the respective Council shall be placed before the Project Approval Committee as constituted above under the chairmanship of Assistant Director LG & RDD being PAO concerned.
- vi. In pursuance to Section 53 of the Act, Provincial Finance Commission (PFC) shall determine the share of each district out of Provincial Consolidated Fund duly indicating the development grants to be distributed amongst the Local Governments including allocation of development funds for all the tiers of Local Governments.
- vii. PC-Is of all those projects which are funded from the resources transferred to City / Tehsil Local Government from the province under Provincial Finance Commission Award shall be technically approved by Tehsil Development Committee (TDC) as constituted above.
- viii. Funds releases by the Provincial Finance Department and transfers in Account-4 of the District Administration shall be further transferred into the accounts of Executing Agencies through simple receipts.
- ix. Review meetings conducting by Deputy Commissioner (DC) to check progress of the Executing Agencies for District ADP projects and minutes will be recorded and recommendations conveyed to the concerned Executing Agencies for compliance in case of district ADP schemes. Likewise, for City / Tehsil and VC/NC developmental schemes the project approval forums shall carry out review of their respective ADP schemes for City/Tehsil and VC/NC local governments.
- x. Annual priorities in various sectors determined by the District Development Committee/ City or Tehsil Local Government and VCs/NCs and approved by their respective Councils.
- xi. Prioritized projects are allocated funds taking into account the funding criteria attached to these funds. The formulation of Annual Development Program must follow Government's budgeting calendar as given in the district budget call circular.
- xii. Project's completion period is restricted to one year (i.e., for building and roads nine months and Six months for others, as per prevailing policy of the government.)
- xiii. All the Provincial and Federal Government's funded projects like District Development Initiatives (DDIs), Priority projects, Member National Assembly/Senators funds, Prime Minister /President/Chief Minister Directives etc. reflected and properly budgeted in the District Annual Development Program.
- xiv. The District Development Committee (DDC), Tehsil Development Committee (TDC) and Project Approval Committee (PAC) shall not be competent to approve any subsidy project or involving

external funding like foreign aid, Provincial Annual Development Program or Federal Public Sector Development Program, unless provided in any other government policy.

- xv. The District Development Committee, Tehsil Development Committee and Project Approval Committee shall not approve funds to any Non-Annual Development Program projects unless the annual requirements of ongoing project are met.

2.17 Revision of District Development Projects:

- i. The upward revision of cost, or a major change in the objectives or scope of a development project shall require the approval of the respective approval Committee.
- ii. Time extension/ revision of project will be allowed only once during the currency of the project in case of exceptional/ unavoidable circumstances subject to approval by the District Development Committee, Tehsil Development Committee and Project Approval Committee.

Development Proformas

Planning Commission has prescribed five proformas (PC1-5) for preparation and implementation of development projects in Pakistan. PC-I deals with preparation of project proposal, PC-II for undertaking survey and feasibility study, PC-III is annual targets and progress reporting, PC-IV deals with project completion and PC-V is for annual performance after the completion of the project. A brief description of these development proforma is given as below:

2.18.1 PC-I Proforma

This is the basic project document, and its preparation is pivotal in the project cycle. Separate PC-Is have been designed for Production, Infrastructure and Social Sectors. The details of PC-1 proforma are as follows:

PC-I Proforma	Sectors
Production Sector (Annexure 2-Q)	<ul style="list-style-type: none"> • Agriculture Production • Agriculture Extension • Industries, Commerce & Minerals
Infrastructure Sector (Annexure 2-R)	<ul style="list-style-type: none"> • Transport & Communication • Telecommunication • Information Technology • Energy (Fuel & Power) • Housing, Government Buildings & Town Planning • Irrigation, Drainage & Flood Control
Social Sector (Annexure 2-S)	<ul style="list-style-type: none"> • Education, Training and Manpower • Health, Nutrition, Family Planning & Social Welfare • Science & Technology • Water Supply & Sewerage • Culture, Sports, Tourism & Youth • Mass Media • Governance • Research

2.18.2 PC-II Proforma

This proforma is used for consideration of the appropriate forum for undertaking survey and feasibility studies (Annexure 2-T). Generally, surveys and investigations are undertaken for larger projects, to justify the project before a large number of resources are committed for implementation of the project.

2.18.3 PC-III Proforma

PC-III proforma is designed to develop workplan on the basis of allocations, made in the PSDP / ADP on annual basis (Annexures 2-U & 2-UA). The physical and financial progress of each development project included in the PSDP / ADP is furnished to the Planning Commission / P&D Department on monthly basis.

2.18.4 PC-IV Proforma

This proforma is prepared on completion of approved physical and financial activities of the project (Annexure 2-V). In a number of cases, the project proforma is the basic document for conversion of posts from development to non-development budget.

2.18.5 PC-V Proforma

This proforma is to be furnished on 31st July of each year for a period of five years, by the agency responsible for operation and maintenance of the project (Annexure 2-W). This proforma provides information on the operational performance of the project during a year. This information is useful to evaluate the operational mechanism and sustainability aspects of the project.

Sanctioning Powers of Development Projects

2.19.1 Federal

Forum	Chaired by	Sanctioning Power
Executive Committee of the National Economic Council (ECNEC)	Minister / Advisor Finance	Above Rs. 10,000 million
Central Development Working Party (CDWP)	Deputy Chairman, Planning Commission	From Rs. 2,000 to 10,000 million
Departmental Development Working Party (DDWP)	Federal Secretary / (PAO)	Upto Rs. 2,000 million

Reference: Annexure 2-X

2.19.2 Khyber Pakhtunkhwa

Forum	Chaired by	Sanctioning Power
Provincial Development Working Party (PDWP)	Additional Chief Secretary (Dev)	Upto Rs. 10,000 million
Departmental Development Working Party (DDWP)	Secretary of the Concerned Department	Upto Rs. 200 million
District Development Working Committee (DDWC)	Deputy Commissioner	Upto Rs. 60 million
Tehsil Development Committee (TDC)	Assistant Commissioner	Upto Rs. 20 million
Village/ Neighbourhood Project Approval Committee	Assistant Commissioner	Upto Rs. 5 million

Reference: Annexure 2-Y

2.20 Flowchart of Planning Commission Form Management System (PCFMS)

1. Creating Concept Paper for New Projects as per specified format:
 - Appraisal of the Concept Paper with/by the concerned Section of P&D Department
 - Discussion on the Concept Paper with the Secretary P&D Department by concerned section
 - Discussion and Approval on the Concept Paper with/by the ACS P&D Department
 - Inclusion of new projects in the draft ADP
 - Approval of the ADP by CM/Cabinet
2. Formulation of ADP
 - Reporting /Printing
3. PC-I/PC-II Preparation on PCFMS
 - PC-I/PC-II uploading by the Line Departments
 - Objectives/Descriptions
 - Components details
 - Cost Estimates details
 - Year Wise Breakup
 - Cash Plans
 - Work Plans
 - Maps/Drawings/layouts/
 - Pre PDWP/DDWP Meeting with concern Chief
 - Appraisal of the PC-I/PC-II
 - Observations rise by the concern section on PCFMS
 - Reply by the line Department
 - Correction of the PC-I/PC-II as per decisions in the Pre-PDWP/DDWP meeting

4. Generation of Working Paper for PDWP/DDWP
 - Preparation of Working paper on PCFMS by the Chief of Section.
 - Circulation of working paper to all members of PDWP in hard (the members of PDWP can also download or review working paper through PCFMS)
 - Presentation of project on PowerPoint by the Chief of Section to the forum
 - Approval of the Project
 - Issuance of the Minutes of meeting of PDWP/DDWP
 - Uploading of the Approved minutes on PCFMS by line department
 - Issuance of Administrative Approval by the line Department
 - Uploading of the Administrative Approvals on PCFMS by line department
 - Issuance of Technical Sanction by the executing Agency
 - Attachment of the TS on PCFMS
5. Submission of PC-III (a) & PC-III (b) of the Projects
6. Connected with PIFRA for expenditure/Utilization
7. PC-IV Preparation
8. PC-V Preparation

2.21 Development of Manual

The Government of Khyber Pakhtunkhwa has developed Manual to facilitate management of development projects. The Manual will be a live document and Coordination Section, P&DD will be the custodian of the Manual and will update on periodical basis.

CHAPTER-3

PROJECT IDENTIFICATION



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 3: PROJECT IDENTIFICATION

Government meets its service delivery obligations through Public Sector Development Projects by investing in Production, Infrastructure and Social Sectors. The Production Sector is the engine of growth, and is mainly managed by the Private Sector. The Federal and Provincial Governments are investing in improvement of Infrastructure i.e. roads, railway, power generation, transmission, distribution, development of storage dams, canal improvement, telecommunication and transport. After the 18th Constitutional Amendment, the Social Sector, involving investment in education, health, social welfare, culture, tourism, women development, climate change, science & technology have been assigned to the Provincial Governments.

The Federal and Provincial Governments, as per its assigned role, identify development projects for consideration by the approving forum. Key considerations include, whether the identified projects are measurable both in investment and returns. Normally it will have some geographic location or an area of geographic concentration. The prioritization of each project depends on the viability and desirability of project impact on the national economic growth, social development, generation of resources and overall Government Policy i.e., uplift of the backward areas, creation of employment opportunity etc.

3.1 Role and Importance of Project Identification in PPMC

Project identification is the crucial phase in the Project Planning & Management Cycle (PPMC). The public sector project identification process involves assessment of problems, issues and all possible ideas/theories that could further be developed and conceptualized as a project for investment and committing public resources. Any public sector development project must be aligned with the sectoral priorities. The rationale of sectoral analysis and consideration of the current situation and problems are, therefore, important elements of project identification. Sectoral priorities are set in the planning documents with specific financial commitments and proposed allocations.

3.2 Identification of Public Sector Development Projects

Project identification is a continuous process. The process of identification of public sector projects revolves around the relevancy and cost-effective delivery of public services or goods. The organizations, such as the Planning Commission, Line Ministries at the Federal level and Planning & Development and Line Departments at Provincial level, coordinate, formulate and maintain a portfolio of potential projects.

Necessary data and basic information on socio-economic conditions are regularly collected by various public and private sector organizations. Such data is also contained in the perspective and five-year development plans and periodical statistical data compiled by the Statistics Departments. The State Bank of Pakistan reports on the economy are also a source of data used in the project formulation. In addition,

Chamber of Commerce and Industry, Textile Mills Associations etc. are also maintaining the data and can be used in the projects preparation.

In Pakistan, development projects for public sector investment are normally identified by the government departments/ministries/divisions, public sector corporations and the public representatives at the local, provincial, and national levels. The provinces mostly follow the policy guidelines, processes and procedures emanating from the National Economic Council (NEC) - supreme economic policy making body in the country, and the Planning Commission at the federal level.

During project identification process, a preliminary proposal is developed to address a specific development goal/objective in a particular region or organizational setting and meeting the basic criteria for public investment. The public sector development project ideas mainly originate from a country's national, regional or sectoral plan, development program or strategy. Sometimes, a follow-up of an existing project or priorities assigned in a political/strategic/ local/regional development framework necessitates initiation of a specific development project in the public sector development program.

At the identification stage, it needs to be clarified that which major development issue(s) the proposed project is going to tackle, and which are the specific development objectives to be achieved. A preliminary information on basic elements of project such as location, indicative cost, scope, source of funding and timelines are required to develop a project concept.

3.3 Sources of Project Identification

The project identification is based on the ideas, such as:

- meeting unsatisfied demand,
- exploitation of unused physical, natural and human resources,
- comparison with other countries/regions,
- taking ideas and lessons learned from successful projects,
- application of technology, which is known but not applied in the economy,
- uplift of the backward areas,
- international obligations,
- handle epidemic/hazard situation etc.

Project ideas may not only originate from within a country but also from abroad in the shape of investment proposals from multinational firms, ongoing projects/programs of bilateral and multilateral agencies, international agreements or initiatives by international community, such as SDGs, population, environment and alleviation of poverty, etc. Project ideas may also stem from initiatives by entrepreneurs and public representatives induced by government incentives, community initiatives of local or international NGOs or a government response to local political or social pressures originating from economic, social, or regional disparities.

Likewise, a need for establishment of permanent local capability and building development institutions to carry out development activities in achieving national objectives, such as food security or meeting migration, environmental and climate change challenges or coping with natural calamities (floods,

drought, earthquakes) that justifies committing public funds through investment in public sector development projects.

There can be two approaches to identification of projects:

- **Goal Approach** – to achieve certain specific goal such as benefit to a target group/region through implementation of a project
- **Strategy Approach** – where a particular project is initiated because of its suitability into the macro-economic strategy of the country vis-à-vis medium-term strategy of the province.

Generally, project ideas mostly originate from the development process, constrained by inadequacy or shortage of much needed basic facilities, services and human or material resources or by institutional or other impediments. Development projects are also required to utilize untapped physical, natural or human resources and opportunities, which are more productive. Meeting essential development needs, provision of basic education & health facility, access roads for mining projects, transportation, packing & marketing facilities for agriculture product; justify formulation of an education, health, road infrastructure or an agriculture development project.

3.4 Project Identification - Institutional and Organizational Framework

Project identification process enables the government department(s) and financing agencies to select a priority potential project proposal for formulation. Projects promising to promoting employment, improvement of educational and health services, development of road infrastructure, provision of electricity, drinking water, sewerage and security of life and property etc., are identified as potential projects answering the aims of any state administration for the welfare and well-being of the people.

Institutional arrangements for project preparation, including organizational setting like establishment of Project Management Unit (PMU) or Project Management Office (PMO), formation of steering committees or project preparation team(s) within the organization are to be constituted at the identification stage. The outcome of project identification would need to be documented as a project identification report, project brief or a concept document as per the requirements and formats of the concerned government and/or financing agency.

3.4.1 Concept Clearance at Federal Level

There are two types of project Concept Clearance Committees established in the Planning Commission, Government of Pakistan. The first one clear project concept for negotiation of foreign assistance through the Economic Affairs Division. All public sector project proposals having more than 25% foreign exchange/foreign aid component, irrespective of their cost and sponsoring agency, are required to submit the proposal on the specified proforma.

The concept clearance proforma for foreign aided projects includes identification of location of the project, executing & donor funding agency, tentative capital cost along with foreign exchange component, brief description and justification of the project, status of feasibility study, linkage with SDGs, scope of work, benefits after completion, directly & indirectly employment generation by the

project. Ministry of Planning, Development & Special Initiatives has issued the following Policy Guidelines for preparation of concept clearance proposal vide notification no.23(1) PIA-I/PC/2018 dated 4th April, 2018 (Annexure 3-A):

- i. Concept Clearance Proposal of only those projects to be processed, which fall under economic framework i.e. five years or annual plans and there is urgency, pending preparation / approval of PC-I / PC-II.
- ii. All concept clearance proposals costing Rs. 10 million and above must be accompanied by a feasibility study.
- iii. No proposal for foreign assistance will be considered for the purchase of vehicles, air conditioners and other consumer durables, produced in the country.

The composition of the Concept Clearance Committee (CCC) is same as of the Central Development Working Party (CDWP). Concept Clearance granted by the CCC is valid for six months. During this period, the sponsors approach the foreign donor/lending agency or country through the Economic Affairs Division (EAD) for seeking and negotiation of foreign assistance. The draft loan agreement and possible financing options with terms and conditions are firmed up and incorporated in the project PC-I/PC-II. Any agreement with the foreign donor or lending agency/country can only be signed after formal approval of the project (PC-I/PC-II) by the competent forum.

There is another sectoral based Concept Clearance Committee, headed by the concerned Member, Planning Commission to consider and approve new project proposals at the identification stage, for further processing/preparation and allocation of resources in the Public Sector Development Program (PSDP). The information required by this Concept Clearance Committee is quite similar to the one required by the Concept Clearance Committee of Foreign Assistance Projects (Annexure 3-B). Any new project proposal initiated by the provincial government for federal government financing (fully or partially) will have to be submitted to this Committee after approval of the PDWP. However, provincial projects, falling in the first category i.e., involving External Economic Assistance (loan/grants) are to be invariably recommended by the PDWP to the Federal CCC for consideration and clearance for seeking foreign assistance.

3.4.2 Concept Clearance at Provincial Level

The provincial governments of Khyber Pakhtunkhwa have also developed a concept clearance proforma for new initiatives (Annexure 3-C). It includes information relating to capital cost, O&M Cost, ADP allocation, location with GPS coordinates, proponent information, PAMframe results to be achieved, geographical coverage, relationship with perspective five-year plan, medium term strategy, sectoral plans, financial phasing, expected output and identification of beneficiaries.

The concept clearance proposal is considered by the Concept Clearance Committee in the P&D Department headed by Additional Chief Secretary (ACS) and comprises representatives of Finance Department, concerned Sponsoring Department/Agency, Chief of Section concerned, P&D Department

to act as Secretariat to the Committee. The Committee would be responsible to select/clear provincial financed project proposals, identified at local/district and provincial level, for preparation and submission for approval to the competent forum. The project proposal is prepared on the prescribed proforma for consideration of Concept Clearance Committee and inclusion in the portfolio of projects for public sector investment.

CHAPTER-4

PROJECT PREPARATION



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 4: PROJECT PREPARATION

4.1 Development Perspective

Development policies and plans are main instruments of the national economic planning. The development plans are prepared with political vision, policy framework and subsequently transformed into viable projects. The Government of Khyber Pakhtunkhwa is endeavoring to efficiently utilize human, natural and physical resources for socio-economic development of the province. The government (at federal, provincial and district levels) is responsible for the development of economic and social infrastructure and delivery of the basic services in an affordable and inclusive manner, irrespective of whether such infrastructure is financed, created and managed by public authorities, private sector or through public private partnership.

4.2 Project Cycle Tiers

Project preparation is one of the fundamental phases in the project cycle. The projects are prepared on the basis of sectoral policies and priorities, determined by the respective government(s). The Government of Khyber Pakhtunkhwa mainly follows the Planning Commission's Project Management Cycle Approach, having eight distinct phases: i) identification, ii) preparation, iii) appraisal, iv) approval, v) execution, vi) monitoring, vii) completion and viii) evaluation. However, departments and organizations may also follow the provincial rules, procedures and processes for preparation of the projects at provincial, district & sub-district levels.

4.3 PC-I: Preparation / Structuring the Project

The preparation / structuring of projects on PC-I proforma is the basic and a very important phase of the project cycle. All development projects, requiring approval of the government and financing from ADP/PSDP, have to be prepared on the respective PC-I proforma. The development projects are prepared by the ministries/provincial departments and public sector autonomous & semi-autonomous organizations. Preparation of the PC-I initially requires location based authentic baseline data/information to establish a proper reference to the project objectives & goals. It includes the scope, project design, deliverables, output & outcomes. In addition, viability of the project in terms of financial and economic indicators is also determined.

Another important aspect, which needs to be considered at the preparation stage, is the sustainability aspect of the proposed project after completion. The Planning Commission has devised three PC-I proformas, one each for the production sector [Reference 2-Q], infrastructure sector [Reference 2-R] and social sector [Reference 2-S]. Each sectoral proforma covers the designated sectors thereunder. These development proformas are also followed by the provincial governments in the preparation of provincial projects. For mega projects, where significant resources are involved for feasibility studies, a separate proposal on the PC-II proforma is to be prepared for consideration and approval of the competent forum.

4.3.1 Preparation of District Development Projects

The development projects, considered at district and tehsil levels, are generally designed to undertake small interventions in health, education, water supply, sewerage, electrification and maintenance of the existing facilities. These small interventions do not require a detailed format of project proposal, being used for preparation of project considered by the DDWP, PDWP, CDWP and ECNEC. A simplified proforma has been designed for preparation of projects at district and tehsil level, to facilitate project preparation and its approval by District Development Committee (DDC) (Annexure 4-A).

4.4 Financing of Development Projects by ADP

The Finance Department issues indicative development budget in consultation with P&D Department and subsequently the P&D Department notify sectoral allocations to the concerned departments. The new projects are planned and prepared by the departments, based on the availability of financial resources. The administrative Departments are also conveyed the proportionate allocations, to be adhered to, with regard to new and ongoing projects.

4.5 Financing of Development Projects by Development Partners

The foreign aid is a major form of capital inflow and has a significant role for the economic development of the country. The trends and patterns of foreign assistance have shown that Foreign Direct Investment (FDI) portfolio and borrowing through private sources have also increased over a period of time. The financial assistance provided by the donors is supplemented by the technical assistance in the form of skilled workers and professionals to ensure that the aided funds are utilized in an efficient manner to speed up the economic growth.

Pakistan has been relying on foreign aid to support the development program. The foreign assistance still has a larger proportion in foreign capital inflow in Pakistan. The foreign aid has stimulated the economic growth and has helped in boosting the GDP growth through structured transformation of economy, laid foundations of the industrial and agricultural sectors, technical assistance, policy advice, modern technology, assistance in overcoming the budget deficit and the social sector development projects are also leading to improvement in the living standards of the masses, effective disease control, increased food production, family planning, increase literacy and improved infrastructure.

4.5.1 Categories of Foreign Assistance

Foreign assistance finances the development initiatives in the form of loans, grants and technical assistance to supplement domestic resources for achieving accelerated and sustainable growth. The following are the different categories of foreign assistance:

4.5.1.1 Loans

Loans are obtained to finance development projects and programmes. Major foreign partners include: the World Bank, Asian Development Bank, Islamic Development Bank, France, Italy,

Germany and Japan. The loans are generally offered at a nominal interest rate of 1-2 percent for repayment in 25 years. The International Fund for Agriculture Development (IFAD) provides interest free loans in agriculture and livestock sectors with an extended repayment period.

4.5.1.2 Grants

The 2nd source of financing the development initiatives is grant from various development partners including USAID, Germany, Japan etc. These Grants are implemented through Federal/Provincial Governments, implementing partners including UN-Agencies/NGOs/INGOs. Grants also include Sector Budget Support/ Budgetary Support. Such funds are driven through provincial financial systems in place.

4.5.1.3 Technical Assistance

The foreign funded development projects technical assistance in the form of trainings and consultancies for different purposes, which includes undertaking feasibility studies and project preparation. Technical assistance is a major source of knowledge transfer to the recipient country.

4.5.2 Mechanism for Procurement of External Economic Assistance

The following mechanism for procurement of foreign assistance as per planning commission has to be adopted:

- Projects falling under economic framework as laid down in the long/medium term/ annual plans and the policies of the Government shall require consideration under foreign assistance, due to scarce resources and greater socio-economic needs of the province. However, qualifying for foreign assistance requires approval of PC-I in terms of debt financing while signing/ concurrence on MoU, Project Implementation letter, Letter of Agreement, grant agreement or any other reciprocal agreement by the competent forum (Cabinet, Summary for HCM, KP, PDWP, CDWP and P&DD). Development projects should be identified by the sponsoring agencies strictly on need basis and the donors should not be allowed to determine the priorities of the country.
- In case of any project where there is a delay in preparation/ approval of PC-I and there is extreme urgency for exploring foreign assistance, concept clearance may be accorded by the Concept Clearance Committees i.e. PDWP and CDWP. It may be noted that concept clearance is accorded only to explore the foreign assistance and on the basis of concept clearance, any kind of MOU/ Agreement/ Government letter etc. cannot be signed by the EAD/ Sponsoring Agency with the donor country/ agency. Such agreements etc. can only be signed after approval of PC-I/ PC-II by the competent forum and completing other procedural requirements. The projects should not be initiated/ negotiated by any Federal/ Provincial Agency without the approval of Planning & Development Department of Provinces and Planning & Development Division as the case may be.
- All agreements for T.A., grants, loans or guarantees should be signed with donors after obtaining approval from the Competent Authority (i.e., Cabinet/HCM-KP/P&DD/PDWP/ECC/CDWP/ECNEC).

4.6 Steps Involved in the Process of Obtaining Foreign Assistance (On-Budget/PC-1)

4.6.1 Identification of Project

Project identification is the first phase of the project cycle. The projects are identified by the Executing Agency, keeping in view the government's development priorities. Project identification begins with a precise diagnosis of the problems and should be consistent with the provincial development objectives, strategy for achieving those objectives, and the donor's country assistance strategy.

4.6.2 Approval of Concept Paper

The concept paper generally provides an in-depth discussion of a problem and proposal for its financing from donors. It includes project goals, objectives, anticipated social or economic benefits, time-line, monitoring and evaluation process, the population served, and the implementation methodology. The Budget estimates are also prepared as part of concept paper. Followings are the major steps involved in the approval of concept paper:

- The concept paper is prepared by the Administrative Department or Executing Agency on the basis of social and economic development priorities of the province.
- Administrative Department submits the concept paper to the Planning and Development Department, Khyber Pakhtunkhwa for consideration by the Provincial Development Working Party (PDWP).
- After clearance from PDWP, concept paper is submitted to Planning Commission, Government of Pakistan, Islamabad, for getting approval from Concept Clearance Committee. Deputy Chairman, Planning Commission chairs the Concept Clearance Committee, and the Government of Khyber Pakhtunkhwa have representation in this Committee.
- After the Concept Clearance Committee's approval, the Economic Affairs Division (EAD) starts negotiations with the donors. The relevant sponsoring/executing agency, P&D and Finance Departments, Khyber Pakhtunkhwa including Economic Affairs Division, also participates in negotiations. This step is applicable for both financing under grant and loan. Representative from Law Department is also included as and when required.

4.6.3 Approval of Government of Khyber Pakhtunkhwa for Obtaining Loan

Approval of Government of Khyber Pakhtunkhwa is obtained parallel with the approval of concept paper from the Federal Government. The approval of the Government of Khyber Pakhtunkhwa for obtaining loan from an international donor is obtained from the Provincial Cabinet. The Summary for the Chief Minister is initiated by the Administrative Department / Executing Agency and is routed through the Planning and Development Department and Finance Department, for offering comments to enable the Chief Minister to take an appropriate decision and if the Chief Minister agrees to the proposal, the matter is referred to the Provincial Cabinet for approval. Executive Summary for the cabinet is initiated by the relevant administrative department for its consideration and approval:

4.6.3.1 Formal Request for Financing through EAD

Economic Affairs Division (EAD), Government of Pakistan coordinates all the foreign assistance. EAD after approval of Concept Clearance Committee initiate the negotiation process with the donors. Sponsoring or executing agency cannot negotiate foreign assistance with donors without concept clearance approval.

4.6.3.2 Identification Mission

On receiving a formal request from EAD, the donor sends a project scoping / identification mission to meet the concerned representatives of the provincial government.

4.6.3.3 Pre-Appraisal / Appraisal Mission

After concept clearance has been accorded, the donor agency arranges pre- appraisal / appraisal missions to discuss the project with the concerned departments. After appraisal of the project, sufficient data is available with the executing / sponsoring agency to prepare the PC-I.

4.6.4 Approval of Project / PC-I

Based on recommendations of the appraisal mission, the PC-I is prepared by the Administrative Department / Executing Agency, and is submitted to the Planning and Development Department, Government of Khyber Pakhtunkhwa for consideration of Provincial Development Working Party (PDWP). The PDWP considers and recommend the PC-I to the Planning Commission for its consideration. The approval of the CDWP is mandatory before formal loan negotiations are held with the donor agency. The loan documents should not be signed before the approval of the project by the CDWP/ ECNEC. The Financing Agreement is signed by EAD, however, relevant Project/Separate Agreement is signed by Provincial Government either by P&DD / Line Department(s).

4.6.5 Inclusion in the Annual Development Programme (ADP)

All projects approved by their respective competent forums are included in the Annual Development Plan (ADP), subject to the availability of funds. In foreign-assisted projects, the allocation of funds by the Government of Khyber Pakhtunkhwa and the donor share be included in the ADP.

4.6.6 Approval of the Government of Khyber Pakhtunkhwa for Loan Negotiation

After clearance of concept paper by the competent forum, and the CM's approval for obtaining a loan, the Summary is moved to the CM to accord permission for negotiation with the foreign donor. It includes a designated team of officers, proposed by the secretary for participating in the negotiations with the donor. Draft project appraisal and Loan negotiation Documents, received from the donor, are attached to the Summary.

4.6.7 Legal Opinion from the Law Department

The executing department may seek law department's advice separately by sharing the loan agreement or loan negotiations documents, prepared by the donor.

4.6.8 Approval of Government of Khyber Pakhtunkhwa for Loan/Project Agreements Signing

After the completion of the technical discussions and loan negotiations between the donor and government teams, a note for Additional Chief Secretary is moved to seek his approval to sign the loan agreement. The Additional Chief Secretary may authorize the secretary of the administrative department for signing the project or loan agreement with the donor on behalf of Government of Khyber Pakhtunkhwa.

4.6.9 Loan / Project Agreement Signing

The project agreement is signed between the donor and the executing Provincial Government Department. P&D Department provides technical comments on the MOU, PIL, LOA etc., and relevant line department initiates a summary for approval of the Chief Minister. The Line Department sign the agreement after approval of the Chief Minister.

4.6.10 Loan Effectiveness

In the loan agreements, there are sometimes conditions for loan effectiveness, which must be fulfilled. It includes establishing a Project Implementation Unit, headed by a project director and supporting primary essential staff.

4.6.11 Opening of Assignment Accounts

The foreign assisted development projects generally have two streams of funds i.e. ADP allocation from the Government of Khyber Pakhtunkhwa and foreign assistance allocation from the donor agency. In such cases, two separate assignment accounts are opened in the name of the Project Management Unit, including one assignment account (Revolving Fund Account - RFA) in foreign currency (if required) for funding provided by the donor agency (Annexure 4-B) and the other assignment account in rupees for the contribution of the assignment account in rupees for the contribution of the Government of Khyber Pakhtunkhwa (counterpart funding) (Annexure 4-BB).

4.6.12 Accounts Operations

The project director be authorized to operate both accounts and act as the principal signatory for both accounts. The Finance Department may authorize any other project staff member or any other suitable official to act as a co-signatory. However, all requests/withdrawal applications for the replenishing of accounts/transfer of funds should be routed through the Project Management Unit.

Foreign agencies will transfer their funds through the State Bank of Pakistan (SBP) to the assignment accounts (RFA) opened in the name of the particular programme/ project. Disbursements are translated/converted into Pakistani Rupees by the SBP at the prevailing rate of exchange; the local currency should form the transaction basis for operation accounting and

reporting. Foreign Aid Assignment Account (Revolving Fund Account) shall be lapsable at the end of each financial year. However, the lapsed balance in one financial year will be protected through budgetary allocation in the next financial year.

4.6.13 Implementation Stage

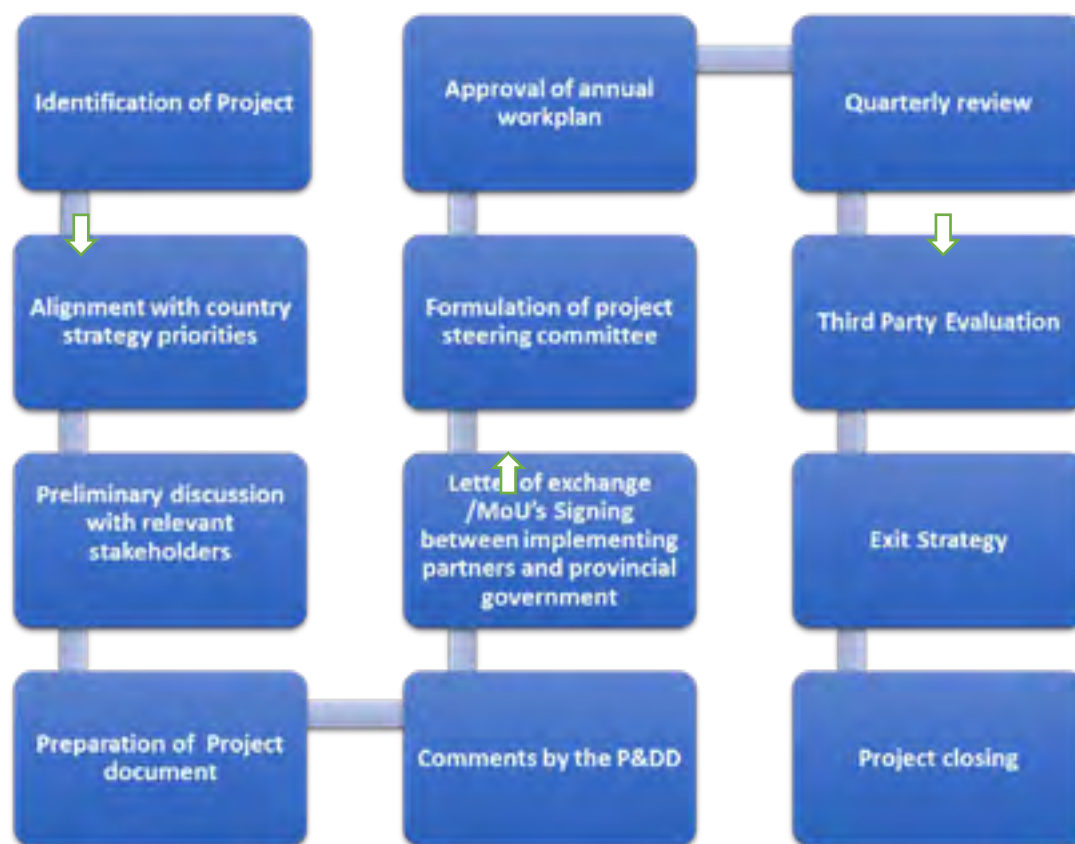
A separate Revolving Fund Accounts (RFA) shall be opened by the PMU at the NBP for the Loans/Grants, and that RFA will be assigned a special Identification Number upon the establishment of the account. Withdrawal applications will be prepared and submitted to the donor by the project management, requesting the amount of initial deposits/subsequent funding to the Revolving Fund Account through the foreign currency account of SBP for further simultaneous credit to the RFA at the concerned branch of the NBP. The assigned identification number of the RFA will be indicated on the withdrawal applications.

The person authorized to sign the withdrawal applications or operate RFA shall furnish copies of the withdrawal applications, simultaneously, to their respective Administrative Department, NBP Head Office, relevant branch of NBP, Finance Department, and the Accountant General, Khyber Pakhtunkhwa.

The SBP will transfer the funds for credit to the concerned Government of Khyber Pakhtunkhwa Account. The Finance Department shall ensure that the budget allocations are available in the Provincial Schedule of Authorized Expenditures.

The Finance Manager of the project or any other person(s) authorized by the government shall act as Departmental Account Officer (DAO) to the extent of authorization for payment within the available budgetary limits. She/he will also perform functions of reconciliation of accounts with the NBP, reporting of authorized “direct payments” to the contractor/suppliers through the donors, and financial reporting. She/he will prepare annual financial statements comprising expenditure from the donor RFA, Government of Khyber Pakhtunkhwa Assignment Account, and submit the same to the donor/lender.

4.7 Off-Budget Project Approval Process Flow Chart (Grant)



4.8 Key Characteristics of the Project

A Project is prepared to produce certain tangible or intangible results (product, service, works etc.). It contains a series of interrelated tasks that are planned for execution over a period of time, within approved cost and scope of work. Public Sector Development Projects are expected to be efficient and effective to meet the socio-economic needs of the masses. Public sector development projects are, therefore, aligned with the economic development policies/plans. Generally, following structure is used for the preparation of project proposal:

- i. Project Objectives
- ii. Project Description
- iii. Set Goals
- iv. Define Project Scope
- v. Identify stakeholders and target group(s)/beneficiaries
- vi. Determine Deliverables
- vii. Project Schedule and Milestones
- viii. Management Structure
- ix. Roles and responsibilities
- x. Demand and supply analysis

- xi. Risk Analysis & Management Scenarios
- xii. GIS Mapping, Master Plan, Detailed drawings, Layout plan
- xiii. Building design in compliance with PDMA Guidelines/Directives
- xiv. Project Cost Estimation
- xv. Quantitative & Qualitative Benefits
- xvi. Financial & Economic Analysis
- xvii. Internal Monitoring and Review Process
- xviii. Expected Outputs and Outcomes
- xix. Sustainability factors

4.9 Key Steps in the Preparation of the Project Proposal

4.9.1 Project linkage with resources

The development Projects are generally part of national/provincial development plans/programs with specific allocations. In addition, block allocations are also provided to meet the emerging requirements of projects identified during the implementation period of a development plan. It has, however been observed that there are some emerging sectoral projects which are not included in the national/provincial development plans but warrant inclusion in the plans to qualify for receiving fund for implementation. The following information would facilitate identification of financial space for financing the project(s) while remaining within sectoral allocations:

- Review and prioritize the sectoral development portfolio and assign priority to the projects on objective justification(s).
- Identify slow moving projects and divert the financial resources to newly emerging projects during the plan period.

4.9.2 Project Objectives

Each development project has specific objective(s) to be achieved during the implementation of the project. As per instructions of the Planning Commission, the project objectives must be aligned with the strategy, goals and targets set out in the perspective / five-year plan. The project objectives may also be linked with the overall Provincial Developmental Strategies such as Integrated Development Strategy (IDS), Sustainable Development Strategy (SDS) and to the international commitments such as Sustainable Development Goals (SDGs). The project objectives should be specific, clear and measurable.

4.9.3 Project Description

The project description is a formally written declaration of the project and its ideas and context, to explain the goals and targets to be achieved on accomplishment of the project. The project description

should be ***Clear, Concise, Complete and Credible***. The **4Cs** concept serves as the key criteria for preparing the project PC-I as elaborated below:

- **Clear** – use simple, generally accepted, and unambiguous words and sentences to describe the key points and avoid making the document more complicated. Use special and contextual terms and definitions to describe the project.
- **Concise** – the project description actually “describes the project”, with no reference to other projects or irrelevant information. Avoid mentioning about something that is not directly linked to your project and its context. Keep the reader focused on the key points of the project.
- **Complete** – The description should address everything that concerns and deals with the project. The project document should cover every critical aspect to understand and comprehend the project and its context.
- **Credible** – The information referred to in the PC-I should be up-to-date and relevant.

Never use data that is neither authentic nor verifiable or relevant to support the Project Objectives / Goal.

The project description enables the appraising and sanctioning/ approving authority to consider broad aspects of the project without going into minute details. The project description should include technical parameters i.e., input and output of the project along with technology proposed for the project. The details of the civil works, equipment, machinery, and other physical structure required for the project be provided in the project proposal. In case of projects relating to production sector, it may be stated whether the output would be used for import substitution or export promotion or meeting the increased domestic demand or a combination of both. The social sector projects may identify the target group(s) and provide information relating to poverty alleviation, empowerment of communities, skills development, human capital productivity, capacity building, and correlate with the Sustainable Development Goals (SDGs). The project description must identify the governance issues and challenges likely to be faced by the project management during implementation of the project for appropriate decision making at the time of projects’ consideration by approving forum.

4.9.4 Project Scope

Project scope is part of project planning, determining project goals, deliverables, tasks, costs and deadlines. The documentation of a project's scope, helps to remain focused, explains the boundaries of the project, establishes roles and responsibilities, and sets up procedures to complete the assigned tasks. Provision of the following information facilitates determination of capacity of the proposed project:

- Existing capacity of the services
- Projected demand for 10 years
- Capacity of the projects being implemented
- Supply- demand Gaps
- Designed capacity and output of the proposed project

4.9.5 Capital Cost Estimates

The capital cost estimates of the projects are determined on the basis of scope of work, envisaged in the project proposal. The capital cost estimates should be based on the analysis of market survey or schedule of rates etc. The foreign exchange component of the project (if required) should be based on the prevailing exchange rate. (Indicate the exchange rate notified by State Bank of Pakistan (SBP) to determine the foreign exchange cost). The civil works/buildings design must comply with the directive of PDMA pertaining to disaster hit areas (earthquake, flood etc.). The following guidelines are generally applied to work out the capital cost estimate of a development project:

i. Site Development

- a. Land Cost (if free of cost or estate land is unavailable)
- b. Land Development Cost
- c. Access Road & allied Structures Cost

ii. Civil Works

- a. Main Building
- b. Administrative Block
- c. Residential Block
- d. Guard Room (s)
- e. Ware House (s)
- f. Boundary Wall
- g. Water Supply and Drainage / Sewerage System
- h. Internal / external Electrification

iii. Machinery & Equipment

- a. List all Machinery required for the project
- b. Contingencies
- c. Duties, Taxes, Import Surcharge etc.
- d. Insurance, Clearing, Transportation & other Charges
- e. Installation/Operation

iv. Engineering /Consultancy-Consultants Fee

- a. Engineering Fee
- b. Design Consultancy Fee
- c. Operational Consultancy Fee
- d. Management Consultant Fee

(Whichever applicable)

v. Other Expenses

- a. Project Management Unit (PMU)
- b. Transport along with fuel and maintenance

- c. Furniture, Stationery, Fixture, Office Equipment etc.
- d. Utility Connection charges
- e. Generator
- f. Technology Acquisition (Transfer of Technology)
- g. Training and Pre-Production Expenses
- h. Working Capital
- i. Interest during Construction
- j. Physical Contingencies
- k. Financial Contingencies

4.9.6 Operation & Maintenance Cost

The Operation & Maintenance Cost can generally be broken down under following main headings:

Manufacturing / Input Cost

- i. Raw / Input Material
- ii. Labor Supervision Cost
- iii. Royalties
- iv. Overhead Expenses
 - a. Repair & Maintenance
 - b. Gas
 - c. Power
 - d. Water
 - e. Communication / networking
 - f. Packing Material
 - g. Major Supplies, Chemicals etc.
 - h. Miscellaneous
- v. Administrative Expenses
 - a. Management Expenses
 - b. Salaries of the Staff
 - c. Office Rent & other Expenses
 - d. Advertising & Marketing Expenses
 - e. Fuel & Maintenance of Vehicles
 - f. Fuel for Generator
 - g. Monitoring & Evaluation
- vi. Other Expenses

- a. Taxes
- b. Insurance

4.9.7 Physical & Financial Contingencies

A project is approved by a competent forum for implementation of approved scope of work during the specified period. The scope of work is generally determined without undertaking any feasibility study and detailed designing. To address the changes in approved scope of work, during its implementation, physical contingency to the extent of 3-5 per cent depending upon the nature of the project is allowed to meet the expenses on account of change in the scope of work.

The capital cost estimates of the project are prepared at market price at the time of its preparation. However, during the implementation period of the project, the prices remain constant for the purpose of estimation of capital cost. To address inflation / increase in prices of goods and services, financial contingencies, to the extent of 6.5 per cent of the unspent amount as explained in the following table, is allowed:

Calculation of Financial Contingencies

Year	Phasing of Capital Cost (Rs. Million)	Financial Contingencies (%)	Financial Contingencies in absolute terms (Rs. Million)
1	100	0	0.00
2	150	6.5	9.75
3	250	13.0	32.50
4	200	19.5	39.00
Total	700		81.25

4.10 Revision of PC-I

During the implementation of the project, variations in approved capital cost and scope of work is observed. To address the challenges faced by the project, the project has to be revised. The revised PC-I must include details like project approval history along with year-wise ADP/PSDP allocations, releases and expenditure. In addition, item-wise, year-wise actual expenditure and physical progress achieved uptill the revision of the PC-I be provided. Pictorial evidences of the physical progress may also be provided to substantiate the justification for revision. The item-wise comparison of revised cost with the approved cost, in case, foreign exchange component is a part of the capital cost, the exchange rate used at the time of preparation of original PC-I along with revised PC-I be provided. The expenditure incurred in foreign exchange up till the preparation of revised PC-I be calculated at the rate of actual exchange rate at the time of accrual. The remaining foreign exchange component may be converted into rupees at the existing exchange rate. In case, a project is revised, the project will be considered by the forum, competent for consideration of the project on the basis of revised capital cost.

There is no limit on number of times a project (PC-I) is revised. However, the executing agency needs to justify the increase in cost and change in scope of work during execution of the project. In case, the repeated tender cost exceeds 10%, then the case is sent to Rate Advisory Committee (RAC), headed by Secretary, Finance Department. The Committee would analyze increase in rates and may fix premium up to 35% (varying from project to project) of the approved cost and approve the tender with enhanced rates, with the condition of obtaining revised approval.

4.10.1 Project Financing

At the time of preparation of project, the sponsoring agency has to explore possibilities of financing the project. The source of project financing, in specific terms, needs to be provided in the PC-I. In case, the project is partially or fully being financed by a donor or foreign funding agency, the name of the agency with the amount of foreign exchange and local currency committed is to be indicated in the PC-I. In foreign funded projects, the confirmation of availability of funds by Economic Affairs Division (EAD) is mandatory.

4.10.2 Financial Phasing

Financial Phasing of a project, has to be linked with year-wise physical phasing of project activities. While physical scheduling of the project the time, consumed in approval of different activities by the competent authority, must be considered. A logical sequence of civil work completion and import / procurement of equipment must be ensured to have desired results. A realistic annual work / financing plan will facilitate project management to implement the project in a professional manner. Allocations, if made realistically and in accordance with the PC-I will result in timely completion of the project (s) with no cost and time overrun.

4.10.3 Implementation Schedule

The project implementation schedule be developed keeping in view the availability of finances, capability of the executing agency to follow procedures, approval of project activities and availability of professionals to implement the project. It should be formulated by using appropriate analytical tools such as bar charts, Project Evaluation and Review Techniques (PERT). Such tools keep the Project Manager/Director informed and enable them to do course corrections during the implementation of the project.

4.10.4 Deliverables

Deliverables are the concrete results that the project would produce. One of the most important project planning and preparation step is to decide on the deliverables to be produced in accordance with the planned objectives. These deliverables are documented in the PC-I for ascertaining results during

implementation. Selection of appropriate deliverables ensure achievement of the desired results, project outcome and impact.

4.10.5 Project Milestones

A project milestone is a management tool used to delineate a point in a project schedule. These points, mark the start and end of a project activity or a major phase of work. Milestones are essential tools for communicating project status to the internal and external stakeholders. In project management, milestones are used for planning, scheduling, tracking and communications. A project manager/director can set any sort of milestones in a project, traditionally, it is like splitting projects into different phases. Following are some commonly used project milestones:

- Project planning
- Project preparation
- Project appraisal/approval
- Project phases
- Secure project financing
- Structuring the Project Team
- Getting approval of project plan
- Project kick-off meeting
- Completing critical tasks
- Producing key project deliverables
- Accomplishing project goals and objectives
- Project completion

Project Benefits

The project proposal may identify and quantify the financial, economic, social and environmental benefits of the project as per following:

- Financial: Income to the Project along with Assumptions
- Economic: Benefit to the economy along with Assumptions.
- Social: Benefits to the target group with indicators
- Environmental: Environmental Impact Assessment (negative/positive)

4.10.6 Project Management Structure

Each project costing Rs. 3 billion and above must have a Project Management Unit (PMU). In case, Project Management Unit for less than Rs. 3 billion is required by the project, the decision will be made by approving forum on case-to-case basis. The Project Management Unit must include the requirement of manpower for the implementation of the project. The mode of appointments / recruitment, salaries

packages and detailed terms of reference be provided in the PC-I as per Project Policy of Khyber Pakhtunkhwa.

4.11 PC-II: Feasibility Study/Survey

The project costing Rs. 500 million and above must be based on a feasibility study. The sponsoring agency can undertake in-house feasibility study with the help of human and physical resources available with the department. Alternatively, executing agency has to prepare a project proposal on PC-II Proforma to seek approval of the competent authority and funds for execution of feasibility study (Annexures 4-C & 4-CC). The Chief Minister, Khyber Pakhtunkhwa has approved hiring of consultant for infrastructure schemes costing more than Rs.100 million. The PC-IIs for feasibility/preparation of PC-I, reflected in provincial ADP, shall be Submitted for consideration and approval or PDWP irrespective of the cost of PC-II. (Annexure 4-D)

4.12 Certification of PC-I / PC-II

It is mandatory that after preparation of PC-I / PC-II, the Principal Accounting Officer / Head of sponsoring Department signs the PC-I / PC-II, certifying that “the project proposal has been prepared on the basis of instructions of Planning Commission for the preparation of PC-I / PC-II of the concerned sector projects.”

CHAPTER-5

PROJECT APPRAISAL



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 5: PROJECT APPRAISAL

Development projects are the initiatives intended to achieve specific objectives at a given time, capital cost and scope of work. Project Appraisal assesses technical soundness, financial viability and economic desirability of a project. The primary purpose of appraisal is to facilitate the decision makers to take appropriate decision on the selection of project while committing public resources.

As per instructions of the Planning Commission, it is mandatory for the sponsoring authorities to undertake proper feasibility study for the projects, costing Rs. 500 million & above, and incorporate the results of economic and financial analysis along with assumptions used in the project document (PC-I). The Public Finance Management Act-2019 (amended 2020), Chapter-III, under Clause 14(1) stipulates that “all development projects should be prepared in conformity with procedures, processes and templates defined by the Planning Commission and the Clause 14(2) states that, “Cost and benefit analysis assessment of all development proposal, in excess of a threshold size prescribed by the Planning Commission, shall be undertaken”. All projects submitted to the PDWP/CDWP/ECNEC must comply with the requirements of cost-benefit analysis.

Project Appraisal involves review of data and assumptions used in Project Preparation. It also reviews the Capital Cost, O&M Cost, justification of proposed investment, project financing, implementation and management structure. The project appraisal includes independent analysis of the financial, economic and social aspects of the project. The above analysis facilitates decision makers to judge whether the project is technically sound, financially justified, economically viable and socially desirable.

A development project is appraised from different aspects. The details are as follows:

5.1 Technical Appraisal

Technical Appraisal is undertaken to:

- Ensure that the project is technically sound – all the inputs required to set up the project are available
- Facilitate the optimal project formulation in terms of capacity, technology, context, location, size etc.

The context, technology, design and know-how, already available in the country, should be explored and compared with the one proposed in the project for determining the duplication, if any. The aim is to have the best possible knowledge established with quality and productivity, from the relevant technical collaborator. While assessing the technical feasibility of the project, the following inputs required in the project, should also be taken into consideration:

- Availability of land
- Availability of other inputs like water, power, transport, communication facilities
- Appropriateness of design criteria, based on planning and engineering principles
- Availability of servicing facilities like machine shops, electric repair shop etc.
- Coping-with anti-pollution law

- Availability of work force as per required skills and arrangements proposed for training-in-plant and outside
- Availability of required raw material as per quantity and quality

5.2 Management Appraisal (Institutional and Organizational)

Management Appraisal is to assess the implementation strategy, organizational structure and capacity to implement the project. Key elements of management appraisal are as follows:

- Organizational Structure
- Implementation Strategy
- Organizational Capacity
- Communication and Reporting
- Accountability

Examine the organizational capacity of the department proposed to implement the project.

- Do they have previous experience of implementing such projects?
- Do they have capacity to handle this project?
- Use of indicators such as existing number of projects being implemented by the implementing agency, average time over run and average cost overrun and so on.

Appraisal of the organizational & management aspects ensure the availability of appropriate technical and managerial skills for the implementation and operation of the project. It is necessary to ascertain the managerial capacity of implementing agency, to manage and execute the project effectively and to avoid delays in implementation and operation. The project should be aligned with the organization's cultural environment and strategic objectives. The adequacy of manpower proposed and the requirements of skills for execution and operation of the project along with job description, qualification, experience, age, salary, and specific TORs for each post may be reviewed.

5.3 Commercial Appraisal

Commercial appraisal studies the main competitors and their products. The goal is to study the current suppliers and the market profile of existing competitors. The appraisal may also analyze the possibility of new competitors.

The commercial appraisal includes the arrangements for marketing the outputs of the project and arrangements for the supply of inputs needed to build and operate the project. On the output side, analysis of the proposed market is essential to ensure that the project will have effective demand at a competitive price.

5.4 Financial Appraisal

The financial appraisal determines the requirements of funds, timing and expected returns on investment, from the point of view of the various parties involved in financing the project. In financial analysis, taxes in the form of excise duties, custom duties and sale tax are considered as cost, while subsidies are considered as benefits and are fully accounted for in the analysis.

In financial analysis, the discount rate is the rate at which, capital is obtained for investment in public sector projects. The discount rate is fixed by the Finance Division/Department on yearly basis. The markup rate fixed by Finance Division for financing of development projects for 2020-21 was 10.3 percent to undertake 'Financial Appraisal' of projects. In case, the project is financed by more than one organization, the weighted cost of capital is used to undertake financial analysis. The projects, financed by Foreign Donors as grant, are analyzed at zero discount rate.

5.4.1 Parameters of Financial Analysis

- Undertaken from the individual's/organization's perspective
- Benefits and Costs are evaluated over life of the project using:
 - Market prices
 - At constant Price level
 - Cost of Financing: Weighted Cost of Capital
- Social Sector Projects analysis are confined to Unit Cost Analysis (Cost Effectiveness)
- Production and Infrastructure Project Analysis includes Discounted as well as Unit Cost Analysis

5.5 Economic Appraisal

Economic Appraisal aims to ensure utilization of scarce resources efficiently and that the project investment brings net benefits to the country. The proposed project investment should contribute to the developmental goals of the country and the contribution should be large enough to justify the use of scarce resources such as capital, skilled labor, managerial talents etc., needed to implement and operate the project. All resource inputs used by a project have an opportunity cost because without the project they could create value elsewhere in the economy. An economically viable public sector project should meet the following key requirements:

- a) Represent the least-cost or most efficient option among all the feasible alternatives to achieve the intended project outcomes
- b) Generate economic surplus above its opportunity cost
- c) Sufficiently funded and have the necessary institutional structure for successful operation and maintenance
- d) Strong rationale for the public sector to finance the project

5.5.1 Parameters of Economic Analysis

- Undertaken from the society's perspective (cost and returns to the development of economy as a whole)
- Benefits and costs are evaluated over life of the Project using economic/shadow prices
- Shadow Pricing: financial prices of costs and benefits adjusted to allow for effects of:
 - government intervention (taxes, subsidies, controls, quotas, etc.)
 - opportunity cost of resource use
 - market distortions (trade taxes and controls, labor market distortions)
 - externalities largely environmental

(Economic Discount Rate: 12%)

5.5.2 Principles of Economic Analysis

Constant Vs Current Prices

- Current Prices include general price inflation, whereas constant prices avoid estimation of inflation.
- As the increase in prices of inputs and outputs cannot be estimated precisely over the life of the project, therefore, all the estimation of project cost and benefits may be made at constant prices.

Identification of Economic Cost

- The Financial Capital Cost may be converted into traded and non-traded cost.
- Goods that can be traded internationally in the absence of restrictive trade policies, is called traded goods. Traded goods may be importable, exportable or in some cases both e.g., Russia imports natural gas from Iran and export natural gas to Europe.
- Goods, for economic or policy reasons, are neither imported nor exported and are non-traded goods.
- Goods are the items like machinery, cement, steel, bricks etc.
- Services are like Engineers, Doctors, Administrators and Labor.
- Skilled and un-skilled labor.
- In Financial Analysis, all transfer payments are included as cost of the project. However, in Economic Analysis, transfer payments i.e., taxes & duties are excluded from the capital cost and shadow values/prices are taken for all inputs and outputs including land, labor and utilities.
- In Financial analysis, physical and price contingencies are taken as cost, whereas in Economic analysis, physical contingencies are taken as a cost, while price contingencies are excluded from the capital cost.
- Subsidy is a benefit in the financial analysis; however, it is a cost in the economic analysis.
- Multiply all non-traded items by a standard conversion factor.

Standard Conversion Factor

- Domestic market price values are generally higher than border price equivalent values. To adjust border prices, the domestic market price value of projects items, measured through

willingness to pay or other non-traded measures can be adjusted downwards. This can be done by using the standard conversion factor. It represents the extent to which border price equivalent values are lower than domestic price values. In Pakistan, a standard conversion factor of 0.909 is being used to equate the domestic value with border value.

Opportunity Cost

- The value of something foregone. The opportunity cost of a man day of labor is what he would have otherwise produced, had he not been taken away from his usual occupation.

Opportunity Cost of Capital

- The return of an asset foregone is the asset committed to present project. It usually refers to the marginal productivity of capital, the returns that would otherwise have been produced by the last acceptable project.

The Economic Price of Labor

- Labor is an important component of any project. The demand for labor of a project should be broken into two basic categories.

i. The Scarce Labor

It consists of those workers who would be able to find alternative employment in a short time. Its supply is more or less fixed in short term. It includes vocational, technical, managerial and professional occupations. In some cases, where as a matter of policy, wages have been held down in the public sector, the value of production foregone may be greater than the demand price of scarce labor, an upward adjustment to the cost of labor may be made. In Pakistan, the shadow wage rate for scarce/skilled labor is 1.25.

ii. Surplus Labor

It consists of categories of labor for which there would be a long search time between jobs. For these types of labor, the project wage is usually or above the supply price. Hence a downward adjustment to the cost of labor may be made. In Pakistan the shadow wage rate for unskilled surplus labor is 0.75.

The Economic Price of Land

- All projects involve some use of land even where the land has no financial cost. The economic value of such land should be estimated and included in the calculations of economic viability. The value of land is best determined through its opportunity cost. What it would have been used for to produce without the project. In a relatively competitive land rental market, land rent is generally a good estimate of the opportunity cost.
- Where relevant, the economic cost of resettlement should be included in the cost of land.
- For new projects in rural areas, the opportunity cost of land will be the net agriculture output foregone measured at economic prices. This opportunity cost should be estimated on an annual

basis. Over the life of the project, there may be increasing or decreasing trend in agriculture productivity which should be incorporated in the estimates of opportunity cost.

- A similar approach can be used for city-edge land, where agriculture uses are displaced by infrastructure, industrial and housing projects. In this context, owing to greater access to urban markets and facilities, the future opportunity cost is likely to be considerably exceed the present productivity of land.

Economic Valuation of Irrigation and Agriculture Projects

- Benefits of the Project are usually incremental production on account of:
 - Increase in Area under Crops
 - Increase in Cropping Intensity
 - Change in Cropping Pattern
 - Increase in yield per acre/hectare
- Output is often tradable, so value at world market price adjusted to project level:
 - If exported take FOB
 - If imported take CIF
 - If output is non-traded (vegetables, melons etc.), use market price omitting transfers

Economic Valuation of Agriculture Credit Projects

- Generally, do not do cost benefit analysis
- Focus on Organization, efficiency

Economic Valuation of Agriculture Research Projects

- Do not do a cost benefit analysis
- Focus on Problem
- Focus on Organization

5.5.3 Identification of Economic Benefits

Economic Benefit of Education Projects

- Most common Benefits of an education project are incremental earnings:
 - Different earnings between levels
 - Find Net Present Value of earning streams
 - Assume this is a Proxy for increase in national income due to education.
- Some projects have benefit from quality improvement. Projects included training materials i.e., teachers upgrading, e.g., in Indonesia, improvement in quality education has increased income by 15%
- Where there is a big difference in private return and social returns, we may have a case of greater cost recovery. In such a situation:
 - Increase Tuition Fee
 - Reduce subsidies for example on accommodation

Economic Benefit of Health Projects

- Benefits of a health project in economic terms is that the individual benefited from health facilities will not be sick. The time saved because of not being sick will be used for productive purposes and a contribution to the economy
- Most health projects are valued by accessing cost effectiveness
- Sometimes it can be a programme approach, which provides a benefit - say immunization - the criteria can be the least cost, per child benefited
- A slightly more sophisticated approach is to compare costs of alternative programs using cost effectiveness indicators
- Can do the analysis in economic terms – But must be sure of financial feasibility

Economic Benefit of Transportation

Roads

- Stimulate economic development.
- Reduction in distance.
- Saving in time of passengers & crew.
- Early arrival of freight.
- Reduction in Accident.
- Reduced property damage.
- Increase comfort and convenience.

Time Savings

- Divide between work and non-work.
- Must demonstrate that time saved can be put to productive use and appropriately shadow priced.

Freight Time Savings

- Time saved on freight may be more valuable.
- Freight in transit ties up capital.
- Reduced spoilage may increase value like fruits and vegetables.

Valuing Accident Reduction

- Estimate value of reduction in accidents.
- Amount of vehicle damage.
- Amount of property damage.
- May estimate medical costs and time cost.
- Always use 'with' and 'without' project.
- Before and after leads to misidentification as when congestion or poor maintenance leads to progressively higher operating cost.

Example

- Heavy weight trucks may break up a highway, reconstruction would not reduce operating cost much, so before and after show little improvements, but ‘with’ and ‘without’ would show sharp decrease in future operating cost.
- When the main purpose is to open new land or other economic developments, reduction in transport cost is not appropriate measure.

Railways

- Increase speed and reduce turn-around time.
- Improve safety of passengers & trains.
- Increase haulage capacity of locomotives.

Ports

- Port improvements leads to savings in
 - Cost of ship delay and cargo handling.
 - Use of larger ships leading to lower shipping cost.

5.6 Social Appraisal

Social appraisal of development projects goes beyond economic appraisal. It determines that if a project is acceptable by the targeted communities, will it increase their social well-being and not cause any harm to their social system. The concept of social appraisal has following key elements:

- Social welfare / wellbeing
- Distribution of benefits
- Social acceptability
- No harm to the social system

The purpose of social appraisal is to ensure that the selected project will:

- benefit the target groups
- contribute to sustainable and equitable development; and
- promote ownership of the project and enhance sustainability

5.6.1 Social Benefits

Projects are expected to deliver social benefits to their intended beneficiaries. The social benefits of projects include social cohesion, inclusion and empowerment, equality, livelihood and employment, reduced vulnerability, amplification of marginalized people’s voice and strengthening of local institutions. A brief description of these benefits and pertinent questions from the perspective of social appraisal are presented below:

- **Social cohesion** - it refers to the feelings of belongingness of individuals to their community and the strength of relationship among the individuals. To what extent the project will reduce or increase social tensions in the communities, being targeted by the project? Will the project escalate or defuse any conflict among different segments of the communities?
- **Inclusion and empowerment:** To what extent, the project strategy will lead to the inclusion or exclusion of women, youth, transgender, minorities etc. among the beneficiaries of the project? Will the project increase or erode the empowerment of the marginalized groups?
- **Equality, livelihoods and employment:** To what extent the project is likely to cause improvement or deterioration in the living conditions of the targeted communities? Will the project promote equality or increase inequality? Will the project create employment opportunities or eat away employment opportunities for local people?
- **Reduced vulnerability:** To what extent the project will bring a change in the community resilience against odds? Here resilience refers to the capacity of communities, families, and individuals to recover quickly from odd situations, such as crop failures, market failures, floods, droughts, earthquakes, climatic changes etc. In other words, will the project strengthen communities' coping mechanisms?
- **Amplification of marginalized people's voice:** Will the project suppress or amplify the voice of marginalized groups?
- **Strengthening of local institutions:** To what extent the project will strengthen or weaken the local institutions. Such institutions include jirgas, panchayet (local committee), local councils or other local level institutions.

5.6.2 Social Costs

Projects often produce some unintended negative implications for communities. In other words, some individuals, families, groups or communities can be negatively affected by projects. Such negative effects are in fact, considered as, social costs of projects. A brief description of common social costs of projects is given below:

- **Increased community/social conflicts:** Community conflicts escalated by projects are social costs of the projects.
- **Inequality:** If a project leads to increase in the cost of living of local people or increases income for some groups, it can cause inequality.
- **Exclusion:** Exclusion refers to a situation when some people (individuals, communities or groups) are excluded from the benefits of project. It often happens when project planners put an eligibility criterion, which clearly disfavors some marginalized groups. Exclusion also refers to a situation when a project is likely to produce negative effect on the livelihood of some sections of society.

Social costs may not be limited to the above. There might be many other costs associated with project, which can be termed as social benefits. Hence, those who are responsible for undertaking the social appraisal should carefully examine the project design, theory of change and implementation strategy of a project being appraised.

5.6.3 Techniques of Social Appraisal

The techniques of social appraisal can be grouped into two categories: quantitative techniques and qualitative techniques.

5.6.3.1 Quantitative Techniques

Distribution analysis is a popular quantitative technique. It is an extension of economic analysis. It can be performed by using following steps:

- Develop cashflow statement
- Identify stakeholders
- Distribute costs and benefits among stakeholders
- Find out net cashflow for each stakeholder separately. Determine Net Present Value (NPV), Internal Rate of Return (IRR) etc.

5.6.3.2 Qualitative Analysis

- Distribution analysis: It can be undertaken by using qualitative approach as well. Suggested steps are as follows:
 - Identify stakeholders “*any individuals, groups, or organizations that are affected by or can affect, for better or worse, the performance of a project*”.
 - Identify costs and benefit items for each stakeholder separately – no need to quantify them
 - Rate costs and benefits for each stakeholder separately
- Alignment with Sustainable Development Goals (SDGs). Important SDGs include:
 - SDG 1: No Poverty
 - SDG 2: Zero Hunger
 - SDG 3: Good Health and Well-being
 - SDG 4: Quality Education
 - SDG 5: Gender Equality
 - SDG 8: Decent Work and Economic Growth
 - SDG 10: Reduced Inequality
 - SDG 16: Peace and Justice Strong Institutions

- *Alignment with social development goals:* During the exercise of social appraisal, it is essential to examine the alignment of the project with the social development goals, given in national development plans, such as Vision 2025, five-year plan, or provincial development plans, sectoral development plans and so on.
- *Do no harm study:* This technique is used to assess whether the project will cause any harm to local communities, cultures, value systems, local economy and local environment. The Anderson Framework may also be used. The framework is used as follows:
 - Collect information about connectors and dividers (two categories)
 - Organize the information
 - Analyze relationship among the categories to assess the outcomes of the project
 - Generate possible options

5.7 Environmental and Climate Change Appraisal

The environmental aspects of the project need to be examined carefully to ensure that those who enjoy the fruits of economic development today might not be making it worse for future generations by excessively degrading the earth's resources and polluting the earth's environment. A general principle of sustainable development is that current generations should meet their needs without compromising the ability of future generations to do the same.

Environmental Appraisal is based on the information provided in environmental impact assessment. Environmental Impact Assessment (EIA) is a tool designed to identify and predict the impact of a project on the bio-geophysical environment and on man's health and well-being, to interpret and communicate information about the impact, to analyze site and process alternatives and provide solutions to mitigate the negative consequences on human being and the environment. EIA avoids environmental disturbances that are much more expensive to be corrected later after their occurrence.

5.7.1 Objectives of Environmental Appraisal

- i. To ensure that environmental and climate considerations are explicitly addressed and incorporated into the project development decision making process
- ii. To anticipate and avoid, minimize or offset the adverse significant biophysical, social and other relevant effects of development proposals
- iii. To protect the productivity and capacity of natural systems and the ecological processes which maintain their functions
- iv. To promote development that is environment friendly and climate compatible sustainable and optimizes resource use and management opportunities.

5.7.2 Scope of Environmental Impact Assessment Appraisal

As part of the feasibility study, an EIA report should cover, but not be limited to the following areas:

General

Initial Environmental Examination (IEE), General Environmental Impact Assessment (GEA) and Environmental Impact Assessment (EIA) report should address all relevant issues and be in conformity with the applicable laws, regulations and guidelines.

Policy, Legal and Administrative Framework

EIA report should describe the policy and legal basis within which the project may be implemented. Regulations and standards applicable to the project should be referred to facilitate decision making.

5.7.3 Description of Environment

- Collection, evaluation and presentation of baseline data on the relevant environmental characteristics of the project area. In addition to general information, the consultants or service providers should describe methodology for preparing essential environmental data.
- The data should emphasize, but may not be limited to, the information about physical environment, including meteorology and climate, geology and soil, seismology, air and water quality, noise, topography and drainage patterns, hydrology and/or hydraulic regime, surface and ground water, and land use.
- The ecological resources should discuss forests / flora / fauna profile, crop and horticulture activities, local livestock species, and protected and/or endangered wildlife species. The social and cultural resources should discuss the methodology of surveys, settlement pattern, political and administrative setup, population and communities, socio-economic conditions, protective and sensitive areas, archeological and cultural sites, health and education facilities, industrial activities, physical and cultural heritage, utilities, road and railway links, tourism facilities and potentials, and other relevant aspects.

5.7.4 Climate Change

The world climate has changed in the last three decades and significantly in the second decade of the current century. Pakistan witnessed several disasters in the past like floods, earthquakes, droughts, cyclones and locust attacks. The Government of Pakistan decided to formulate the National Climate Change Policy (NCCP) to counter the man-made disasters. To contribute to the federal government efforts in combating climate change, provincial governments also initiated formulation of region-specific climate change policies. Khyber Pakhtunkhwa Climate Change Policy was formulated in 2017. The Manual would provide guidelines to strategize the doable while identifying, preparing, implementing, monitoring, and evaluating the climate change related projects.

5.7.5 Doable Options

The following parameters and actions may be addressed while identifying, preparing and appraising the climate change related projects:

- Formulation of local adaptation plans for implementation of climate change policies.

- Creation of climate change section in the Finance Department for receiving donor funds for climate change related projects and its disbursement to the implementing stakeholders.
- Allocate more funds for establishment of hydraulic structures (dams/ canals/ water courses etc.) not only to store water but to have capacity to drainage the floods.
- Environment Department should establish a Research & Development Section on climate change to conduct research at provincial and district level environmental and climate change related issues.
- Allocate appropriate budget to Provincial Disaster Management Authority (PDMA), District Disaster Management Authority (DDMA) for relocation of such migrations in the country owing to climate induced disasters.
- Awareness raising of farmers on agricultural losses and damages to crops, scarce water availability, soil erosion etc. due to climate change effects and undertaking immediate remedial measures as short-term solutions.
- Enhance the capacity of agricultural extensions on district level on the issue of climate change and equip them with techniques and technologies to combat adverse effects of climate change.
- Update health policies in the wake of Climate Change.
- Enhance capacity building of policy makers regarding climate change governance.
- Environment Department may activate/strengthen its M&E Wing for monitoring & evaluation of the climate change policy actions being implemented through different projects and programs.
- Expedite working on formulation of climate models.
- Gear up working on reduction of Green House Gases (GHGs) in the province.
- Encourage Clean Development Mechanism (CDM) in the province like replacing conventional Brick Kilns into Zigzag technology. Honorable Supreme Court of Pakistan is directly involved in this matter and orders were issued in 2019 to convert old Brick Kilns into Zigzag (energy efficient) technology.
- Give priority to call annual meetings of the National Climate Change Policy Implementation Committee (NCCPIC) to review progress of the provinces.

5.8 Legal Appraisal

Ensure that all the legal formalities relating to acquisition of land, procurement of goods, services & works have been considered and appropriate actions have been taken accordingly.

5.9 Appraisal Concepts, Methods and Techniques

Money can either be spent (consumed) or saved for investment. If money is spent now, it will not grow over time. So, investment involves sacrifice of today's consumption to gain extra consumption (C) in future. Hence, investment decision is about foregoing consumption today in order to gain extra consumption in the future. Therefore, to determine whether an investment project is worthwhile, we must be able to compare the value of (C) foregone today with the future value (C) at different movement in time. It may be noted that (a) future consumption worth less than the present consumption and (b) funds when invested yield a return. Development Projects are investment activities and such investment is justified if sufficient returns (benefits) of the projects are realized.

5.10 Concept of Time Values of Money

The cost & benefits of a project occur at different points of time depending upon the life of the project. The value of money changes over time, as such value of costs & benefits would depend upon the time of their occurrence. Therefore, to compare the value of resources at different points of time, for the purpose of project analysis, we apply the compounding and discounting techniques.

5.10.1 Compounding Techniques

	F	=	P (1 + r) n
Where	F	=	Future Worth
	P	=	Present Worth
	r	=	Rate of Interest
	n	=	Number of years

5.10.2 Discounting Techniques

	P = F	$\frac{1}{(1+r)^n}$
Where	F	= Future Worth
	P	= Present Worth
	r	= Rate of Interest
	n	= Number of years

5.10.3 Investment Appraisal Criteria

A. Discounted measures

a. Financial Analysis (undertaken at market prices)

- i. Net Present Value (NPV)
- ii. Benefit-Cost Ratio (BCR)
- iii. Internal Financial Rate of Return (IFRR)
- iv. Cost Effectiveness / Unit Cost Analysis

b. Economic Analysis (undertaken at shadow/economic prices)

- i. Net Present Value (NPV)
- ii. Benefit-Cost Ratio (BCR)
- iii. Internal Economic Rate of Return (IERR)

c. Sensitivity Analysis

- i. Assuming cost over-run
- ii. Decrease in benefits/income
- iii. Delay in realization of benefits

B. Undiscounted Measures

- i. Profit & Loss Account
- ii. Break-even analysis
- iii. Payback period

5.10.4 Financial/Economic Analysis

5.10.4.1 Net Present Value (NPV)

It is the difference between discounted benefits and discounted costs of a project. NPV criterion suggests to accept all independent projects with a zero or greater net present value when discounted at opportunity cost.

5.10.4.2 Benefit Cost Ratio (BCR)

This ratio is obtained when the present worth of the benefit-stream is divided by the present worth of the cost stream. The BCR criterion suggests to accept all independent projects with a benefit-cost ratio of 1 or greater, when the cost and benefit streams are discounted at the opportunity cost of capital.

5.10.4.3 Internal Rate of Return (IRR)

It is the discount rate that makes the Net Present Worth (NPW) of the cash flow equal to zero. It is the maximum interest that a project could pay for the resources used if the project is to recover its investment and operating costs and still break even. IRR criterion suggests to us to accept all independent projects having an internal rate of return equal to or greater than the opportunity cost of capital.

5.10.4.4 Unit Cost Analysis

Unit cost analysis are the total expenses involved in creating one unit of a product or services. The analysis facilitate comparison with similar products available in the market. The unit cost is derived by dividing the present worth of production cost by the present worth of output of the project. Unit cost analysis is also used as an indicator for charging to the users.

5.10.4.5 Undiscounted Measures

Profit & Loss Income Statement

The Profit & Loss statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period. It is important to compare income statement for different accounting periods, as the changes in revenues, operating costs and net earnings overtime are more meaningful than the numbers themselves (A project revenues may grow but its expenses might grow at a faster rate). The Profit & Loss Statement begins with an entry of sale proceeds and subtracts the cost of goods sold, operating expenses, tax and interest expenses. The difference is known as net income or profit.

Break-Even Analysis

Another form of financial analysis is breakeven analysis. It is a technique for finding a point at which a project will cover its costs. It is often used to make an initial decision on whether to proceed with a project. Breakeven analysis is also a technique of financial control in the sense that further analyses may be necessary as conditions change.

Payback Period

Payback analysis is a mathematical methodology to determine the payback period for an investment. The payback period is how long it will take to pay off the investment with the cash flow derived from the asset or project. The payback period is usually measured in fractions of years. Payback analysis can provide important information for decision-making. It provides a means to manage risk. You can use payback analysis to determine whether an asset or project will pay for itself in an acceptable period of time. Shorter payback periods are usually viewed as less risky.

Sensitivity /Risk Analysis

The project face uncertainties during its execution in most of the cases. The uncertainties include increase in Capital Cost of the project, delay in its implementation or reduction in output / income of the project. In such circumstances the results get fairly changed and IRR and NPW get reduced or the benefit cost ratio becomes negative from positive. In order to take care of such uncertainties, assumptions are applied for testing the viability of the project. The assumptions include increase in Capital Cost of the project, say, by 20% or decrease in revenues by 20%- or two-years delay in implementation of the project. Keeping one or two or all such assumptions in view, the cost and benefit streams are re-drawn and the streams of cost and income are discounted and NPW, BCR and IRR are re-calculated. The revised analysis gives a fairly good picture of the project in case of one or all uncertainties occur.

5.11 Limitation of Project Appraisal

The methods, tools and techniques used in the appraisal of projects certainly have some limitations shortcomings which should be kept in view while using it as a policy making decision tool. Some of these limitations are:

1. Quality of analysis depends on the quality of data and forecast made about costs and benefits. Over-estimation / underestimation of the benefits of cost is quite common to get the project approved.

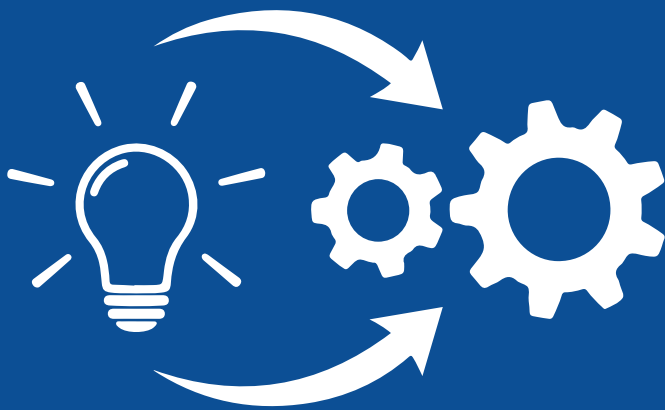
2. Cost-Benefit analysis is useful where benefits or major parts, thereof, are measurable and can be quantified. In cases where non-quantifiable externalities like job creation, skill development, transfer of technology, etc. and projects related to health, education, rural development, etc., where benefits cannot be quantified, only unit cost analysis is undertaken to evaluate cost effectiveness of the proposed investment.
3. Cost-benefit analysis is useful tool for appraisal of projects activities with definite period of implementation , definite start and finish points.
4. Due to futuristic nature of projects implementation, there is uncertainty and risk elements in the estimates of output & inputs. Sensitivity and risk analysis is undertaken to assess and examine strength of a project against future risks.
5. There are other ways for resource allocation, which are equally important, and effective such as price policies, tariff policies, exchange rate policy, and interest rate policy. These parameters are considered to supplement decision making on project selection.
6. Public sector project selection is also affected by political, social, regional economic and strategic consideration which sometimes overwhelm the results of the project appraisal.

5.12 Checklist for Appraisal of Projects

A checklist for initial scrutiny of information provided in the PC-I for production, infrastructure and social sectors development projects is at Annexure 5-A. The filled-in checklist by the Concerned Section of the P&D Department will be annexed with the working paper prepared for consideration of projects by the PDWP / DDWP. This will ensure that the projects prepared by the Line Department contain all the information required for its appraisal and approval by the appropriate forums.

CHAPTER-6

PROJECT IMPLEMENTATION



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 6: PROJECT IMPLEMENTATION

Project Implementation is the most critical stage in the project cycle management. It includes effective utilization of available resources to achieve the overall objectives of the project. The project concept and design are transformed into work plan for provision of works, goods, services hence the project becomes a physical reality. In order to achieve the stipulated targets and tangible outcome, the project management is entrusted to undertake the following activities after approval of the project from the competent forum:

6.1 Project Authorization and Issuance of Administrative Approval

Once the project is approved by the CDWP/ECNEC, the authorization letter is issued by the Public Investment Authorization Section of Planning, Development & Special Initiatives Division. After issuance of authorization letter, the Ministry concerned issues administrative approval of the project. In case, the project is approved by the Federal DDWP, the administrative approval is issued by the concerned Ministry/Division. The day, the administrative approval is issued, the project implementation period starts.

In case, the project is approved by the Provincial Development Working Party (PDWP), Khyber Pakhtunkhwa, the concerned Department issues the administrative approval after issuance of the minutes of the meeting of the Provincial Development Working Party (PDWP). The concerned Department also issues Administrative Approval for the projects approved by the Provincial DDWP. In case of District level projects, approved by the District Development Committee, the concerned Deputy Commissioner issues the Administrative Approval. The TMA issues Administrative Approval for the projects approved by the Tehsil Development Working Party.

6.2 Appointment of Project Director

The project is activated with the appointment of a Project Director. The ECNEC in its meeting held on 27th August, 2020 decided that:

- i) The establishment of Project Management Unit (PMU) and hiring of Independent Project Director would start soon after the concept clearance, parallel to the process of approval of PC-I. Project Director is appointed not later than one month of the approval of PC-I. Each project costing above Rs. 3 billion, must have Independent Project Director hired on competitive basis.
- ii) Independent Project Director will be hired / appointed by the Principal Accounting Officer of the relevant Ministry, based on the recommendations of the Recruitment Committee, headed by Deputy Chairman Planning Commission and comprising of the representative of Finance Division, Establishment Division and relevant ministry /

division. In case of Khyber Pakhtunkhwa, the Committee will be headed by Additional Chief Secretary, Planning & Development Department, having representative of Finance Department, Establishment & Administration Department and concerned Administration Department.

- iii) Additional charge of the posts of mega projects will not be allowed to officers of line ministries and departments. For projects having cost less than Rs.3 billion, additional charge of project posts may be allowed to officials of the ministries and departments, on case-to-case basis, by a committee headed by the Deputy Chairman, Planning Commission; comprising Secretary Finance, Secretary EAD and representative of the relevant line ministries/departments. The additional charge allowance will be 100% of the basic salary.
- iv) Hiring of other staff of the project will be done by concerned PAOs with the support of Project Director.
- v) PD&SI Division / P&D Departments to define and enforce specific guidelines for continuity of project staff including Project Director (PD) and discourage frequent transfers of staff. Appointment of PD and project staff will be for a period of project term. Transfer of PD, if warranted, will be notified to PC and P&D Department. However, contract of PD or project staff can be terminated at any time in case of poor performance.

a) Appointment

The mode of appointment of a Project Director will be as follows:

- i) A Project Director shall be appointed on contract basis for a period of project term.
- ii) The appointment will be made in a transparent manner through open merit by advertisement against approved criteria and TORs of the position(s).
- iii) Civil servants will also be allowed to compete and on appointment will take three years leave from government and will be entitled to salary at market rates.
- iv) While making an offer of appointment, the following will be provided in the contract or agreement:
 - a. Statement of objectives of the assignment
 - b. Responsibilities of the Project Director stating deliverables required from him/her
 - c. Responsibilities of the client indicating the types of inputs to be provided to the Project Director
 - d. Duration of the contract indicating completion dates or termination of the contract
 - e. Financial provisions reflecting manner of payment of remuneration, etc.
 - f. General provisions regarding matters like early termination of the contract by either party
 - g. Mode of periodic performance appraisal of the Project Director

b) Terms of Reference of the Project Director (PD)

Details of the job description and required output from the Project Director, should be clearly spelled out which, inter alia, may include the following:

- (i) Held accountable for any lapses in the exercise of his/her administrative, functional, and financial powers.

- (ii) He/ She would be obligated to account for all actions, steps and decisions taken during project execution.
- (iii) He/ She would be responsible for supervision of project activities including troubleshooting and best efforts to resolve day-to-day implementation problems independently within the administrative and financial powers delegated to him/her.
- (iv) Exercise a strong check on time and cost overruns by developing a correlation between inputs, processes, and outputs of the project.
- (v) Ensure that proper procedures for reviewing and responding to progress reports are established and followed, indicating how, what, and when to monitor and evaluate.
- (vi) Prepare and submit reports in the prescribed manner and format; including recommended actions for decision-making. Work effectively and harmoniously with the project stakeholders (including external partners) as well as with the project staff.
- (vii) Develop and use indicators to focus on results as well as implementation progress.
- (viii) Establish and maintain custody of all project documents along with preparation of project status and completion reports (PC III-IV).
- (ix) Establish the office of the Project Director as close to the worksite as possible, preferably on-site, to ensure his availability for making on the spot decisions on unforeseen issues and other ancillary matters.

c) Qualification and Experience

Qualification and experience for the post of Project Director will be as under:

- (i) The educational qualification of the Project Director must be broad-based, that is, B.Sc. Engineering or MBA, MBBS/MPH, MA Economics, etc. or equivalent depending upon the nature of the project.
- (ii) Experience in project management or implementation, with sound knowledge of project management fundamentals, particularly in public sector's project planning and management processes and procedures. (Length of experience as approved by Approving Forum)
- (iii) Maximum age of sixty-two (62) years on the date of appointment

6.3 Standard Pay Package for Project Staff Directly Recruited for Development Projects

Project Pay Scale (PPS)	Regular BPS	Minimum (Rs.)	Increment @ 5% of the Minimum	Maximum (Rs.)
PPS-1	BPS 1-4	16,000	800	25,600
PPS-2	BPS 5-8	20,000	1,000	33,000
PPS-3	BPS 9-10	25,000	1,250	40,000
PPS-4	BPS 11-13	30,000	1,500	48,000
PPS-5	BPS 14-15	40,000	2,000	64,000
PPS-6	BPS 16	60,000	3,000	96,000
PPS-7	BPS 17	90,000	4,500	144,000
PPS-8	BPS 18	125,000	6,250	200,000
PPS-9	BPS 19	175,000	8,750	280,000
PPS-10	BPS 20	250,000	12,500	400,000
PPS-11	BPS 21	350,000	17,500	560,000
PPS-12	BPS 22	500,000	25,000	800,000

Reference: Annexure 6-A

6.4 Project Policy Khyber Pakhtunkhwa

In pursuance of the provisions of Section-25 of the Khyber Pakhtunkhwa Civil Servants Act, 1973 and in supersession of all instructions issued previously on the subject from time to time, the competent authority has approved the project policy (updated version 2018, Annexure 6-AA).

6.5 Procedure for Appointment against Project 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 official website.
- ii. A reasonable time, not less than fifteen 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 urgent cases, time for inviting applications should not be less than seven 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. Urgent cases may refer to those cases wherein projects involve hiring of Human Resource and are required to be implemented / executed as quick as possible in the best public interest. The matters of urgency are as follows:

- 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 particularly the nomenclature of the post, pay scale or pay package, duration and nature of appointment, duties and responsibilities as well as station of duty etc. should be clearly advertised.
- iv. Applications received for the post shall be scrutinized by the short-listing committee constituted for the purpose. (Para-8) The scrutiny will be carried out in the light of record furnished by the applicant with particular reference to his academic qualification, experience, professional skills, age limits and other conditions advertised for the post. The appointing authority/administrative department keeping in view number of the applicants may hire the services of a registered independent testing service/agency to be used as a screening tool in order to facilitate the shortlisting process as per project policy.
- v. The concerned department will prepare the lists of qualified and eligible candidates who will be called for test and interview by the concerned Selection Committee. Reasonable time may be given to the candidates to appear for interview. The names of those candidates who do not appear for interview shall be dropped from the selection process.
- vi. Selection Committee shall interview the qualified and eligible candidates and shall draw a merit list on the basis of academic qualification, experience, professional skills, and other conditions as well as marks obtained in the interview.
- vii. The list containing order of merit of the candidates must be signed by the members of the Committee including its chairman and forwarded to the Secretary of the department concerned to process case for approval of Project Policy appointing authority.
- viii. 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 accordingly. In case, the first candidate on the merit list does not join service within a period of one month, offer of appointment may be extended to the next candidate on the merit list. After completion of hiring process in a project, a waiting list duly signed by members of the selection committee shall be maintained which shall remain valid till 6 months and any candidate on merit can be appointed during the period from the list if a post(s) is fallen vacant due to the following reasons:

- I. Non-joining

II. Resignation

III. Disqualification due to disciplinary action.

- ix. Staff appointed by initial recruitment in a project shall not be entitled to pension or CP fund. They shall also not be treated as a "civil servant".
- x. Project employees will receive medical allowance as per medical attendance rules of the Provincial Government.
- xi. They shall be entitled to TA/DA in accordance with the TA rules of the Provincial Government.
- xii. Any upgradation in BPS of posts on regular side shall automatically apply similar position in the projects.
- xiii. Project employees shall be entitled to avail casual leaves and any long leave not exceeding 45 days with full justification and approval of the competent authority. However, maternity leave will be admissible to the female employees as per Khyber Pakhtunkhwa Civil Servants Revised Leave Rules. 1981.
- xiv. The project employee(s) or the government servant(s) as the case may be, who are assigned additional charge of the posts of projects will be allowed Additional Charge Allowance from the project @ 20% of their basic pay subject to maximum of Rs. 12000/- per month or as revised from time to time, in addition to their normal pay and allowances. The period shall not be less than 30 days and not exceed 90 days. [sub-para (d) of para I of this department letter bearing No. SOR-VI/E&AD/1-25/2007 dated 17th October, 2008 may be deemed deleted].
- xv. A committee under the Chairmanship of Chief Economist, P&D with the requisite members will examine the cases of headhunting and will forward their recommendations for approval of the Additional Chief Secretary, P&D.
- xvi. The appointing authority / administrative department shall ensure maximum possible competition in the hiring process. However, they may shortlist 5 to 10 applicants against one post for interview. Furthermore, there will be no bar on the number of shortlisted candidates in the case of posts falling in specialized categories.

6.6 Deputation of Civil Servants to Project Posts

In case the competent authority decides to fill a post by transfer of a regular civil servant on deputation basis, the procedure laid down in paragraph below shall be followed:

- i) The Administrative Department where the project has been initiated will provide a panel of at least 3 officers to the P&D Department keeping in view the qualifications and other terms and conditions prescribed in PC-I. The panel will be considered by the Provincial Project Selection Committee (PPSC) for selection of a suitable officer.

- ii) The Lending Department will consider the proposal and will normally allow the transfer of the civil servant on deputation basis. The lending department may, however, regret the proposal in the exigency of service and in public interest.
- iii) Civil servants appointed against project posts on deputation basis shall receive project allowance equal to one basic salary in lieu of deputation allowance.
- iv) In case of deputation of a Civil Servant to a project which is fully funded by the Provincial Government, the pension contribution will not be a liability on the project and the Provincial Government will continue to make its payment. However, in other cases and modes of deputation, the procedure in vogue regarding pensionary/leave and other service liabilities.
- v) During deputation, the Civil Servant may ordinarily vacate the officially allotted residential accommodation if the duty station of the Project Post is outside the district of accommodation. In case they want to retain it, they shall pay house rent to the Government at market rates as prescribed by the Government from time to time.
- 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 shall be three years extendable for another two years on completion of which the deputations shall be repatriated to his parent department.

6.7 Delegation of Powers

According to ECNEC decision, dated 24th April, 2000, the Project Director should be delegated full administrative and financial powers and be made accountable for any lapses. This measure would improve management and help fix technical and financial responsibility.

The matter relating to delegation of powers to Project Director was again discussed by ECNEC in its meeting held on 27th August, 2020. ECNEC directed Planning, Development & Special Initiatives and Finance Divisions to issue revised guidelines encouraging delegation of maximum powers to Independent Project Director.

In case of big projects, financial powers of category-1 will vest with the Project Director for the projects costing above Rs. 1.0 billion. The Project Director is required to move the case for the delegation of financial and administrative powers by the concerned Principal Accounting Officer. The Government of Khyber Pakhtunkhwa has notified the Financial Power Rules 2018 (Annexure 6-B) as amended vide notification SO(FR)FD/9-1/2017/17445 dated 18-02-2019 are at (Annexure 6-BB).

6.8 Allocation of Funds

The Government of Khyber Pakhtunkhwa has notified the guidelines for the preparation of Annual Development Programme (ADP) 2022-23. The main features of the guidelines are as follows:

- Maximum allocation be provided to ongoing projects at fairly advance stage of implementation.

- Full funding be allocated to projects scheduled to be completed by June 2022.
- Counterpart funds for foreign aided projects as per commitment.
- Projects dealing with emergencies such as flood relief, rehabilitation etc.
- Social sectors projects focusing on consolidation and improving service delivery.
- New projects, having high impact, be allocated funds. However, allocation should not be more than 10% of the overall development allocation of a particular sector.

6.9 Opening of Accounts

Government of Khyber Pakhtunkhwa has introduced opening of ASAAN Assignment Account Procedure (AAAP) (Local Currency 2020) [Reference Annexure 4-BB]. According to the notification:

- There shall be a separate assignment account for each development project, sub account(s) may be allowed on need basis.
- The PAO shall ensure signatories are approved as per provisions of AAAP 2020.
- Government Accounts shall not be opened in personal names of the government official(s). The account shall be opened only on production of a special resolution / authority from the concerned administrative department, duly endorsed by the Finance Department.
- The assignment account shall be part of consolidated funds of respective government. The unspent balance at the close of financial year shall be surrendered by respective offices as per government instructions, otherwise it shall be treated as lapsed.
- In case of foreign funded assignment account, the foreign currency amount received under a foreign credit / loan / grant for RFAs shall be translated / converted into Pak Rupees at the State Bank of Pakistan weighted average by rate of exchange prevailing on the date of transfer of funds by the donors. The National Bank of Pakistan shall be the designated bank for handling all transactions of Revolving Fund Accounts.

6.10 Release of Funds

Government of Khyber Pakhtunkhwa (Finance Department) vide notification No. BO.1/FD/5-20/2021-22 dated 30th June, 2021 have notified the ADP Release Policy for 2021-22 (Annexure 6-C).

Details of the policy relating to development projects are as follows:

Development Expenditure

Type Of Schemes	Funds Release Policy
Ongoing approved schemes	<p>100 % funds allocated to ongoing schemes of a sector will be released at the start of the financial year. However, in case of fiscal constraints or any cash balance issues, Finance Department reserves the right to make adjustments as and when required.</p> <p>Out of the released funds, the Administrative Departments will ensure adequate releases to the ongoing schemes due for completion and to the schemes pertaining</p>

		to snow bound areas (either due for completion or not) through intra-sectoral reappropriations.
New approved schemes		100 % funds allocated to new schemes of each sector will be released on production of Administrative Approval (AA). Remaining allocations for such schemes will be released as and when demanded by the Administrative Department on production of utilization report and on case-to-case basis.

- (i) District wise complete breakup of the compact schemes shall be provided by the Department within one week after release of funds to enable Finance Department to punch it in SAP system.
- (ii) No release shall be made in the name of individuals with respect to compact schemes.
- (iii) 100% release will be made for procurement of medicines and any other essential heads under schemes of Health Department on the request of the Department.
- (iv) Development funds to schemes having designated accounts will be released subject to production of utilization report and bank statement of their accounts.

The Release Policy is for year 2021-22. The policy for subsequent years will be issued by the Finance Department in consultation with P&D Department.

6.10.1 Development Expenditure - Local Government

Development share of District Development Funds shall be transferred to respective Local Governments on quarterly installment basis. Districts, TMAs and VCs/NCs which have been provided development budget during last financial year (2020-21), shall be facilitated with funds subject to utilization of 60% development funds of last financial year.

6.10.2 Grant to Development Authorities

Grant in Aid shall be released to the concerned development authority on quarterly basis.

6.11 Re-appropriation within Allocations

The Planning & Development Department, Government Khyber Pakhtunkhwa allocate funds to development projects keeping in view the overall development policy, sectoral policies and demands of the Project Directors. However, during the implementation of the project, some of the estimates may be in-valid due to various factors. In some cases, there might be savings due to revised implementation strategy or factors beyond the control of the Project Director. In such scenarios, re-appropriation is required to effectively utilize the ADP Allocations. The re-appropriation within project allocation is permissible with the approval of PAO. As per Clause 11 of the Public Finance Management Act 2020, the authority for reappropriation of funds rest with the PAO. The Government of Khyber Pakhtunkhwa vide notification No. BO.1/FD/5-20/2021-22 dated 30th June, 2021 has allowed inter-sectoral re-appropriation as per following:

- Intra-Sectoral re-appropriation approved by Administrative Departments to development schemes shall be punched in SAP system by Administrative Departments themselves and not by the Finance Department.
- No re-appropriation shall be made against those schemes wherefrom funds are re-appropriated to other schemes, during current financial year.
- No re-appropriation shall be made from the "High Impact Priority Projects" and "DFC Projects" without the prior approval of P&D Department.

6.12 Increase in Capital Cost of Project

The executing agency implements the project as per approved capital cost, implementation period and scope of work. It has been observed that the capital cost of the project is increased during implementation on account of various factors. In case the executing agency can implement the approved scope of work within 15% increase in cost, the executing agency do not have to revise the PC-I. The executing department may share the facts with the P&D Department and on the recommendation of P&D Department, the Finance Department will release the additional funds falling within 15% of the approved cost to the executing agency to ensure its completion expeditiously. This cushion of 15% is available to the originally approved projects and cannot be made available to the revised projects (Annexure 6-CC). In case it is felt that there will be major change in the scope of work or increase in the approved cost by more than 15%, then the project has to be revised and submitted for approval to the competent authority (Annexure 6-CD).

6.13 Increase in Cost on Account of Exchange Rate Fluctuations

The aspect relating to revision of PC-I on account of increase in capital cost of the project due to exchange rate fluctuations was examined and it was decided by the ECNEC that:

- It will not be necessary to obtain fresh approval of ongoing schemes if the cost goes up only because of the movement of exchange rate. In such cases the sponsoring authority shall intimate the revised cost due to exchange rate fluctuations to the Planning & Development Division and Finance Division. While indicating the revised cost, the original rate at which the cost has been worked out and the prevailing rate at which the orders have been placed would be specifically indicated.
- The Executive Committee of the National Economic Council (ECNEC) in its meeting held on August 28, 2013, while considering various development projects, inter alia, decided that:
- *"The projects wherein foreign exchange component is involved; the summaries should invariably indicate the current exchange rate and the project cost should be calculated accordingly".*
- In the subsequent ECNEC meeting held on September 13, 2013, Ministry of Planning &

Development reported to the ECNEC the difficulties that may be faced owing to fluctuation in rate of exchange, almost on daily basis. The Chairman, ECNEC directed M/o Planning & Development to decide the issue in consultation with Finance Division. The issue was discussed between Ministry of Planning & Development and Finance Division and the following procedure has been approved by the Chairman, ECNEC for conversion of foreign exchange component of development projects in Pak Rupee:

- Where foreign aid/foreign exchange component of the cost of the project changes solely due to fluctuation in exchange rate, the cost (s) of foreign aid/foreign exchange component of project should be worked out on the basis of “Bank’s Floating Average Exchange Rate” in the respective currency/currencies, reflected on the website of the State Bank of Pakistan, of the month preceding the one in which the PC-Is/PC-IIs were submitted to the Ministry of Planning and Development. However, at the time of consideration of project by the CDWP/ECNEC, the sponsors of the project would furnish modified item-wise cost of foreign aid/foreign exchange component based on the preceding month’s average State Bank’s Floating Exchange Rate to the Ministry of Planning & Development. In case of revised projects submitted for consideration of CDWP/ECNEC the same principle would apply but only for the yet unmet costs and expenditures that are likely to be impacted solely by the fluctuation in exchange rates. (Annexure 6-D)
- Ministries/Divisions/Provincial Governments/Governments of AJ & K and Gilgit-Baltistan/FATA are requested to convey these instructions to all concerned for guidance and compliance.
- However, instructions regarding “Approval of Schemes Revised on Account of Delinking Pakistan Rupee from Dollar” contained in Cabinet Division O.M. No. 171/CF/84 dated June 27, 1984, would continue to remain in force where applicable. (Annexure 6-E)

6.14 Extension in Implementation Period of Project

The project is approved by the competent forum with a specific period of implementation. Efforts be made to complete the project within the stipulated period to ensure flow of benefits well in time. Due to certain reasons, if extension in the implementation period is inevitable to achieve the planned objectives, the extension in implementation period of the project is considered. The Ministry of Planning Development & Special Initiatives vide notification no. 23(1-DDWP)/PIA-I/PC/2017 dated 15th March, 2019 (Annexure 6-F) has issued the following guidelines:

- The Principal Accounting Officer of the sponsoring / executing agency may grant the extension in execution period of the project till closing of the financial year. Two extensions irrespective of approving fora.

- In case of further extension, the Provincial and Special Areas' Development Working Party will be empowered to grant time extension on the basis of reasons of delay in execution, irrespective of approving fora.
- In case of federally administrated development projects, further extension in execution period will be granted by the Departmental Development Working Party of the respective Ministry / Division on the basis of reasons of delay in execution, irrespective of approving fora.
- In case where there is no DDWP the case for further time extension would be presented to the concerned Division / Chairman Office and a committee headed by the Federal Secretary / Chairman comprising representative from Planning Commission and Finance will review and grant time extension on the basis of reasons of delay for execution, irrespective of approving fora, if required.
- All the above conditions will be subject to "no change in scope and cost of the project".
- In case of foreign aided projects, consent of the donor / sponsor will be compulsory in consultation with EAD before processing of time extension case.

6.15 Contract Management

A contract is an agreement between two or more parties creating mutual obligations enforceable by law. The basic elements required for the agreement to be a legally enforceable contract are mutual assent, expressed by a valid offer and acceptance; adequate consideration; and legality. Contracts are commonly used by a project director to manage and control project delivery. A contract defines the scope of work, the responsibilities, and obligations of the parties to the contract, the assignment of financial incentives to complete the work, and the nature and extent of risk to various parties. The contract agreement formalizes the contract and serves as a legal instrument for contract verification.

Contracts are used during all phases of project management. At first feasibility phase, contracts are formed between the project owner and a consultant or an engineering firm or an architectural firm to conduct a feasibility and site selection study. In the execution phase, a contract is formed between an owner and a contractor. Effective contract management creates client and customer satisfaction as well as consolidates the longer-term win-win situation among all parties involved. Contracts not only bind the parties to legal obligations and framework; they are also instrumental in risk minimization or elimination. The procurement in government at the federal level, is governed by the Public Procurement Regularity Authority (PPRA) Act and its rules; Public Procurement Rules, 2004 and "The Procurement of Consultancy Services Regulation 2010". At the provincial level, the Procurement Rules of the Government of Khyber Pakhtunkhwa in the KP-PPRA Act-2012 as amended 2019 and KP-PPRA Rules, as amended from time to time, govern the procurements of development projects (Annexure 6-G).

6.16 Preparation of Project Profile

Project profile is the summary of all the project activities along with information relating to management of the project. The Project Director may complete the project profile at the beginning of each financial year and incorporate the information relating to physical and financial progress of the project on

quarterly basis. This will help the senior management and other stakeholders to understand the status of project implementation. (Annexure 6-H).

6.16.1 Activity Chart

The project undertakes a number of activities i.e., procurement of land, appointment of consultant, award of civil works and procurement of plant and equipment etc. Each activity has a number of sub activities to be undertaken to achieve the desired goals. Sample activity chart having breakdown structure been prepared to facilitate allocation of time to each sub activity. This exercise will facilitate the Project Management to plan the time required for each activity. The project activities are based on the approved scope of work by the competent forum. (Annexure 6-J)

6.16.2 Work Plan

The Project Management has to prepare the Annual Work Plan based on the scope of work approved in the PC-I and allocations made in the ADP / PSDP etc. The activities identified by the Project Manager have to be converted into a workplan on quarterly basis. The work plan includes each item of work along with quantifiable scope of work to be undertaken in the entire life of project implementation. The achievements up to the end of last financial year is indicated and the balance work to be undertaken in the financial year is quantified and presented in the work plan. In case of variations in scope of work of any item, the work plan will identify the variations to be addressed by the Project Management. (Annexure 6-K)

6.16.3 Cash Plan

The approved PC-I contains item wise financial allocations for each item of work approved by the competent forum. The project management has to develop a linkage between the work plan and cash plan. The financial requirement of each item of work to be undertaken in a financial year are identified and quarterly requirements of funds are indicated to achieve the physical targets of the quarter. In case the expenditure is being incurred over and above the approved cost of any item, the cash plan will identify the same to facilitate project management to take appropriate steps to remedy the situation (Annexure 6-L).

COMPLIANCE OF THE INSTRUCTIONS OF MANUAL

The Manual for Development Projects Khyber Pakhtunkhwa is an inclusive document containing rules, regulations and instructions issued from time to time by the Federal and Provincial Governments to improve understanding, efficiency and effectiveness of the Project Management. The non-compliance of the instructions contained in the Manual shall be taken as audit objection.

CHAPTER-7

MONITORING AND EVALUATION



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 7: MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) is a powerful public management tool that is used to track progress of implementation, measure performance and assess impact of a project, program, or policy. There is tremendous power in measuring performance. The ancient Egyptians regularly monitored their country's outputs in grain and livestock production more than 5,000 years ago; in this sense, monitoring and evaluation is certainly not a new phenomenon.

United Nations Development Programme (UNDP) stipulates that *“Programmes and projects with strong monitoring and evaluation (M&E) components tend to stay on track. Additionally, problems are often detected earlier, which reduces the likelihood of having major cost overruns or time delays later. Monitoring and evaluation can help an organization extract relevant information from past and ongoing activities that can be used as the basis for programmatic fine-tuning, reorientation and future planning. Without effective planning, monitoring and evaluation, it would be impossible to judge if work is going in the right direction, whether progress and success can be claimed, and how future efforts might be improved”.*

The Organization for Economic Co-operation and Development (OECD) has defined monitoring as *"a continuous function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds."*

7.1 M&E in Project Cycle

Monitoring and Evaluation is the systematic collection and analysis of implementation data to enable managers and key stakeholders to take appropriate decisions to accelerate the implementation of development projects. Monitoring is an ongoing activity undertaken on regular basis while evaluation is conducted at specific points in time to assess the status of implementation of project activities and the difference made by project investment. Monitoring is thus, tracking of outputs, while evaluation is the measurement of outcomes.

7.2 Monitoring

Monitoring is a methodical process of data collection and information gathering throughout the life of a project. The collected data is analyzed and transformed into monitoring reports to assess the status of project implementation. It facilitates comparing the actual achievements with the planned targets during the reporting period. On the basis of monitoring reports, the project management takes appropriate decisions and corrective measures to remedy the situation.

7.2.1 Types of Monitoring

i) **Internal Monitoring**

Internal monitoring is the responsibility of sponsoring departments and executing agencies directly involved in the project formulation, approval and implementation. Internal monitoring works like an eye to the project management to ensure the successful and timely completion of the project. In general, internal monitoring can help the management in the following manner:

- Sorting out various problems hindering the project implementation.
- Co-ordination with outside agencies.

ii) **External Monitoring**

External Monitoring is always undertaken by an agency not involved in the implementation of the project. In the public sector, the external monitoring is undertaken by the Planning Commission and Planning & Development Departments. In case of foreign aided projects, the donors appoint consultant to undertake the third-party monitoring. The external monitoring helps the decision makers to review the financial utilization and physical achievements along with the bottlenecks faced by the project management in implementation of projects. This also provides strategic feedback on the sectoral program being implemented by the executing agency.

7.2.2 Kinds of Monitoring

Monitoring is classified into different types based on the purpose, focus, timing, and target group of the initiative. Following types of monitoring are commonly used to help plan and execute monitoring more strategically:

I. Process Monitoring

Process monitoring is undertaken to track the use of inputs and resources, along with examining how activities are undertaken and outputs delivered.

II. Results Monitoring

It gathers data to demonstrate a project's overall impact on the target population. It helps the project management to determine whether the project is on track towards intended results or otherwise.

III. Compliance Monitoring

It ensures compliance with implementation processes i.e., regulations & laws, standards and the expected results. The need for compliance monitoring could arise at any stage of the project life cycle.

IV. Context Monitoring

Context monitoring helps to identify and measure risks, assumptions, or any unexpected situations that may arise within the institutional, political, financial, and policy context at any point during the project implementation

V. Beneficiary Monitoring

It includes beneficiary satisfaction or complaints with the project and its components, including stakeholder's participation, treatment, and access to resources. Beneficiary monitoring also tracks stakeholder complaints and feedback mechanism.

VI. Financial Monitoring

Financial monitoring is undertaken to measure the financial efficiency of a project. It tracks the expenditure incurred in a project in comparison to the allocated budget and helps to develop strategies to maximize outputs with minimal inputs.

VII. Organizational Monitoring

It tracks institutional development, communication, collaboration, sustainability, and capacity building in the project/programme

7.2.3 Monitoring Instruments

Planning Commission has been employing (PC-III) Proforma for fixing annual targets based on the PSDP/ADP and progress reporting of the development projects. The PC-III proforma is split into two sub-components:

- i. PC-III (a): Annual Targets and Progress Reporting
(To be furnished by 1st July of each year)
- ii. PC-III (b): Monthly Progress Report
(To be furnished by 5th day of each month)

[Refer to Annexures 2-U and 2-UA respectively]

The M&E System in Khyber Pakhtunkhwa has adopted the M&E Instruments of the Planning Commission in Vogue (as mentioned above)

7.2.3.1 Preparation of Report on Monitoring Instruments**Annual Targets**

- The project is approved by the competent forum on the basis of information provided in the PC-I. It includes the approved cost, scope of work and implementation period.
- Generally, releases to the project are not made in accordance with the approved phasing of the PC-I, therefore, the correlation developed between year wise physical targets and financial allocations contained in the PC-I cannot be maintained.
- The executing agency is, therefore, required to prepare the annual physical targets of the project activities on the basis of allocations made in the PSDP/ADP.
- The Project Director, therefore, has to prepare the annual targets on the basis of following:
 - Provide approved capital cost along with the expenditure incurred up to the end of last financial year.
 - PSDP / ADP allocations in the current financial year.
 - Based on the physical achievements up till the end of last financial year and status of award of works approved in the PC-I, the Project Director prepares physical targets of each item of work approved in the PC-I. A correlation between allocation of funds and scope of work to be achieved during the current financial year must be maintained.

- The Project Director may bifurcate the annual physical and financial targets into quarterly targets.
- Project management may develop annual performance by developing physical and financial indicators for review of the senior management.

Monthly Progress Report

- Based on the annual physical and financial targets, the project management has to share the physical progress and financial utilization during the month of reporting to the P&D Department.
- The main features of the monthly report include:
 - Funds released to the project during the reporting month along with expenditure incurred. The actual expenditure incurred on the project be communicated to the P&D Department. The accrued expenditure during the month be ignored.
 - The annual work plan contains item-wise physical targets to be achieved during the current financial year. The monthly report may indicate actual physical achievements against each item of the annual physical targets.
 - Project Management has identified annual output indicators, on the basis of ADP allocations. The Project Director may provide the progress against each annual indicator.
 - The bottlenecks / hindrances faced by the Project Director in implementation of the project be provided to take appropriate action to facilitate acceleration of project implementation.

7.3 Monitoring & Evaluation Structure in Khyber Pakhtunkhwa

The M&E Directorate was established in 2009 in the P&D Department. The M&E offices were initially established at Divisional levels and subsequently the offices were extended to District level including erstwhile FATA. The M&E is one of the core functions of the Planning & Development Department. The M&E activities are undertaken in following areas as per mandate of the M&E Directorate:

- Projects being implemented under the Annual Development Programme (ADP)
- Projects being implemented under the Public Sector Development Programme (PSDP)
- Projects being implemented at District level under the Annual Development Programme (District ADP)
- Projects under Service Delivery Programme (Health, Education, and other Line Departments)
- M&R works and judiciary projects
- Donors Funded projects
- Review of the progress of activities under Comprehensive Development Strategy (CDS) / Output Based Budgeting (OBB) scenario and performance of Post Crises Need Assessment (PCNA)
- Monitoring of the Appraisal of Development Schemes submitted for consideration and approval

7.3.1 Criteria for Selection of Schemes for M&E Work Plan / Appraisal / Evaluation

As a matter of policy, all projects financed from Public Investment, needs to be monitored. The M&E Framework approved by the KP Government in 2011, mandates physical monitoring of 25% ADP

schemes. However, on account of resource constraints, the following criteria is considered for ranking the projects for monitoring:

- Desk review of the projects through random selection
- Mega Projects / High-Cost Projects
- Projects which are at advance stage of implementation (having substantial physical and financial progress)
- Reported bottlenecks
- Ongoing projects where implementation has stalled due to various bottlenecks, despite availability of appropriate financial resources
- Projects which have delayed implementation in time and the projects where the cost has increased over the original cost (time / cost over-run projects)
- Delays due to disputes / other reasons
- Projects which are under implementation but being revised due to increase in cost, change in scope (under revision projects)
- Projects where public complaints have been launched
- Schemes referred by various fora / higher authorities

7.3.2 M&E Reporting Mechanism in Khyber Pakhtunkhwa

The following procedure/process is adopted for monitoring of the public sector development projects and reporting system:

- The M&E workplan is prepared by the field officers / district monitoring officers and submitted to the M&E Directorate for consideration and approval.
- The concerned provincial departments are intimated on undertaking M&E for the selected projects. The concerned departments are requested for submission / collection / sharing of project related documents.
- Pursuant to receipt of the relevant documents, monitoring visits are scheduled in consultation with the concerned departments.

The field visits are conducted in collaboration with the concerned department representatives and data is collected on the specified monitoring proformas for the selected ongoing project. The draft report is thus prepared and submitted on the PCFMS/Software format. The report after approval by the DG M&E, is uploaded on the PCFMS/Software. Some important / critical projects reports are submitted to Secretary, P&D / ACS. The reports are shared with the concerned departments for replies / comments on the observations raised in the monitoring reports. The replies furnished by the concerned departments are adjusted accordingly in the PCFMS/Software, after approval of the DG, M&E. In case the department do not response to the observations of the monitoring reports or not address the issues, then the case is referred to the Strategic Committee for consideration. The Strategic Committee, at the Provincial level, is chaired by the DG, M&E and meets on quarterly basis. There is Advisory Committee chaired by the ACS which meets twice annually.

7.3.3 Categorization of M&E Reports

Planning & Development Department, M&E Directorate has developed criteria for assigning weight to different aspects of project implementation. The details of the criteria are at Annexure 7-A. The overall performance indicators, developed to categorize the implementation of the project, are as below:

Scoring of Project Implementation

Category	Score
Critical	Below 25%
Major	Within 25% to 50%
Minor	Within 51% to 75%
Satisfactory	Within 76% to 90%
Outstanding	Above 90%

7.3.4 Follow Up Mechanism

The follow up on the actions proposed in the M&E reports, is a regular function of the M&E Directorate. It is mandatory that at least 10% of the monitored projects should have follow-up on the compliance of the observations/ recommendations. The follow-up is the responsibility of the DMOs. The following M&E Committees oversee the M&E activities:

- Advisory Committee Additional Chief Secretary (2 Meetings per annum)
- Strategic Committee Director General M&E (4 Meetings per annum)
- Operational Committee Commissioner concerned (Monthly Review)

7.4 Result Based Monitoring (RBM)

7.4.1 Rationale

With the advent of globalization, there are growing pressures around the world to be more responsive to the demands of internal and external stakeholders for good governance, accountability, transparency, effectiveness, and delivery of tangible results. Development organizations are sometimes accused of setting unclear goals and of reporting more about programme activities and processes rather than results. Such approaches to monitoring and evaluation make it difficult to communicate programmes to stakeholders and justify provision of financial, physical and human resources. These concerns have led most development organizations to adopt the model of results-based management (RBM), which focuses on achieving results, implementing performance measurement and using the feedback on the change.

7.4.2 What is Result-Based Monitoring?

The results-based monitoring and evaluation is a shift from focusing on the inputs and activities (resources and procedures) to outcomes, impact and sustainable benefits (results).

7.4.2.1 Hierarchy of Results

Results are the describable & measurable change resulting from a cause and effect of a development intervention. Result Based Monitoring Model describe the results in a sequential hierarchy as stated below:

- i) **Short-term Results** are referred to as “outputs.” These are the measurable and tangible changes that result directly from programme activities and are expected to lead to the desired “outcomes.” Constant monitoring of the achievement of outputs provides a basis for continuous programme improvement.
- ii) **Intermediate Results** are expected in a shorter term (e.g. two to three years). These results represent the changes happened to achieve the desired long-term results called “outcomes”.
- iii) **Long-term Results** are achieved over the longer intervention programme (e.g., five to seven years) and are called “impacts,” “goals” or “long-term outcomes.”

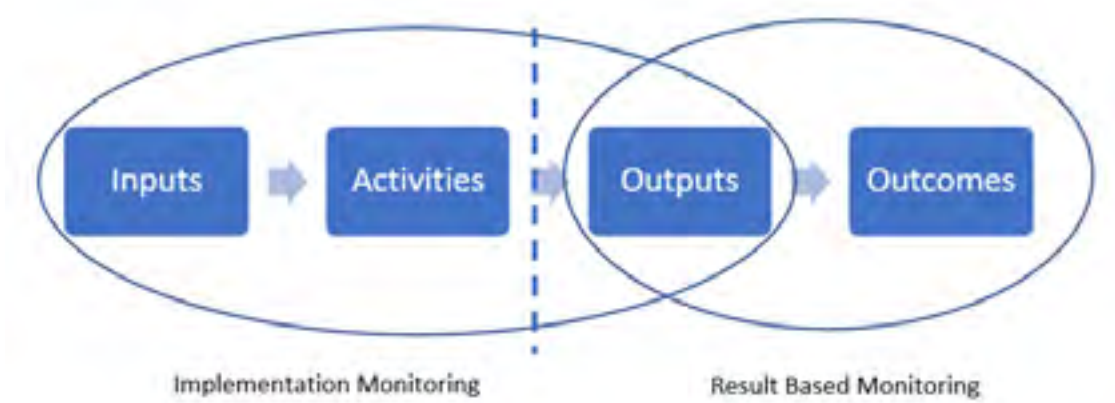
The power of measuring results is critical for the following reasoning:

- If you do not measure results, you cannot tell success from failure.
- If you cannot see success, you cannot reward it.
- If you cannot reward success, you are probably rewarding failure.
- If you cannot see success, you cannot learn from it.
- If you cannot recognize failure, you cannot correct it.
- If you can demonstrate results, you can win public support.

(Source: Osborn and Gaebler 1992)

7.4.3 Result-based Monitoring compared to Conventional Monitoring

The conventional monitoring provides information to assess the progress towards achieving outputs. The result-based monitoring provides the opportunity to review the project strategies and its appropriateness. It tracks the actual performance against pre-determined standards, collecting and analyzing data on processes and recommending corrective measures. By examining the impact and outcomes as well as the outputs, results-based monitoring is more comprehensive. The relationship between the implementation monitoring and result-based management is depicted in the following diagram:



7.4.5 Building Results-Based Monitoring System

The following steps are required to develop a result-based monitoring system:

i) Conducting Readiness Assessment

The readiness assessment determines the capacity and willingness of implementers and development partners to establish a results-based monitoring system by elaborating incentives, roles and responsibilities, organizational capacity, and barriers to getting started.

ii) Agreeing on Performance Outcomes

Assess the outcomes and impacts of the intervention rather than focusing on implementation issues.

iii) Selecting Key Indicators to Monitor Outcomes

Indicator is a measure to track progress towards a target. Indicators should be “CREAM” that is:

- Clear (precise and unambiguous)
- Relevant (appropriate to the subject at hand)
- Economic (available at reasonable cost)
- Adequate (able to provide sufficient basis to assess performance)
- Monitorable (amenable to independent validation).

iv) Gathering Baseline Data on Indicators

Gathering data and establishing baseline for the measurement of progress towards outcomes. The baseline data give us information about the situation before the intervention.

v) Planning for Improvement: Setting Realistic Targets

Establish targets for building the performance framework.

vi) Monitoring for Results

A results-based monitoring system tracks both implementation (inputs, activities, outputs) and results (outcomes and impacts). Every outcome has a number of indicators, each of which has a target. A series of activities and strategies needs to be coordinated and managed to achieve these targets.

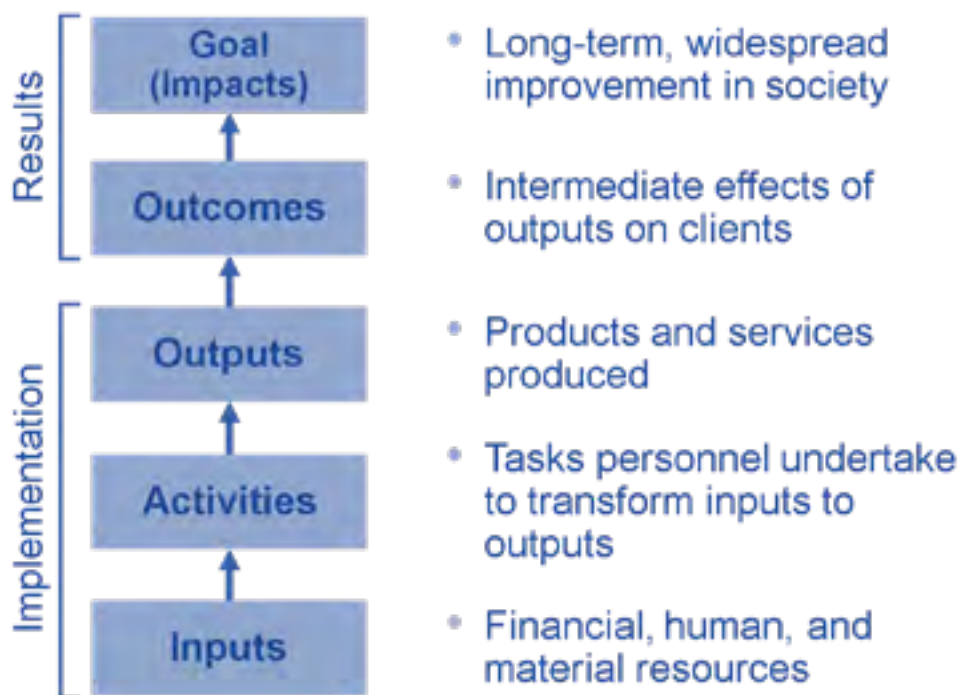
vii) Sustaining M&E System Within the Organization

Sustaining a results-based M&E system in organization is a challenge. The following components are crucial to maintain sustainability of the system:

- Demand
- Clear roles and responsibilities
- Trustworthy and credible information
- Accountability
- Capacity
- Incentives

7.4.6 Result Based Monitoring Framework

A good result-based monitoring framework is incumbent on a mix of logic, analysis, standard theories, and expertise of the Project Director. The purpose of the results framework is like that of the log frame. It helps to plan and understand various facets of project interventions and demonstrate it in a clear structural manner as shown in the following diagram:



7.4.6.1 Designing Result Based Monitoring Framework

The designing of the results framework requires a clear understanding of the problem and the indented development to address the problem. The theory of change (ToC) has to be developed to design the framework for measuring and assessing the desired outcome and impacts. The indicators for inputs, activities, outputs and outcome, should be developed in consultation with the key stakeholders, measuring the different aspects, making it clear as how progress towards strategic objectives will be assessed.

The results framework uses a chain of series to display project activities, processes and intended changes expected to occur throughout the project cycle. The elements of the chain of series are laid out under different levels and connected by a cause & effect relationship.



Designing results framework starts during project identification phase, but the design is improved and adapted throughout the project cycle. It is important to have a series of hypotheses of how the project inputs, activities and outputs will lead to the desired outcome, to assess progress towards the target results.

Project Inputs: A development project involves a number of activities including purchase of land, hiring of services of project management, consultants, procurement of goods and finances etc.

Project Outputs: The project outputs include accomplishment of entire scope of work (products & services delivered) as per approved project proposal i.e., completion of school building, establishment of basic health unit, construction of a road, construction of a power plant and construction of a check dam etc.

Project Outcomes: Project outcomes are the short-term and medium-term effects of an intervention on the target group. In simple words, the effects or changes, which outputs create are called outcomes; the education services being provided by SDUs (using recurrent budget) and new education infrastructure (school and college buildings) together contribute towards the 'Increase of literacy rate', which is an outcome.

Project Impact: Project Impact is the long term effects of the output i.e., irrigation services (output) can lead to increase in crop yield (outcome), which may lead to increased agriculture-based exports (impact). It is important to note that achievement of this impact may depend upon multiple other outputs and outcomes. For example, government policies (output of cabinet), increase in population, awareness of farmers, etc.

7.4.7 RBM Intervention at National Level

The implementation/ management of the projects, having RBM framework, has produced positive results. Planning Commission has introduced the following RBM indicators at project preparation stage. The PC-I Proforma, Clause 12 (b) mandates submission of RBM parameters for all public sector

development projects, programs, initiatives [Reference Annexures 2-Q, 2-R and 2-S]. The relevant clause, pertaining to RBM parameters in PC-I, is reproduced below:

Result Based Monitoring (RBM) Framework Indicators

Input	Output	Outcome		
		Baseline Indicators	Targets after completion of project	Impact

The PC-I proforma implies that the Government of Pakistan is cognizant that the public funds should bring “results” instead of the “outputs” by inculcating the culture of RBM in the national development scenario.

7.5 Evaluation

7.5.1 Evaluation Process & Parameters

Evaluation is an independent assessment of either completed or ongoing activities to determine the extent to which they are achieving the stated objectives. Evaluation is more rigorous in procedures, design and methodology, and generally involve extensive analysis.

Evaluation deals with cause-and-effect relationship in assessing impact of an intervention. The major evaluation parameters are the relevance, efficiency, effectiveness, impact and sustainability as per following:

- **Relevance:** The extent to which the objectives of an intervention are consistent with beneficiaries requirements.
- **Efficiency:** The “productivity” of the implementation process - a measure of how economically resources/inputs are converted into outputs/results.
- **Effectiveness:** The extent to which a project or programme attains its objectives and delivers expected outcomes.
- **Impact:** Effects produced by a development intervention; positive or negative, primary, secondary or long-term, directly or indirectly, intended or unintended
- **Sustainability:** Probability of continued long-term benefits – extent to which the benefits of the project or programme will last after its termination.

7.5.2 Classification/Types of Evaluation

Evaluation is undertaken at different stages of project implementation as illustrated below:

- **Ex-ante Evaluation** – occurs at the project initiation and formulation stage; also termed as Appraisal at the pre-approval stage of the project.
- **Midterm Evaluation** – formative in nature but occurs midway through implementation; also termed as ongoing evaluation.
- **End of Project Evaluation** – conducted at the completion stage of the project.
- **Ex-post Evaluation** – conducted sometime after completion of the initiative to assess its impact and sustainability.

7.5.3 Kinds of Evaluation

Development projects, with effective monitoring and evaluation frameworks, use different types of evaluation at different points of time. Following are the different types of evaluations undertaken by sponsoring & executing agencies:

- **Formative Evaluation**
Formative evaluation is undertaken before designing or implementing the project. It generates data on the need for the project and develops the baseline for subsequent monitoring. This helps Project Manager to determine the areas of concern and increases awareness of the project among the target group prior to launch.
- **Process Evaluation**
Process evaluation occurs once project implementation has commenced, and measures the effectiveness of the project's procedures. This information is useful in identifying inefficiencies, streamlining processes, and portrays the project's status to external stakeholders.
- **Outcome Evaluation**
Outcome evaluation is conventionally used during projects implementation. It is useful in measuring effectiveness of the project and helps to make it more effective in terms of delivering the intended benefits.
- **Impact Evaluation**
Impact evaluation studies the entire program from beginning to the end, and quantify achievement of targets. Impact evaluation is useful for measuring sustained changes on account of implementation of the project.
- **Summative Evaluation**
Summative evaluation is conducted after the project's completion. It generates data regarding project benefits to the target population. The data is useful for projects sponsors to demonstrate achievements, and lobby for project continuation or expansion.

- **Goal-Based Evaluation**

Goals-based evaluation is usually undertaken towards the end of the project or at previously agreed intervals. Development projects often set ‘SMART’ targets – (Specific, Measurable, Attainable, Relevant, and Timely) - and goals-based evaluation measures progress towards these targets. The evaluation is useful in presenting reports to project sponsors, as it provides the information, agreed at the start of the program.

- **Economic Evaluation**

Economic evaluation is used to measure the benefits of the projects against the costs. It generates quantitative data measuring the efficiency of the project. This data provides useful information to sponsors and stakeholders to quantify the benefits of the investment.

7.5.4 Indicators for Evaluation

Indicators are the yardsticks for assessing the overall performance of a project or programme with reference to the planned targets and objectives. The choice of indicators is part of the evaluation plan, including both quantitative and qualitative indicators. The indicators may be reviewed and used for project/program improvement throughout the implementation period. The types of indicators are as under:

- i) **Input Indicators**

Measure the resources, contributions, and investments made in the project to facilitate its implementation (e.g., funding, staff, infrastructure etc.).

- ii) **Process Indicators**

Measure whether planned activities took place in accordance with the rules and procedures

- iii) **Output or Impact Indicators**

Output or impact indicators include “increase in yield per hectare”, “No. of children enrolled in school”, “No. of children benefitted from school feeding program”, “No. of loan applicants processed or approved”, “manpower trained or laboratories established” etc.

- iv) **Economic Indicators**

Financial and economic benefits (e.g. IFRR, IERR, BCR, NPW etc.)

- v) **Social Indicators**

Income distribution with equity, level of food consumption, health & educational facilities, shelter, access to essential amenities or basic needs, life expectancy, etc.

7.5.5 Data Collection

A project needs to collect data/ information in all phases, from baseline situation to measurement of change overtime. It is vital to focus on sources of data/information, the reliability of data/ information

and timeliness. Data sources can be primary or secondary. Primary data are collected directly by the project team or through hired specialized agency in data collection, whilst secondary data is the one collected in the past and is considered for additional information and co-relation..

Use of secondary data has both advantages and disadvantages. On the positive side its use can be cost-effective. On the negative side, secondary data have limitations if the purpose of data collected does not match with the requirements of the project. The validity and reliability of the data must be ensured to facilitate appropriate decision making.

Data collection incur cost and excessive collection of data slow down processes of analysis and reporting. It is, thus, important to collect only the relevant data that will be used effectively to improve management and decision-making. Following are the basic parameters for data:

What:	the form of data collected, and its purpose
When:	the frequency of data collection and reporting
Who:	the responsible persons, their responsibilities and capacities
How:	methods and procedures for data collection, checking, validation and storage, analysis and reporting
Where:	locations for data collection and processing, and the destinations for reported information

7.6 Instruments for Evaluation of Public Sector Initiatives

Planning Commission has developed PC-IV Proforma which is also known as the “Project Completion Report”. This document has to be prepared by the respective sponsoring agency (department) on physical completion of the project. This report has to be submitted to P&D Department, as the case may be, immediately after completion of the project, regardless the project accounts have been closed or not. This is essential for regularization of the development staff, if needed after completion, of the development project and authorization of the annual recurring /operations & maintenance budget. The PC-IV subsequently become the basic document for undertaking ex-post evaluation and Impact evaluation of the completed initiative. *[Refer to Annexure 2-V]*

7.7 Preparation of Project Completion Report

The executing agency has to prepare a project completion report on PC-IV. The completion report compares the actual achievements relating to the capital cost, physical scope of work and implementation period with the planned targets approved in the PC-I. The main features of the project completion report include:

- Compare planned implementation period approved in the PC-I with actual time taken in the implementation of the project.
- The approved capital cost be compared with the actual completed cost of the project.
- Compare year wise financial phasing approved in the PC-I with ADP allocations, release of funds and expenditure.
- Enlist each physical target approved in the PC-I against achievements.
- Examine quantifiable benefits of the project i.e., financial, economic and social.
- Undertake financial, economic and social analysis based on completion cost and output of the project.
- Determine quantitative and qualitative impacts of the project on target group.
- Lessons learned on the project identification, preparation, approval, financing and implementation. Suggestions be shared to improve project management process.

7.8 Impact Evaluation

Impact Evaluation (IE) is principally concerned with the final results of the interventions like programs, projects, policy measures, reforms etc. The Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) adopts the impact evaluation definition, as *“the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended”*.

International Fund for Agricultural Development (IFAD), an international financial institution and a specialized agency of the United Nations defines impact evaluation as *“the attainment of development goals of the project or program, or rather the contributions to their attainment.”* However, the ADB guidelines state as *“project impact evaluation establishes whether the intervention had a welfare effect on individuals, households, and communities, and whether this effect can be attributed to the concerned intervention”*.

7.8.1 The Counterfactual

Counterfactual Impact Evaluation (CIE) is a method of comparison which involves comparing the benefitted from a policy or programme (the “treated group”) with a group, similar in all respects to the treatment group (the “comparison/control group”). The comparison group provides information on “what would have happened to the members subject to the intervention had they not been exposed to it”, the counterfactual case. Impact evaluations, therefore, assess the degree to which changes in outcomes can be attributed to an intervention rather than to other factors.

7.8.2 Purpose of Impact Evaluation

Impact evaluation serves both the objectives of evaluation: a) lesson-learning and

b) accountability. A properly designed impact evaluation addresses the questions relating to program implementation or assist in decision making about scaling up the program design and the policy relevance. The following criteria may be considered for selection of the type of intervention for impact evaluation:

- Innovative schemes
- Pilot programs which are due to be substantially scaled up
- Interventions for which there is scant evidence of impact in the given context

7.8.3 Conducting Impact Evaluation

The impact evaluation is undertaken only when its intended use can be clearly identified and when it is likely to produce useful findings, taking into account the availability of resources and the timing of decisions about the programme or policy under investigation. The impact evaluation does build strong evidence for policy makers.

7.8.4 Evaluation Approach

A major concern in selecting the evaluation approach is how the problem of selection bias will be addressed. Three basic concepts need to be considered for selecting the IE design:

- If the evaluation is ex-ante; randomization sampling approach may be followed.
- If the evaluation is formative (determinants observed); regression-based approaches can be followed.
- If the evaluation is ex-post and selection of determinants are not possible then some means of observing the supposed un-observables should be sought.

7.8.5 Managing and Implementing Impact Evaluation

Following components are essential for managing and implementing 'impact evaluation' of the development initiative:

a. Terms of Reference (TORs)

The TORs require a clear understanding of the intervention and ensure collection of credible data and counterfactual analysis. The TORs should be simple and to the point, intended to achieve the desired targets.

b. Collection of Data

The collection of quality data is essential to undertake good impact evaluation. The evaluation design must be clear on the sources of data collection, cleaning and analysis. In case of use of secondary data, it should be relevant to the intervention and should not be more than three years old.

c. Peer Review

An independent peer review should be undertaken by qualified professionals having adequate experience in impact evaluation.

7.9 Preparation of Annual Performance Report after the Completion of the Project

Planning Commission has developed a PC-V proforma to review the annual operational performance of the public sector project after its completion. [Refer to Annexure 2-W]. The development project, at the time of preparation, provides information relating to outcome of the project after its completion. The PC-I also contains information relating to operation and maintenance cost to ensure delivery of approved outcomes of the project. The following information is required by the P&D Department to review the performance of a project after its completion:

- Compare objectives and scope of the project approved in the PC-I with the actual achievements.
- Provide approved O&M cost along with the actuals.
- Compare the planned manpower for the management and operations of the project with the actually employed during the operation of the project.
- The approved PC-I contains financial, economic and social benefits to be accrued on account of implementation of the project. The annual performance report may provide the actual data regarding financial, economic and social benefits accrued during the year.
- The financial analysis indicates the return on investment to the organization in investing / managing the project. Based on the information provided at the time of approval of PC-I, discounted analysis is undertaken to work out the Net Present Value, Benefit Cost Ratio and Internal Rate of Return. Unit cost analysis are also undertaken to find out the cost per unit produced and proposed to be sold. The annual performance report may undertake unit cost analysis on the basis of its performance during the year and furnish the same for review.
- The O&M cost includes the maintenance of plant, equipment, building etc. The project management may provide the expenditure incurred on maintenance of created assets during the reporting period. This information helps to find out the status of maintenance of the facilities developed by the project.
- Project management may share the lessons learned during the reporting year regarding projects operations, maintenance, marketing and management along with suggestions to approve the performance / outcome of the project.

CHAPTER-8

PROJECT CLOSURE



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

CHAPTER 8: PROJECT CLOSURE

8.1 Project Completion

Project completion is the last stage of Project Cycle. Projects are short-term initiatives, having a defined beginning and end, designed to achieve a specific outcome/goal and when the planned outcome is delivered, the project comes to an end, which is referred to as Project Closure.

8.2 Project Closure

The project closure is the terminal stage in the project cycle, and it officially puts an end when final deliverables are handed over to the project sponsors for operation. This phase provides the sponsors and the stakeholders with an opportunity to evaluate how successful the project was and what lessons were learnt during the process. It is also appropriate to create an ongoing process to formally capture the current knowledge, management practices, and other valuable information that is fed into the project management system for effective futuristic decision making in similar and alike projects /situations. As a key part of the project lifecycle, closure practices are designed to fill the following needs:

- Transition of the project deliverables to their long-term operational status
- Release the project team for other projects or to return to operational positions
- Complete any remaining obligations and conduct formal reviews
- Recognize the work and efforts of the project team and commitment of the project stakeholders
- Establish record of the project results to facilitate preparation of future projects.

Projects "end" for various reasons and in various degrees of "success" with timely closing, cost and having delivered all planned outcomes as needed. But some projects end prematurely, and some goes beyond the end date, over budget, and without having achieved all planned outcomes.

Whether a project ends as a total success, partial success, complete failure, cancelled initiative, the project must still be closed in order to formally terminate the work effort. No matter how the project ends, close-out deliverables and events should always take into account the available context of the closing circumstances

8.3 Project Closure Process

Project Closure is the winding-up of technical, operational and administrative actions by the project as per provision of PC-I. The project closure process ensures that the project is formally completed and is no longer considered a project, allowing the project implementers to hand over to the sponsor's team, as the custodian for managing and maintaining the project's outputs. The closure process is broken down under the following categories:

i) Normal Closure/ Completed Projects

The project is considered complete as planned. The documented deliverables / outputs have accomplished irrespective of the cost of the project. The PC-IV Proforma of the Planning Commission requires submission of the Completion Report of the Project regardless the project accounts have been closed or not [*Refer to Annexure 2-V*]. The completion of the project primarily has direct relationship with

the completion of the scope, inputs/outputs/outcomes as planned in the PC-I document. However, to close a project the following steps needed to be kept in view:

- All the deliverables have been completed according to the project scope and accepted by the appropriate sponsoring authority
- Assured that all stakeholders agree upon project management processes have been executed.
- Administrative closing of all procurements, reviewing that the work as per the contract has been completed, and that both parties have completed their contractual obligations towards each other
- Formally recognizing the completion of a project and its transition to operations
- Release/disband all project resources (staff, material, machinery, equipment etc.) and undertake other tasks if/as required by/within the organization
- Closure of bank account
- Release of security amount after availing the guarantees period
- Transitioning of project deliverables to the sponsors in a manner that warrants seamless operation and support
- Complete end of project report, handing over of moveable/non-moveable assets
- Collect all documents/information related to the project, indexing and archiving.

ii) Pre-Mature Closure

Some projects do not achieve all their deliverables or are not given the opportunity to do so. Instead, they are closed prematurely by eliminating elements of the project originally identified in the project scope. This could be for the reason of costs, where the sponsors reduce funds for the project or the project has already consumed the budget. Premature closure also occurs when the project is of strategic importance and must be delivered earlier than expected.

iii) Perpetual Projects

Some projects never seem to end. These are projects that have had numerous delays, setbacks and problems. Perpetual projects also suffer due to endless scope creep, add-ons, and changes. The problem with these types of projects is that they never achieve their goals or objectives, due to the changes and consistent scope creep. This becomes highly frustrating for the project manager and the project team. It is also highly frustrating for the sponsors, as they do not see the objectives of the project being achieved, despite the consistent request for changes. At some point, the project manager needs to fix the scope and plan for closure. As a result, any additions that the sponsors request can be viewed as a second phase of the project, rather than the project being perpetual.

iv) Abandoned Projects

There are many causes for project failures. It is not uncommon for the client to run out of funds, thus permanently closing a project, whose objectives are not needed any more, following are the steps to compile information for such project:

- Validate the reason for the early termination
- Determine all the deliverables that have been created so far

- Obtain formal closure notification from the sponsors
- Close any procurement engagement/process
- Indexing of moveable/immovable assets and their transfer to the sponsors
- Release all resources and complete end of project report, elaborating reasons of closure.
- Documentation of lessons learned with the help of project team

8.4 Post Closure Operational Management

The Project Closure is a stage when all activities, project personals assignments is completed and disposal / transfer of equipment, purchased for the project, has been carried out. For regular operation and maintenance of project, after its completion, should be handed over to the agency responsible for maintenance and operation. Timely efforts are required for the handing over of the project and provision of maintenance cost to the authority concerned.

This exercise should be initiated six months before the expected completion date of the project. If any of the project staff has to be retained for the operation of the project, a case for the transferring of the post in revenue budget may be initiated and approved from the Finance Department well in time so that the benefits of the completed project are not hindered and public assets created under the project are properly maintained.

The Operational Report of the outcomes of the completed projects have to be submitted to the P&D Department every year, for five years, on the PC-V Proforma; “Annual Performance Report After Completion of Project”.

8.5 Financial Closure

The financial closure is the dateline after which no further transaction of funds on that project account will be permitted. The sponsoring agency concludes that all financial transactions, authorized by it, are final and that there are no further financial commitments, accruals, pending liabilities etc. The sponsors have also to verify that the total expenditures are within the allocated budget. However, the closure of the project may not be delayed on account of the Project Security money with the sponsors. The financial and contract rules, as a procedure, recommend that pay order of the security money be got prepared from banks and released after NOC from the line department to the project implementers after completion of the maintenance period or the defect liability period as per rules. The financial closure may be completed within six months of the operational closure.

The project sponsoring agency is responsible for initiating, carrying out monitoring and executing the tasks necessary for completion and closure of the project. The sponsoring agency should regularly update the liquidation of commitments for final payments. The sponsor should also maintain project inventory and indexing for the disposal and transfer of project assets. A proforma for development project inventory and handing over all the articles to the concerned departments is at Annexure 8-A. The

operational and financial closures should be done simultaneously to avoid large gaps between the operational closure and financial closure.

8.6 Preparation of Project Completion Report

The executing agency, as per instructions of the P&D Department, must prepare a project completion report on a prescribed format / proforma called PC-IV. The completion report compares the actual achievements relating to capital cost, physical scope of work and implementation period with the planned targets approved in the PC-I. The main feature of the project completion report includes:

- Compare planned implementation period approved in the PC-I with actual time consumed in the implementation of the project
- The approved capital cost may be compared with the actual completed cost of the project
- Provide year wise financial phasing approved in the PC-I along with ADP allocations, release of funds and expenditure incurred. This will provide information relating to capacity of the organization in utilization of released funds
- Each physical target approved in the PC-I with the achievements
- Provide quantifiable benefits of the project i.e., financial, economic and social
- Undertake financial, economic and social analysis based on completion cost and output of the project
- Quantifiable impact of the project on targeted group
- Lesson learned in project identification, preparation, approval, financing, and implementation be shared along with suggestions to improve project management process

CHAPTER-9

EMERGING INITIATIVES



CHAPTER 9: EMERGING INITIATIVES

The Government of Pakistan has prioritized the 17 Sustainable Development Goals (SDGs) and 169 targets to shift the national efforts to a sustainable and resilient path. The Goals and targets will stimulate action over the next fifteen years in areas of critical importance for humanity, end to poverty and hunger, health, sustainable consumption, and production, sustainably management of natural resources and taking urgent action on climate change, economic, social and technological progress.

The Government of Pakistan has been coordinating and strengthening efforts at federal and provincial levels to achieve sustainable development and poverty reduction targets through categorization of SDGs, improved data collection and enforcement of monitoring mechanisms. The seven pillars of Vision-2025 are fully aligned with the SDGs, providing a comprehensive long-term strategy for achieving inclusive growth and sustainable development. With the aim of implementing SDGs with mainstream of development, accelerated and policy support approach, the Ministry of Planning and Special Initiatives (MoP&SI) and the Provincial Planning & Development Departments have partnered with UNDP under this 5-years project to establish SDG Support Units at federal and provincial levels for early institutionalization of Agenda 2030.

The Provincial Government of Khyber Pakhtunkhwa has taken the following emerging initiatives for implementation under the SDGs portfolio to implement the project outputs under Agenda 2030:

- Social Protection & Gender Mainstreaming (SP&GM)
- Public Private Partnership (PPP)
- Sustainable Development Goals (SDGs)

9.1 Social Protection & Gender Mainstreaming (SP&GM)

The following Markers of Emerging Initiatives have been incorporated in the manual on the advice of Government of Khyber Pakhtunkhwa:

- Nutrition Markers
- Gender Mainstreaming Markers/ Checklist

The information relating to above Markers will be included in the project proposals for the consideration of the approving forum. The salient features of the markers are to track public sector investment and improvement in the service delivery in these key areas.

9.1.1 Nutrition Marker

The following nutrition markers highlight important aspects, to be addressed in the sectoral development initiatives:

1. Does the project target vulnerable groups? – the interventions must be designed in a way that the benefit reaches the most vulnerable groups such as adolescent girls, PLWs, children under the age of 6-24 months & 6-59 months, first 1000 days of newborn.
2. Does the project have any nutrition objective? – there should be an objective linked with addressing and reducing malnutrition; for example, “reduction in maternal Iron deficiency anemia”.
3. Does the project have any link with the prevalence rate of malnutrition? for example, some districts have high rates of malnutrition and food insecurity.
4. Do social protection schemes/ projects ensure gender sensitive distribution? The evidence suggests that women spend more on food having better impact on nutrition.
5. Does the project have nutrition sensitive interventions that ensure gender sensitive distribution? The evidence suggests that women spend more on food resulting better impact on nutrition.
6. Sectoral evidence-based nutrition sensitive interventions.

I. Agriculture & Food Sector

- Is there any provision of storing, pickling, curing, drying of vegetable/fruits etc. linked to decrease seasonal effect or food diversity in PC-I ?
- Is there any component of training/skill improvement/modern method of farming to boost and diversify foods for community members in PC-I ?
- Are there any fortified food components/items included in the PC-I ?
- Is there any special focus on the areas which are food insecure and malnutrition is high in the PC-I?

II. Education Sector

- Is there provision of safe drinking water in the PC-I for the school children with the objective to link it with health and nutrition?
- Any WASH facility available in the proposed project with the objective to link it to nutritional outcome.
- Is there any provision in the PC-I to include nutrition related chapter/chapter in school curricula?
- Is there any provision for school meal/milk/fortified food and vitamins supplement program for malnourished children especially middle/high schoolgirls (adolescents)?
- Is there any school deworming program linked to improve nutrition status of school children?

III. LG & RD/PHED

- Has any water testing lab been proposed in the PC-I ?
- Has any sanitation component been proposed in the PC-I ?

- Does this PC-I promote nutrition friendly social mobilization in society at UC, VC/NC level with focus on health hygiene and importance of locally available foods?

IV. Social Sector

- Is there any component of nutrition related items e.g. health, hygiene & nutrition education included in the PC-I for adolescent girls in the proposed project for the social welfare centers?
- Is there any component of social safety nets (e.g. cash transfer, subsidies on fortified foods etc.) in the PC-I for marginalized people such as pregnant and lactating women, adolescent girls and other malnutrition population?

V. Industries Sector

- Is there any component to facilitate relevant sector in order to ensure food safety laws and enhancing food quality to improve health and nutrition of the people?
- Is there any component to introduce health & nutrition assessment programs in technical and vocational institutions and industries?
- Is there any component of awareness program (debates, seminars, and workshops on nutrition and health in technical institutions and industries?

7. Does the project have food based social protection initiatives/ interventions? and is it fortified food? (e.g. Iron fortified flour & edible oil with additional vitamins).
8. Does it include nutrition education and counselling activities within social protection interventions to increase household awareness of care giving and health seeking behaviors.
9. Does the project have conditional vouchers? Does the condition have any link with food preferably fortified food or any other nutrition activity? e.g. attending nutrition session by the mothers of school children or sending their girl child to school?
10. Does the project have nutrition sensitive interventions? (e.g. homestead animal rearing, promotion of fruits and vegetables or drying of fruits and vegetables to minimize the seasonal effect and increase food diversity)
11. Does the project have any nutrition target - The project/activities must have some nutrition targets to achieve?
12. Does the project set out expected results that are specific, measurable, achievable, relevant and time-bound (SMART), that are adapted to the national context and are consistent with the agreed World Health Assembly nutrition targets?

13. Does the project invest in women to safeguard and strengthen the capacity of women to provide for the food security, health, and nutrition of their families?
14. Does the project increase access to year-round availability of high-nutrient content?
15. Does the project improve nutrition knowledge among rural households to enhance dietary diversity?

9.1.2 Gender Mainstreaming Marker/ Checklist

The Government of Khyber Pakhtunkhwa is committed to the advancement of women rights, women empowerment, and gender mainstreaming across the province. In this respect, the Social Protection and Gender Mainstreaming (SP&GM) Section of the Planning and Development Department, Khyber Pakhtunkhwa has been mandated to provide a centralized coordination platform at provincial level for information, planning and strategic allocation of resources to gender mainstreaming, women's empowerment and social protection of the vulnerable segments of society.

9.1.2.1 Gender Equality Marker: A Guidance and Assessment Tool

Gender Equality Markers (GEM), is an adaptation of the internationally used qualitative statistical tool, applied to measure the degree to which the results, that use program budgets, contribute to the advancement of Gender Equality and Women's Empowerment (GEWE). The GEM is based on a coding system and can be adapted and used by any staff, department, or organization involved in project and program design.

Using the GEM for meaningful integration of gender equality across project proposals, concept notes or program plans, will help organizations and government departments to advance gender equality, contribute to the attainment of Sustainable Development Goals (SDG5) and fulfil national and international commitments on gender equality.

The Gender Equality Markers ensure that public sector projects contribute to gender mainstreaming and women empowerment at the following project preparation stages:

- At the initial stage of proposal/program development to mainstream gender strategically into the project design from the very beginning.
- Provide recommendations to include gender mainstreaming approach in the proposal.
- Review a proposal, before it is signed off, to ensure that it has incorporated essential parameters on gender mainstreaming & women empowerment.

9.1.2.2 GEM Scoring System

GEM has four-point scoring system codes 0, 1, 2, 3 which denote the type and/or degree of unit of analysis/measure of the result/output of the project addressed in GEWE. The United Nations Sustainable Development Group (UNSDG) guidelines may adopt different rating structures, but they have to be able to combine their data to report collectively as a minimum on four codes:

1. Have gender equality and/or the empowerment of women and girls as the primary or principal objective (GEM 3).
2. Make a significant contribution to gender equality and/or the empowerment of women and girls (GEM 2).
3. Make a limited contribution to gender equality and/or the empowerment of women and girls (GEM 1).
4. Make no contribution to gender equality and/or the empowerment of women and girls (GEM 0).

9.1.2.3 Integration of PC-1 with Gender Equality Markers of the UN System

PC-I is the basic document for conceiving, phasing and implementation of a project in the public sector. The aspect of gender equality is missing from the public development sector. The Checklist based on the four-point scoring is at Annexure 9-A. The Checklist based on Sector Specific projects is at Annexure 9-AA.

9.2 Public Private Partnership (PPP)

Public-Private Partnership (PPP) is being widely used as a procurement method by governments all over the world. The objective of such partnership is to better serve the public through partnering arrangements with private sector. PPP mode of procurement, though at nascent stage in the province of Khyber Pakhtunkhwa (KP) at present, has great potential in the future. In view of the special characteristics of PPP projects and the need to attract qualified private investors to support the PPP projects, a special legal and regulatory framework is needed. To meet this objective, the Government of Khyber Pakhtunkhwa enacted PPP in 2020 and has promulgated PPP Rules in September 2021. The PPP Policy is in the making and the guidelines will supplement the legal and regulatory framework for PPP and to assist both the private and the public sectors in implementing this innovative procurement methodology.

The PPP will be mainstreamed in KP for sustained development, rather than being used just for a few special projects. To fully utilize the PPP potential and to ensure that PPP projects are successful and mutually beneficial, a comprehensive enabling environment for private investments in infrastructure facilities is being created through the adoption of relevant policies, establishment of a legal and regulatory framework and introduction of clear guidelines for cost recovery and PPP financing arrangements.

9.2.1 The PPP Concept

The PPP procurement is mainly for promoting the public sector infrastructure projects. The key objectives of PPP are to:

- Improve the efficiency and effectiveness of the public sector in the delivery of public goods and services
- Leverage limited public sector funds for key infrastructure projects

- Provide opportunities for the application of innovative technologies and methods that are best provided by private sector companies / organizations
- Allocate some of the development, construction and operational risks in public service projects to private sponsors who are better placed to manage those risks
- Apply rigorous feasibility and procurement techniques in preparation and execution of PPP projects to obtain best value for money.

Flowchart of PPP Mode is at Annexure 9-B.

9.2.2 Screening of Projects

The purpose of initial screening is to ensure that only the projects, having likelihood of success, are taken to feasibility stage. Generally, conducting a feasibility study of a Public Private Partnership (PPP) project has a high cost. Therefore, shortlisting projects for the next stage is a step that requires careful decision-making. Initial screening helps choosing the project with highest likelihood of success and consequently optimal allocation of resources.

It is important to highlight that the initial needs assessment should clearly mention the scope of government intervention as envisaged and see whether:

- The project requires to be undertaken as a brownfield project or a green-field project?. After deciding the scope of intervention, the decision regarding preferred mode of procurement should be taken
- The project should be executed using public fund or by means of entering into a PPP? – needs to be decided.

If the answers to all the questions are satisfactory, the project can be processed further to appraisal stage. If it is declared unsuitable for execution under the PPP mode, it may then be considered as conventional government project, which may be funded through government's annual development plan. The intended outcomes of this phase are to:

- find out whether the project can be implemented in PPP mode
- identify the suitable model of PPP to be adopted
- undertake pre-study that could serve as the basis of obtaining preliminary approval from the PPP Mode, established under the Khyber Pakhtunkhwa Public Private Partnership Act 2020

In case, the project qualifies for implementation under the PPP mode, the following analyses will be required:

- Suitability analysis
 - Scope analysis
 - Proposed PPP model

- Preliminary economic analysis
- Affordability analysis
- Value for money analysis

9.2.3 Brief Description and Parameters of Analysis

9.2.3.1 Suitability Analysis

An important step at this stage of the project is to test suitability of the project. The important questions that need to be answered at this stage are as follows:

- Are there any significant risks or uncertainties within the project that are not manageable by a private partner? Is there a risk of non-availability of the land/right of way and land acquisition cost overrun?
- Can the project be undertaken under Khyber Pakhtunkhwa Public Private Partnership Act 2020 or other relevant laws?
- Is the project's size big enough to justify the high costs of the transaction that the feasibility is expected to incur (to justify structuring and managing a complex tender)?
- Is it not too big for the market? Is there willingness in the market to undertake the envisaged projects? Are financial institutions willing to finance such projects?
- Would there be investor market appetite? Are there competitors interested in the bid process? Are there precedent transactions that were already developed as PPPs for this type of project in the country/region/similar countries?
- Does it make sense to bundle construction and operations and/or maintenance in a single contract?
- Are the output requirements clearly identifiable?
- Are there certain impediments such as non-availability of land records, security concerns or such other problems that could cause trouble for the private investors?

In case, the information for carrying out suitability analysis is considered incomplete, additional studies may be carried out before taking a final decision by utilizing Department's own resources or by hiring consultants.

9.2.3.2 Preliminary Economic Analysis

Preliminary economic analysis shall be helpful in screening the project. The economic analysis may include the following considerations:

- Perceived value of benefits to users of the asset to assess willingness to pay
- Estimate of expected revenue and project cost to calculate financial viability (this step may be skipped for social sector projects)
- Expected benefits and the cost of the project to the society
- Requirement of government support

A cost benefit framework, given below, as mentioned may be adopted for preliminary economic analysis. Under a cost benefit analysis, government is essentially assessing the option of delivering the project against a 'doing nothing' option. This assessment essentially compares the value of resources produced by the project against the value of resources required by the project to confirm whether the project should be done by the government.

COST BENEFIT FRAMEWORK	
BENEFITS	
Direct: Tangible	the expected services and goods to be produced, time saved, increase in production etc.
Direct: Intangible	lives saved, healthier citizens, improvement in quality of life and aesthetics etc.
Indirect: Tangible	cost savings for various supply chains, spillover impacts, multiplier effects
Indirect: Intangible	improving investment outlook, higher self-esteem of the community etc.
COSTS	
Direct: Tangible	materials, equipment, capital purchases, land acquisition cost, cost of financing etc.)
Direct: Intangible	alienation of displaced communities etc.
Indirect: Tangible	overheads, spillover to third parties, environmental damage, social displacement etc.
Indirect: Intangible	loss of aesthetics etc.

Other adjustments to the framework may be made as per needs of the project to take into account for example, inflation, optimism bias (i.e. tendency to underestimate risk and uncertainty).

At this early stage of a project, the data to calculate all the parameters given above may not be readily available or the parameters given above could not be quantifiable at times. In such case, the government official may give a descriptive justification of the project in light of their experience and lessons learnt from previous projects.

Once the cost benefit analysis has been completed, and it has been concluded that the benefits would outweigh the costs of the project. The project needs to be tested for affordability.

9.2.3.3 Affordability Analysis

This step allows the project planners in figuring out if the government can afford the financial obligations vis-à-vis the project. Since PPP project is expected to last for several years, it is important that the cost implications and direct liabilities thereto are calculated in advance. The affordability analysis is a crucial step to manage and prevent from tightening of the fiscal space. Affordability analysis may entail considering the following factors:

- Capacity of the government in terms of capital expenditure and operational expenditure.
- Estimation of potential revenue that could be generated
- Ascertain if there are any offsetting cost savings or efficiencies
- Is user charging being envisaged? is it set at a reasonable level for users?
- What is the balance of payments expected to be made by government?
- Are the expected payments affordable within the departmental budgets set by Finance Department? If not, what is the impact of these additional charges?

The questions above may be answered with the help of secondary data if available or the government officers may estimate size of each parameter on the basis of previous experience acquired. Findings of the government agencies may be produced in the form of a report.

9.2.3.4 Value for Money Analysis (VFM)

The PPP projects have high costs associated with them. The cost of contracting and financing could be very high as compared to the conventional projects, therefore, a preliminary study to find out whether the advantages of undertaking a project in PPP Mode e.g. improved service delivery, higher efficiency and innovation etc. are significant enough to prefer PPP modality over conventional procurement. Such analysis is known as the Value for Money Analysis (VFM). The VFM analysis is classified into two types: (i) Qualitative VFM and; (ii) Quantitative VFM.

It is recommended that only qualitative VFM be performed at this stage. However, it is imperative that the value of quantitative VFM analysis is linked to the quality of data that is available to the public sector. If the quality of historical data is poor, then the VFM becomes a futile exercise. Incorrect data leads to spurious accuracy – yields numbers that are either unrealistic and cannot be achieved and ensues misinformed decision making.

9.2.3.5 Qualitative VFM Analysis

The qualitative VFM is based on the logical justification regarding the commercial sense of the project; both the financial and non-financial benefits should be taken into account. The qualitative VFM must also consider the expertise of the private partner in executing a certain project or delivering a specific service. Moreover, the innovation, effective and efficient service delivery, and social impacts should be

part of the qualitative VFM. Qualitative VFM must also account for the negative impacts of involving private sector.

9.2.3.6 Scope Analysis

This stage includes defining the scope of work and the public services that are to be delivered by the project. During this stage, the roles and responsibilities of the contracting authority and private partner parties shall be set out, including identifying the role of any government stakeholders. The details of work to be done by private party and/ or the expected outcomes are documented. Scoping exercise makes the risk calculations, cost estimates, and planning easy. Properly defined scope enables government agency to examine more clearly the need of engaging a private partner.

9.3 Proposed PPP Model

Based on the scope of intervention, it is important that the appropriate model of PPP be proposed. A brief description of the various PPP models is at Annexure 9-C. It is important to note that PPP is an evolving area wherein novel models are being introduced. A practitioner may devise a model fit for the purpose of a particular project. However, the mode of the project needs to be approved by the PPP Committee.

After the above stated analyses have been performed, a pre-study may be published for consideration of administrative approvals. The pre-study should have the following content:

- 1) Needs and options analysis
- 2) Outline of technical solution and viability of the same
- 3) Value for money proposition
- 4) Preliminary economic viability
- 5) Legal feasibility
- 6) Scoping social and environment activities
- 7) Likely PPP arrangement
- 8) Institutional capability analysis

9.4 Sustainable Development Goals (SDGs)

Government of Pakistan adopted Sustainable Development Goals (SDGs) 2030 Agenda as National Development Goals in 2016 and set out a roadmap for the development of the country and initiated many interventions to achieve the SDGs Agenda including launch of the National Initiative on SDGs (“Mainstreaming, Accelerating and Policy Support for SDGs in Pakistan”) in creating an enabling environment for its implementation. SDGs Support Units have been established to ensure institutionalization of SDGs in reinforcing outputs: (i) alignment of plans, policies, and resource allocation to 2030 Agenda; (ii) strengthening of monitoring, reporting and evaluation capacities; (iii) aligning of financing flows with the 2030 Agenda; and (iv) innovative approaches to accelerate progress on prioritized SDGs.

The SDGs Support Units projects include activities at federal, provincial and district level involving multiple stakeholders and facilitating vertical and horizontal policy coherence. The aim is to consider issues such policy coherence, integrated approaches to development and leaving no one behind. These Units based in the Federal, Provincial & District Planning Levels, function as government resource platforms for policy and technical support on SDGs.

The SDG Support Units use the UN guidelines on 'Mainstreaming, Acceleration and Policy Support for SDGs' to localize the ambitious and universal SDG framework in the context of Pakistan. They support the Ministry of Planning, Development & Special Initiatives and Provincial/District Planning & Development Departments in developing a coordinated and collaborative approach towards localizing and implementing the SDGs. The Units are fully capacitated with technical staff in the form of economic, social and environment policy analysts in addition to regular operational and project management staff. All these units are funded by the respective governments demonstrating the commitment at national and sub-national level towards SDGs.

9.4.1 Strategic Goals

Following are the main strategic goals for communication of SDGs:

- I. Mainstream SDGs into national developmental policies and plans by creating a dialogue among stakeholders.
- II. Advocate for sustainable development and create public awareness on the SDGs
- III. Monitor the progress of SDGs outreach and awareness.
- IV. Identify and develop partnerships, alliances and networks for SDGs communication.
- V. Strengthen and promote the role of youth and students as ambassadors for SDGs.

The action plan is specific to overall SDG communication. The advocacy and communication specific to each Goal will be delivered by the lead agencies through identified key themes, target and tools for communication.

9.4.2 SDGs Indicators Data Overview

Goals	17
Indicators	244
Indicators Relevant to Khyber Pakhtunkhwa	171
Baseline Indicators Available	82
Data Gap/ Missing Data	89

9.4.3 SDGs Action Plan

The following main points make up the action plan to streamline and accelerate the achievement of SDGs in Khyber Pakhtunkhwa.

1. The key to achieving SDGs is embedding SDGs into governmental planning and processes at provincial, district and UC/VC level. The SDG Framework, approved by the cabinet of Khyber Pakhtunkhwa Assembly, has prioritized SDG targets into high, medium and low priorities after extensive deliberations and quantitative modeling. These prioritized SDG targets, as shown in the figure below, should serve as the basis for future planning and policy making. The high priority short term targets require immediate attention and focus in the planning and implementation stage and will be highlighted in different planning and implementing platforms.

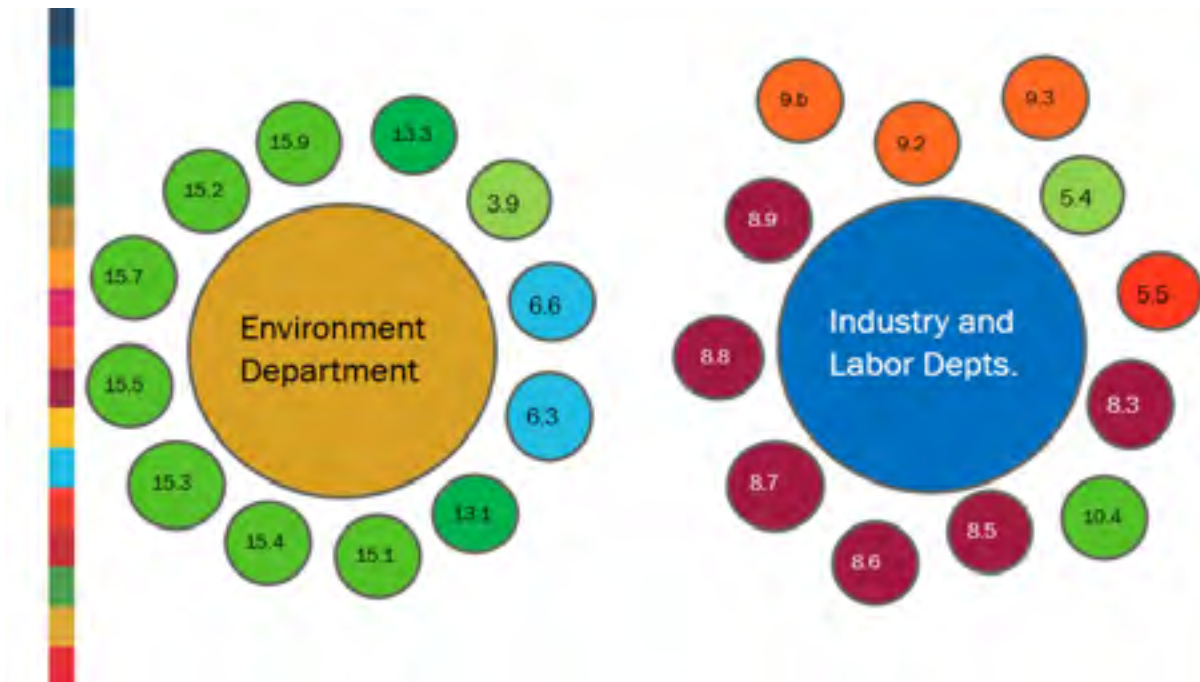
Goal (SDG)	High Priority			Medium Priority			Low Priority			Total
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	
No Poverty	2	1	1			1				5
Zero Hunger		4	1		1					6
Health		1	1		4	4		1	2	13
Education	2				5	2				9
Gender Equality	1	1	3		1	2				8
Water	1	2	1	2	1	1				8
Energy	1				1					2
Economic Growth	1	1	2	1					2	7
Industries	2	1	1			3				7
Inequalities		1	3		2					6
Cities		2	1		2	2			1	8
Production	2		1							3
Climate	2		1							3
Life below Water		1								1
Life on Land	1	2	4			1				8
Institutions	3	3			2			1		9
Partnerships	4	1	2		1					8
Total	22	21	22	3	20	16	0	3	5	111

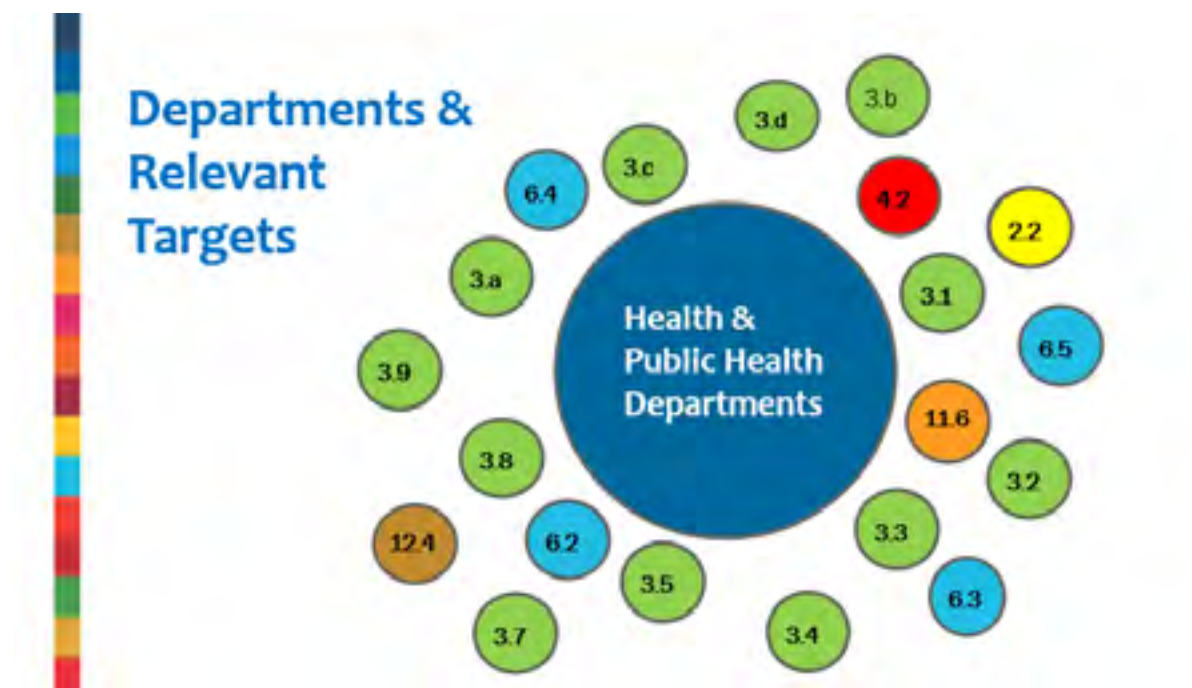
2. Districts are diverse and different to each other. Some are well developed than the others. The SDG District scorecard provides district wise ranking of the districts and informs of disparities within the districts. It highlights districts that have made good development progress and identifies districts that are lagging behind on indicators like poverty, literacy, maternal mortality etc. All future planning should, especially at district level, be based on District SDG Scorecard; doing so will result in optimal resource allocation among districts, removing disparities and leaving no one behind. If data permits, this planning and resource allocation should be taken up to the UC/VC level.
3. Every scheme / project in the ADP should focus on a specific SDG target(s). A PC-1 SDG checklist Proforma has been prepared and approved by the Provincial Advisory Committee on SDGs under the chairmanship of ACS Development, KP (Annexure 9-D). This Proforma indicates the alignment of the ADP scheme / project with the SDG targets. This should be strictly followed which will allow

for optimal resource allocation and tracking. This is key to embedding SDGs in government schemes / projects and development plans for the future. The Unit will help in its implementation.

4. Every quarterly review, chaired by the ACS, should include the status on SDGs. The review of development portfolios, departments and sectors should focus on the status of SDG targets relevant to those departments. Follow up on the achievement of those targets are key to achieving SDGs. A review of indicators based on the classification, prioritization, and intensity, on the basis of department-wise current status of implementation of indicators is shown in the following diagram:





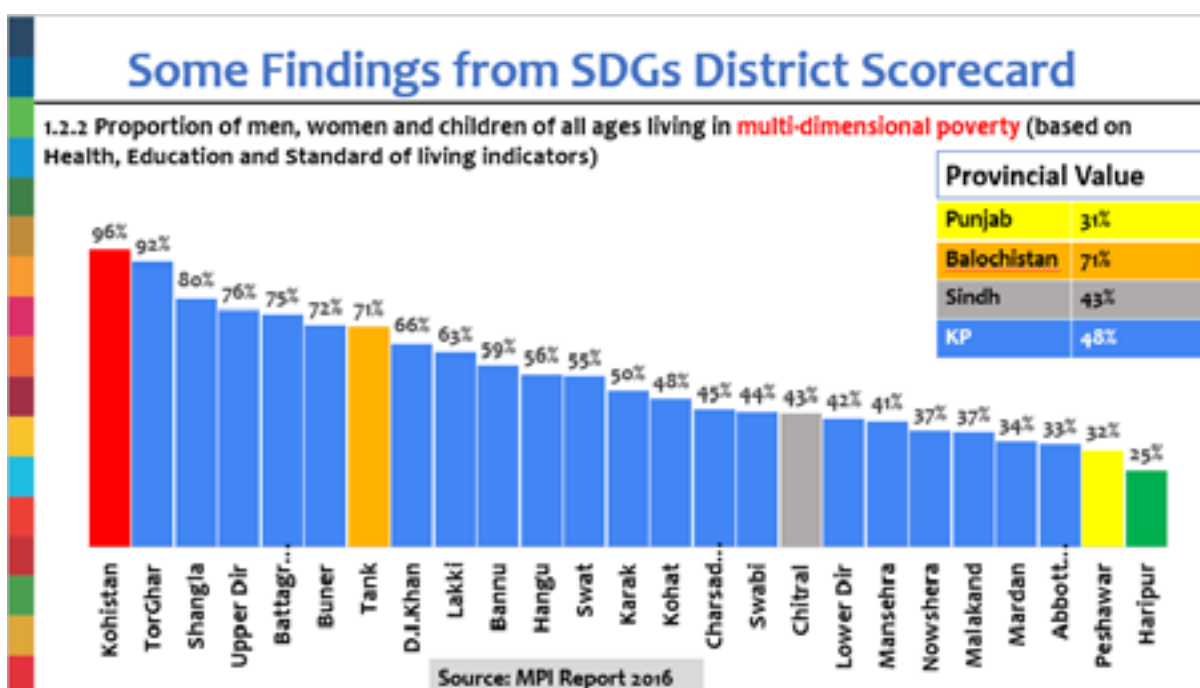


5. The final ADP book should contain a sectoral SDG analysis of each sector. It should contain a page, whereby SDGs relevant to that sector should be presented, and basic information on indicators may be highlighted. Furthermore, each scheme / project in the ADP should have an SDG target number, written in front of it, to which the scheme / project may be contributing.
6. SDGs should also be a main area of the budget call circular. Every year, when budgets are made, SDGs should be one of the core areas of consideration for the allocation of resources. The budget circular should also take guidance from the SDG framework and the prioritization of SDG targets. It should be a main part of it.
7. Increased awareness and sensitization of SDGs is key to achieving SDGs. The Unit will continue to conduct awareness sessions at provincial and district level to raise awareness about SDGs. It will also do so through merchandise, videos, audios, and other mediums of communication. The target audience should be policy makers, decision makers, public representative, youth, women, academia and all other stakeholders, thus, leaving no one behind.
8. The SDG Unit will also keep collecting data and updating the progress on SDGs. It is important to see how the progress is made and through data collection on the SDGs indicators, progress can be measured against the baseline.

9.4.4 SDGs Support Unit, Khyber Pakhtunkhwa

- The Provincial Task Force (PTF) for SDGs-KP is one of the vibrant and dynamic taskforces in the country. The Task Force has reviewed the existing legislation with SDGs parameters and remained instrumental in suggesting new legislation for effectively contributing towards SDGs targets. The PTF has been re-notified with the inclusion of more parliamentarians in the Task Force for broad based results.
- The Departmental SDGs Focal Persons have reflected the SDGs agenda at the Departmental Policy level and in the planning processes.
- District Advisory Committees have been notified and operationalized at district level across the province including the newly merged districts with the aim to localize SDGs in district level planning and implementation processes.
- The Unit has worked extensively on developing a comprehensive data eco-system to cater for the unprecedented data needs for SDG indicators. Against the 178 provincially relevant indicators, a baseline has been established for 82 indicators from various data sources while data gap for ninety-six (96) indicators still exists. The unit has adopted a two-dimensional approach in consultation with Provincial Bureau of Statistics. The Unit, on one side is broadening the scope of existing data sets and, on the other side has initiated the process of reviewing the potential of administrative data for estimation on additional SDGs indicators. The approach will result in narrowing down the data gap.
- The development of SDG Framework for Khyber Pakhtunkhwa has been concluded with the aims to help policy makers and planners through setting a holistic roadmap for achieving SDGs agenda in the province. The Framework has been developed through extensive consultation with key stakeholders. The Framework mainly includes the baseline on SDG indicators to the extent data permitted and setting and prioritization of SDG targets in provincial context while considering the three interlinked dimensions of social, economic and environment. The Framework suggests the need for effective inter-linkages among various socio-economic and environmental policies, strong governance structures and horizontal and vertical coordination mechanisms for integration and effective implementation of the SDGs Agenda.
- Provincial Government of Khyber Pakhtunkhwa has approved the Sustainable Development Strategy (SDS) as the next generation strategic reform tool for the province. In order to ensure synergies between SDS and SDG attainment agenda, the Unit has concluded the study of linking the sectoral plans, spelled out under SDS, with SDGs and the associated targets. In addition, the Unit mapped the Annual Development Program (2019-20) with SDG targets.
- As a step towards establishing linkages with academia for implementation of SDGs, the SDG Unit KP has signed a Letter of Agreement (LOA) with the Institute of Management Sciences, Peshawar for mainstreaming SDGs in the course of MS Development Studies. This course will equip the students with the academic and practical rigor concerning SDGs and abridge academia with the industry while catering for the growing market demand towards attainment of the 2030 agenda.
- SDGs Support Unit Khyber Pakhtunkhwa, in collaboration with University of Peshawar (UOP) and Social Impact (SI), organized the first-ever Summer Camp on SDGs for youth and academia of Khyber Pakhtunkhwa.

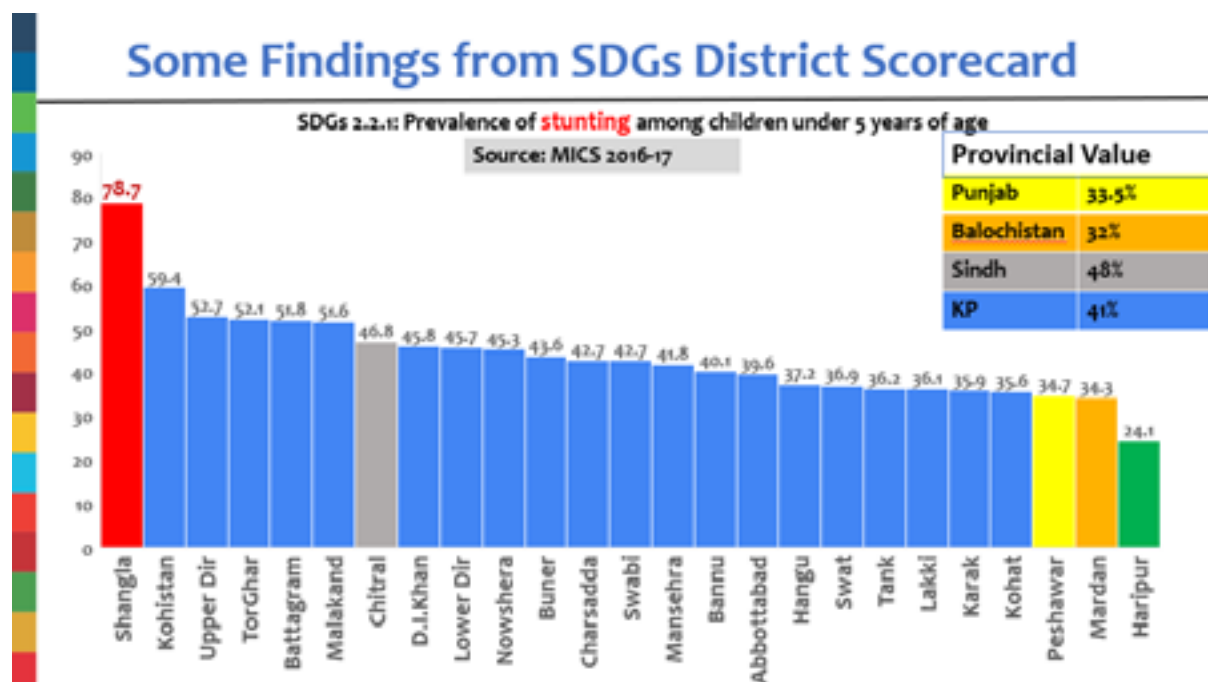
- SDG Support Unit in consultation with the District Administration has conducted three days' orientation and awareness raising workshop for the faculty and students of various Universities and Colleges of District Mardan, Swabi and Charsadda.



Some Findings from SDGs District Scorecard

SDGs 2.2.1: Prevalence of **stunting** among children under 5 years of age

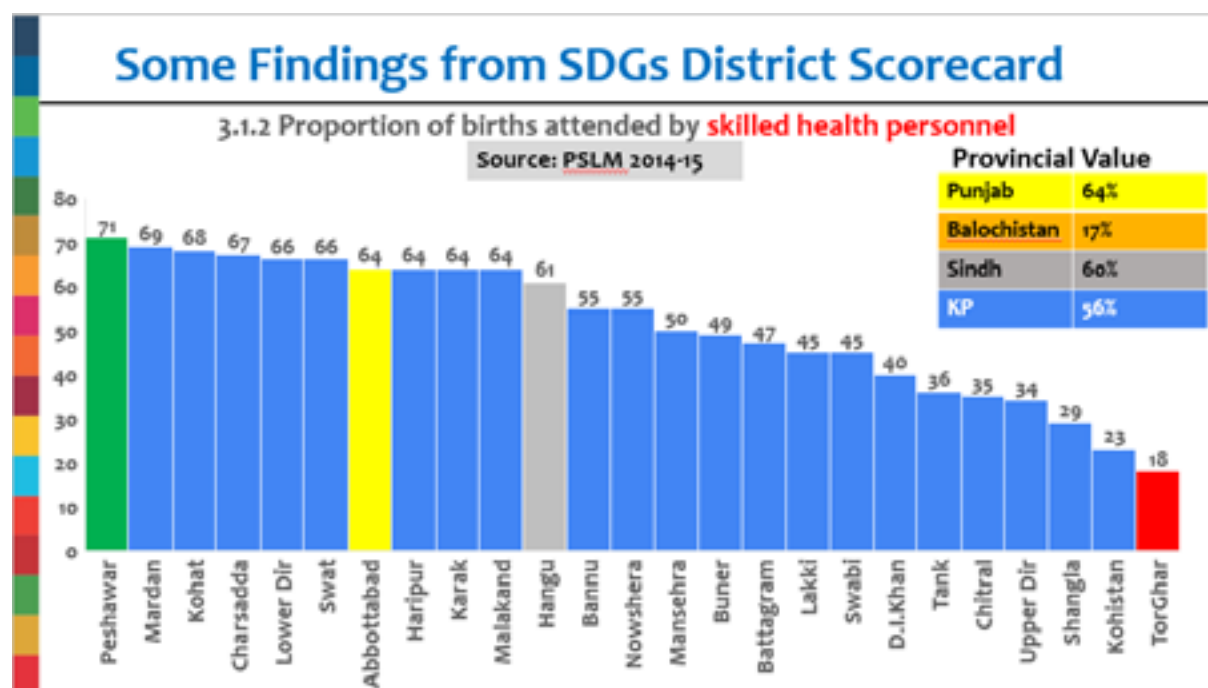
Source: MICS 2016-17

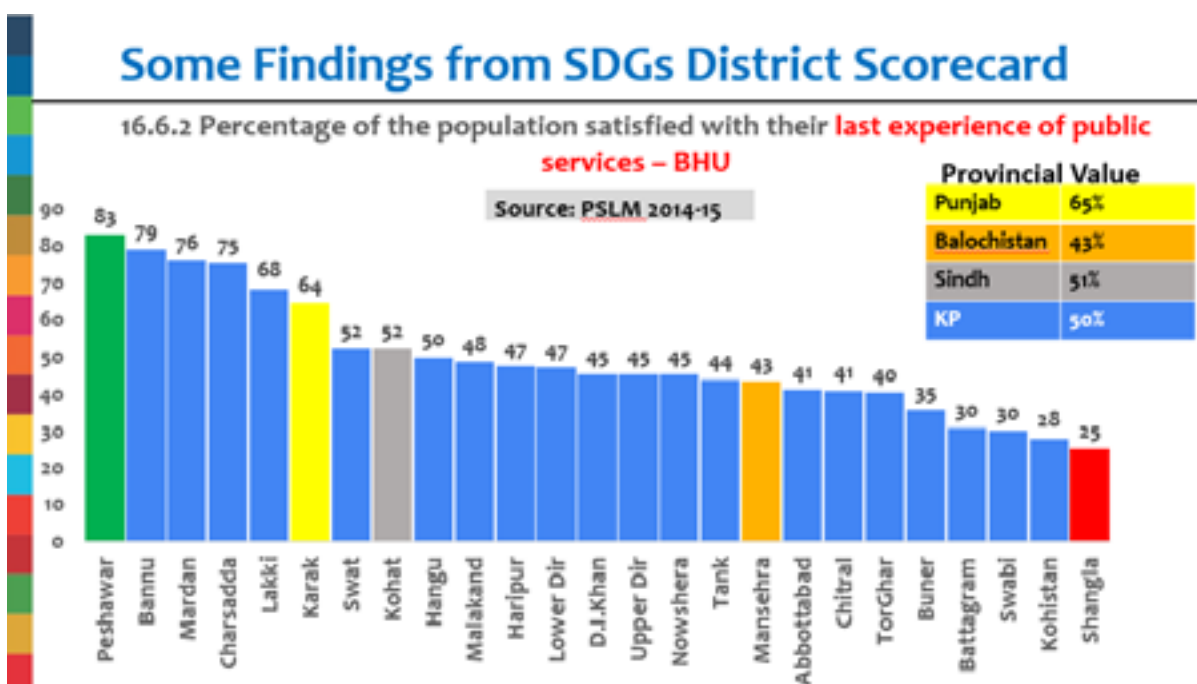
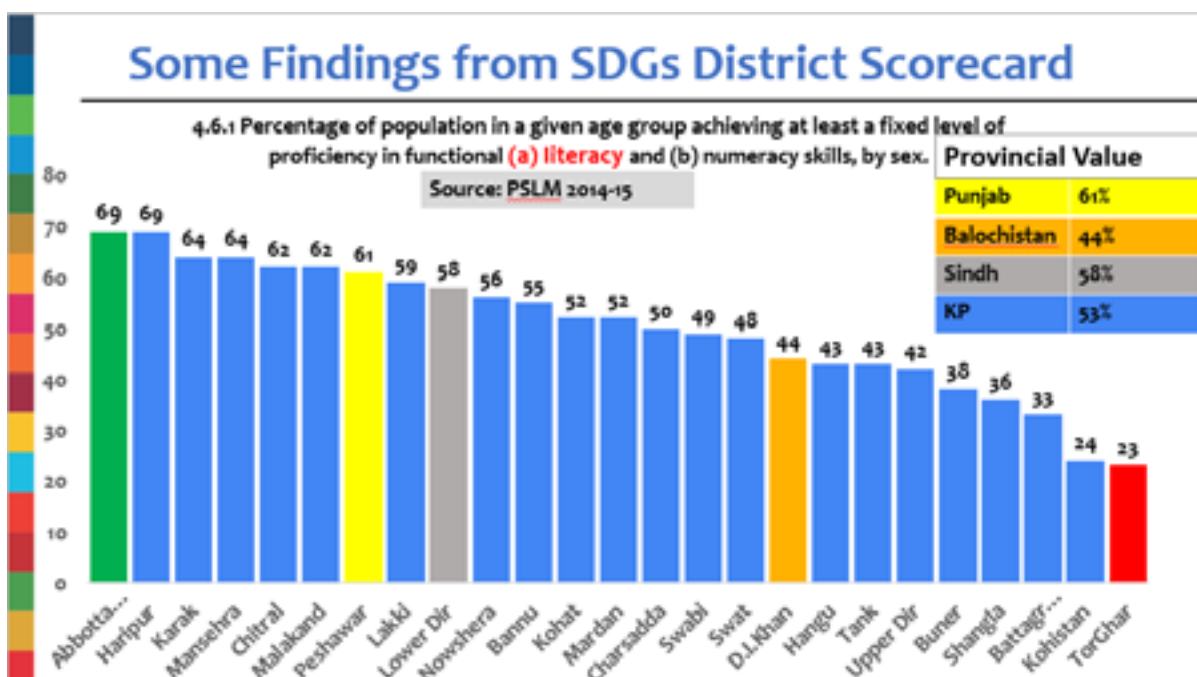


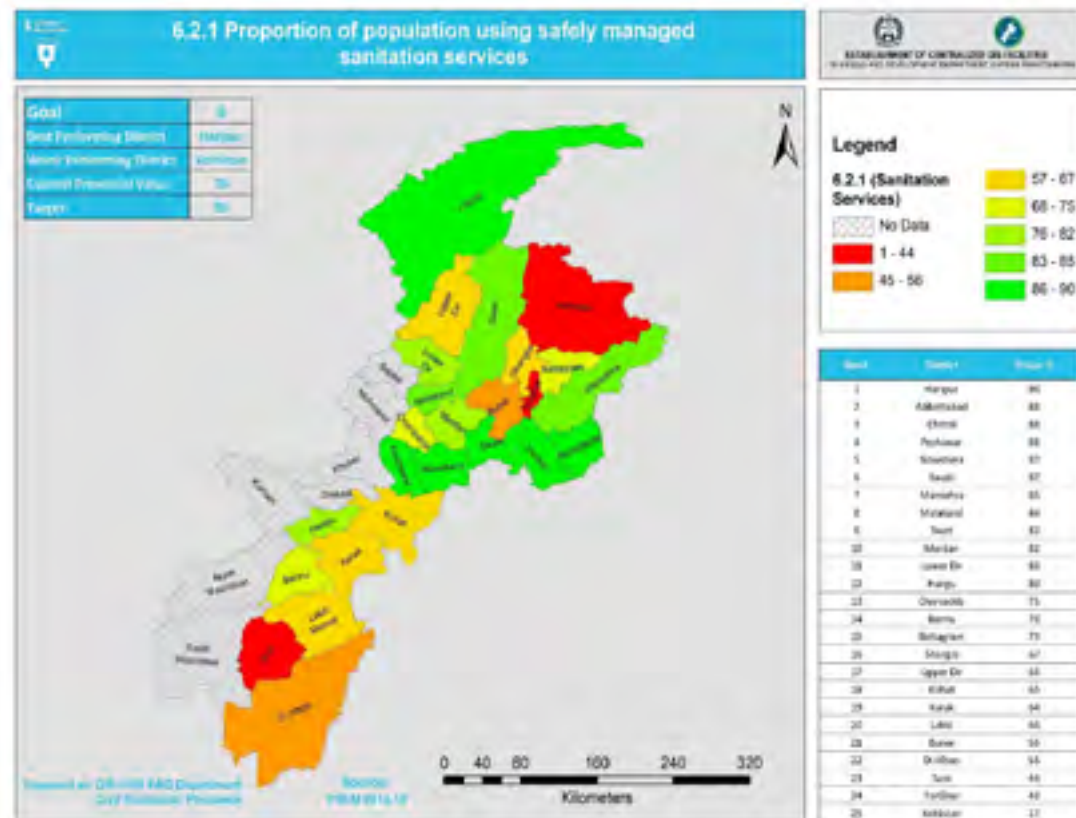
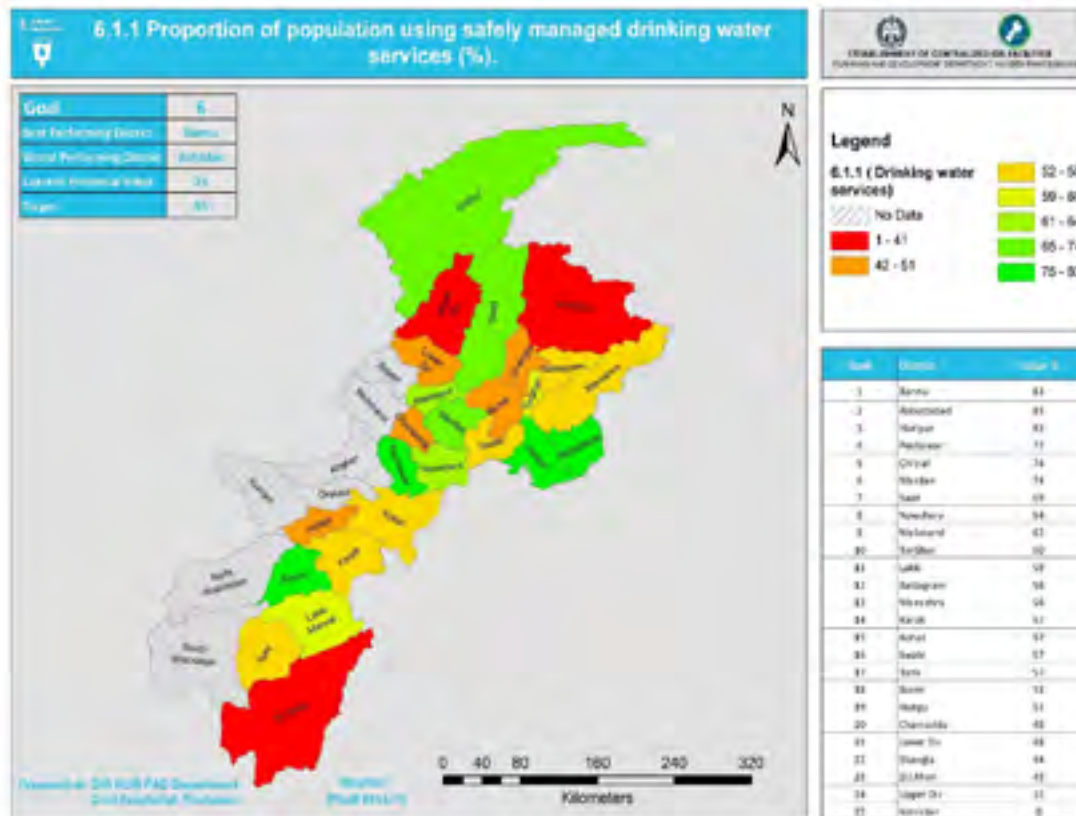
Some Findings from SDGs District Scorecard

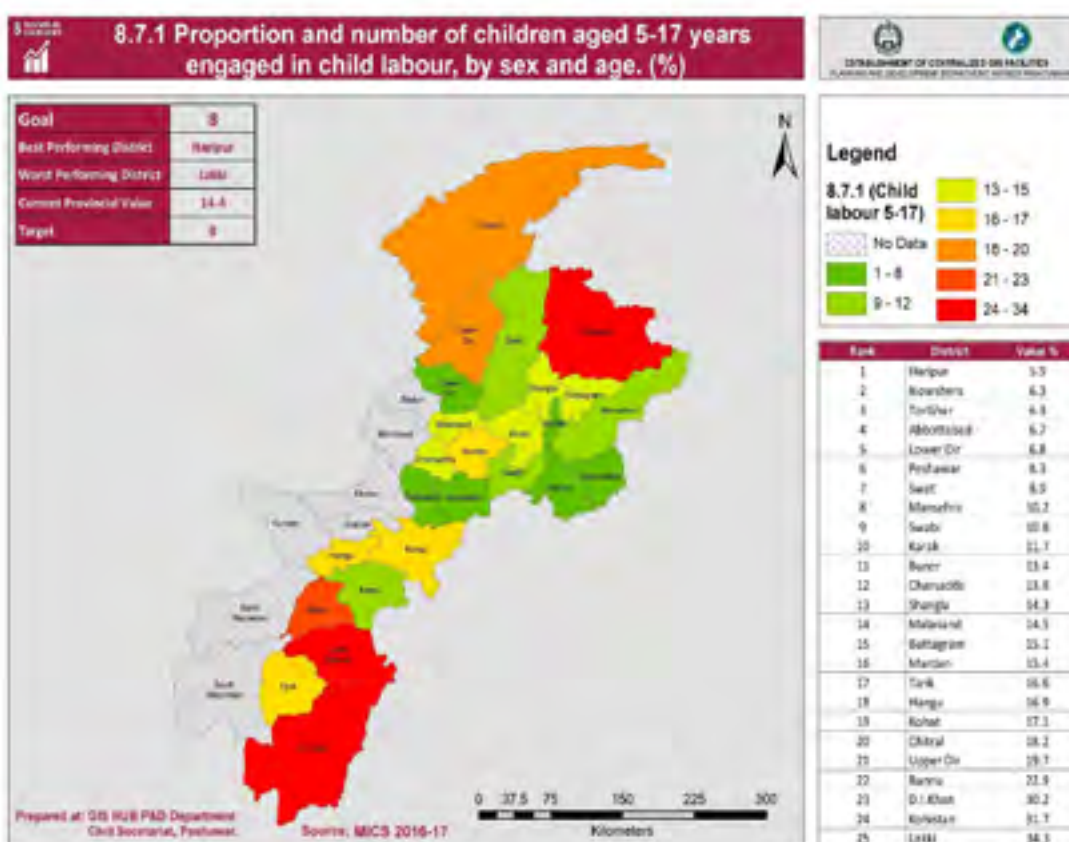
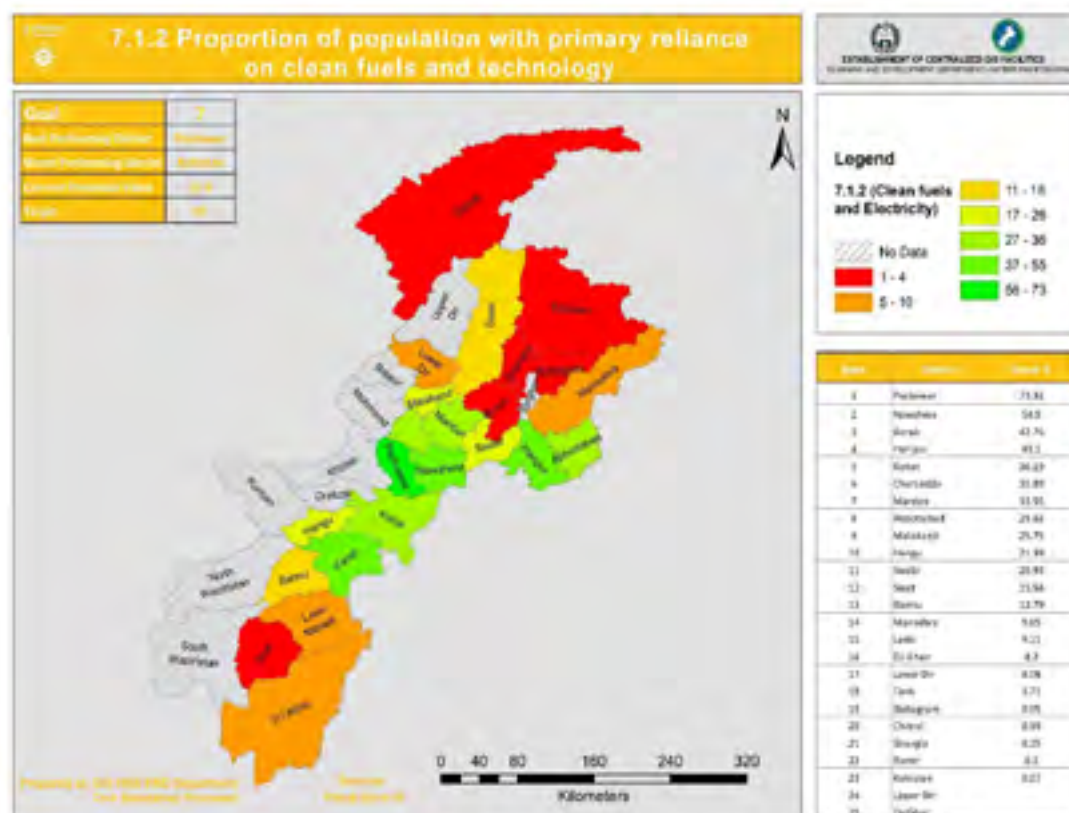
3.1.2 Proportion of births attended by **skilled health personnel**

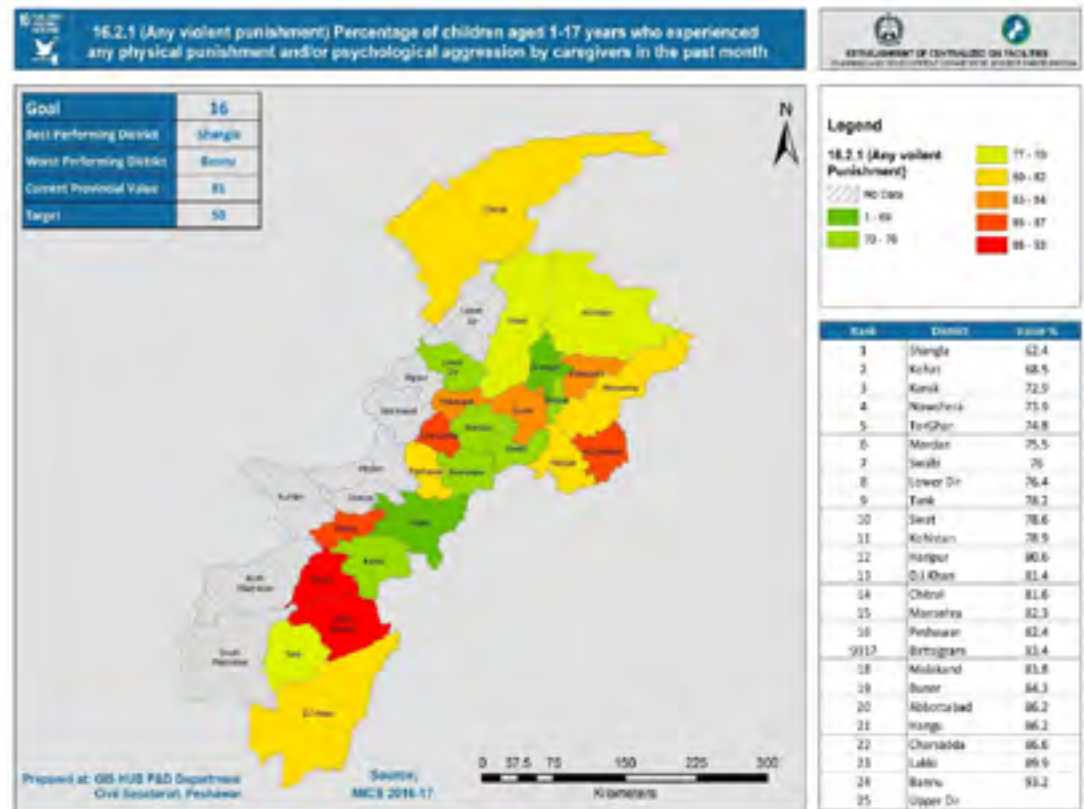
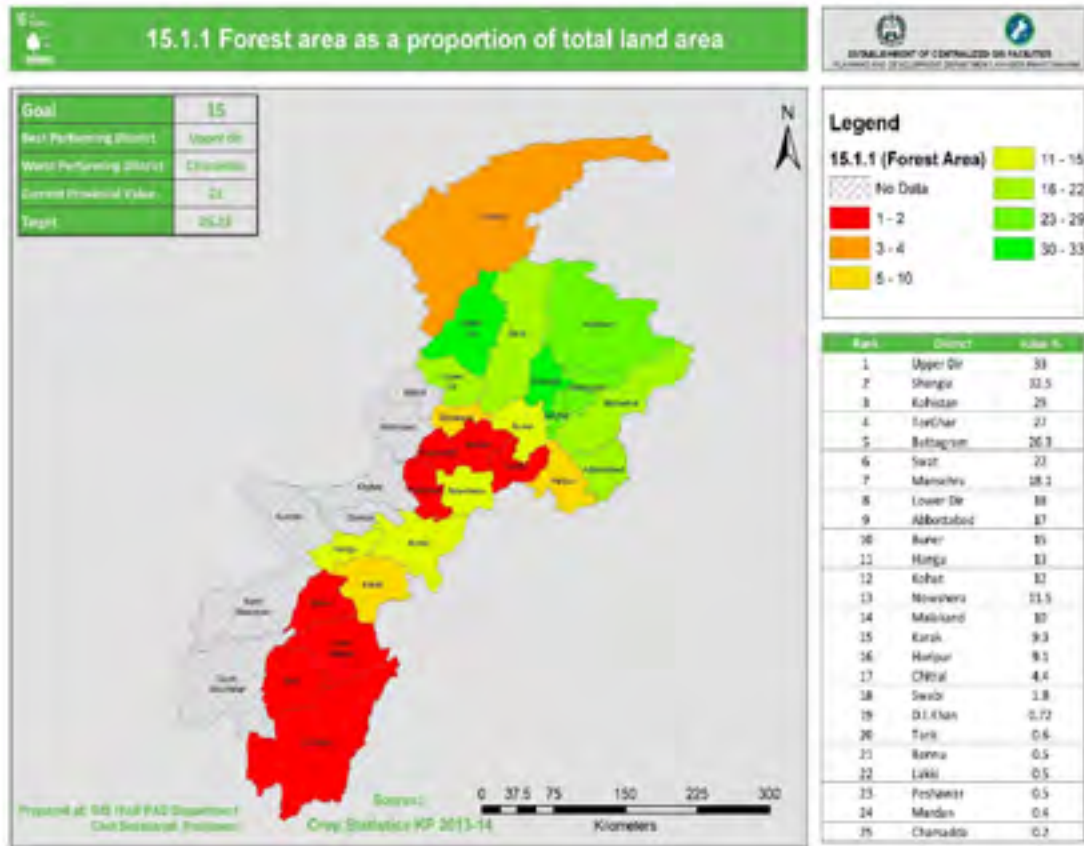
Source: PSLM 2014-15

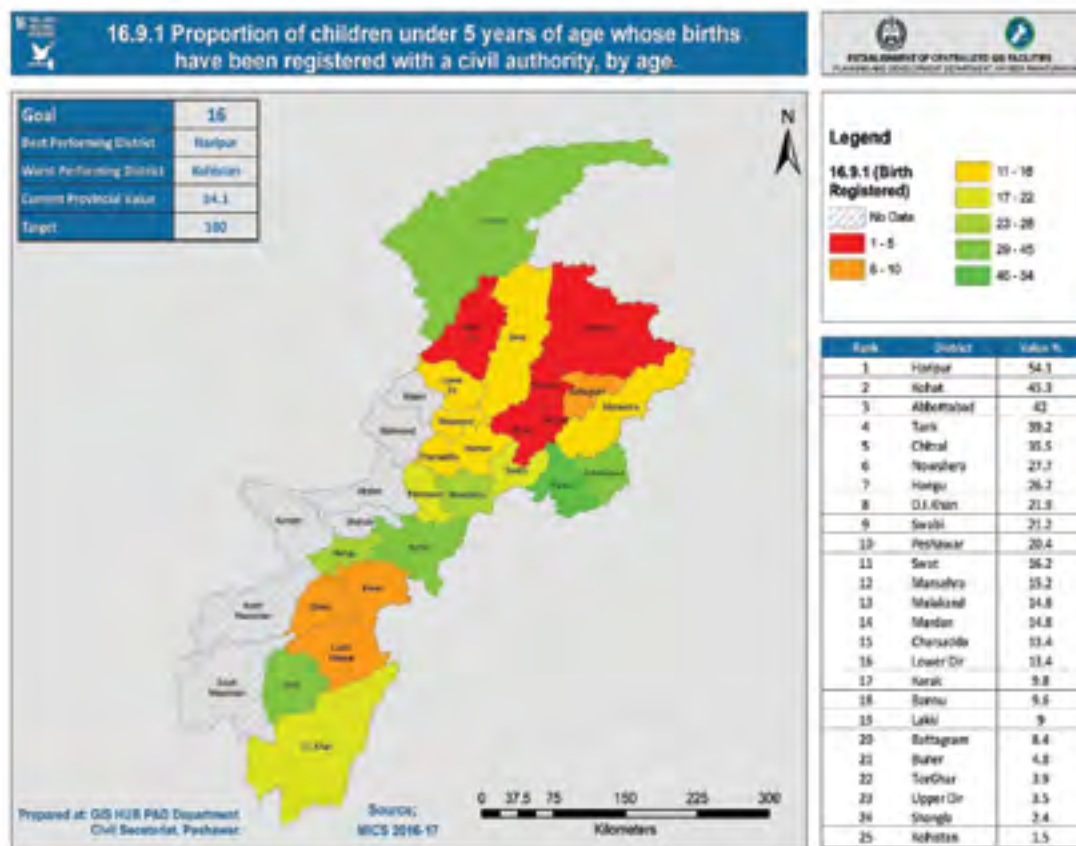












ANNEXURES



MANUAL FOR DEVELOPMENT PROJECTS
KHYBER PAKHTUNKHWA
2022

Annexure 1-A:

Institutional Machinery for Managing the Pakistan Economy – Principles of Policy

Principles of Policy

[Chapter 2 of Part II of the Constitution]

29. (2) In so far as the observance of any particular Principle of Policy may be dependent upon resources being available for the purpose, the Principle shall be regarded as being subject to the availability of resources.
30. (2) The validity of an action or of a law shall not be called in question on the ground that it is not in accordance with the Principles of Policy, and no action shall lie against the State, any organ or authority of the State or any person on such ground.
32. The State shall encourage local Government institutions composed of elected representatives of the areas concerned and in such institutions special representation will be given to peasants, workers and women.
34. Steps shall be taken to ensure full participation of women in all spheres of national life.
35. The State shall protect the marriage, the family, the mother and the child.
37. The State shall-
- (a) promote, with special care, the educational and economic interests of backward classes or areas;
 - (b) remove illiteracy and provide free and compulsory secondary education within minimum possible period;
 - (c) make technical and professional education generally available and higher education equally accessible to all on the basis of merit;
 - (d) ensure inexpensive and expeditious justice;

- (c) make provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment;
- (f) enable the people of different areas, through education, training, agricultural and industrial development and other methods, to participate fully in all forms of national activities, including employment in the service of Pakistan.
- (g) Decentralize the Government administration so as to facilitate expeditious disposal of its business to meet the convenience and requirements of the public.

38. The State shall-

- (a) Secure the well-being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants;
- (b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure;
- (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means.
- (d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment;
- (e) reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan; and
- (f) eliminate ~~riba~~ as early as possible.

Annexure 2-A:
Resolution Ministry of Planning, Development & Reform Special Initiatives
(2013)

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)

RESOLUTION

Islamabad, the 30th October, 2013.

No. 4-6/2006-Min-1 - Government has decided to revamp and restructure the Planning Commission to enable it to effectively plan for the economic and social development of the country and to act as the apex *Think Tank* for the Government in the context of adjusting to the new realities and challenges including the recognition that without reforms high and sustainable growth is not achievable, the increased role of private sector, civil society, media, information technology, impact of globalization, devolution and NFC award on economic policy, design and formulation. Planning Commission will move to a new paradigm of "Participatory and Collaborative Planning" involving Parliament, Ministries/ Divisions, Provinces, Special Areas, Private Sector, Academia, Civil Society and Diaspora, to play the role of facilitator and stewardship as well as an integrator in the areas of economic policy and reforms in post devolution scenario.

2. The Planning Commission will be responsible to perform the functions as indicated in Schedule II of the Rules of Business 1973 under the heading of Planning, Development and Reform Division, which inter- alia include: -

- i) Preparing the National Plan and review and evaluating its implementation;
- ii) Formulating annual plan and ADP;
- iii) Monitoring and evaluating implementation of major development projects and Programmes;
- iv) Stimulating preparation of sound projects in regions and sectors lacking adequate portfolio;
- v) Continuously evaluating the economic situation and coordinate economic policies; and
- vi) Organizing research and analytical studies for economic decision making.

3. The Planning Commission shall also discharge the following functions: -

- i) Assisting in defining the national vision, and undertaking strategic planning;
- ii) Assessing the material, capital and human resources of the country and formulating proposals for augmenting such resources;
- iii) Assisting the Government in providing a conducive macroeconomic and regulatory framework, improved resource mobilization, an institutional framework and efficient public investment;
- iv) Promoting and developing role of the private sector as engine of growth by co-opting it as a partner in development process through institutionalized effective consultative process;
- v) Promoting and coordinating reform and innovation in government in partnership with relevant Ministries / Divisions and Organizations;
- vi) Promoting and developing social capital for development with stakeholders (MDGs, poverty alleviation, social harmony);
- vii) Promoting and coordinating economic and infrastructure initiatives towards developing regional economic integration;

- viii) Monitoring Pakistan's economic competitiveness and developing strategies for its enhancement with relevant Ministries / Divisions and organizations;
- ix) Promoting development discourse in the country towards participatory and collaborative planning and development;
- x) Study trends and evaluate impact of globalization and develop appropriate national responses in coordination with relevant Ministries / Divisions and Organizations;
- xi) Study and evaluate impact of new technologies on development and develop appropriate national responses in coordination with relevant Ministries / Divisions and Organizations;
- xii) Facilitating capacity building of agencies involved in development and;
- xiii) Any other function assigned by the Prime Minister.

4. The Prime Minister will be the Chairman of the Planning Commission which apart from the Deputy Chairman will comprise the following twelve members:

- i) Secretary Planning, Development and Reform Division / Member (Coordination)
- ii) Chief Economist / Member (Economic Policy / Planning)
- iii) Member (Energy)
- iv) Member (Implementation & Monitoring)
- v) Member (Private Sector Development & Competitiveness)
- vi) Member (Development Communication)
- vii) Member (Food Security & Climate Change)
- viii) Member (Infrastructure & Regional Connectivity)
- ix) Member (Social Sector & Devolution)
- x) Member (Governance, Innovation & Reforms)
- xi) Member (Science, Technology & ICT)
- xii) Vice Chancellor Pakistan Institute of Development Economics (PIDE)/ Member Research

5. Members will be appointed through the following modes in accordance with the prescribed procedure:

- i) Open competition on merit from the market (national and international) in MP-1 scale.
- ii) Deputation with relevant required qualification and professional experience.
- iii) Hiring of temporary services of a qualified person (against position of member vacant for 3 months)

6. Qualification of Members:

- i) Minimum Master's Degree preferably PhD in the relevant field from internationally reputed / HEC recognized university;
- ii) Preferably internationally recognized publications/policy papers in the relevant field;
- iii) Minimum 15 years distinguished professional career at national / international level including 5-10 years of managerial experience at policy making level with focus in the relevant field and having the expertise to lead / advise the planning process.

7. An Advisory Committee under Deputy Chairman Planning Commission and comprising Federal Secretaries of Finance, Economic Affairs, Statistics, Water and Power, Petroleum and Natural Resources, Communications, Commerce, Railways, Ports and Shipping, Information Technology, National Health Services, Regulation and Coordination, Education, Trainings and Standards in Higher Education, Board of Investment and Executive Director Infrastructure Project Development Facility (IPDF) and heads of provincial P&D bodies, experts, academicians and private

sector representatives as its members will assist the Planning Commission in plan and policy formulation. The Advisory Committee will hold quarterly meetings. Planning, Development and Reform Division will be the secretariat of the Committee.

8. An organogram of the restructured Planning Commission is annexed.

9. The Planning Commission may also hire/engage, for specific assignments/ advice, services of professional advisors/consultants on short term/part time, long term basis including honorary assignments from public and private sector with over 25 years' experience in the relevant field. These appointments/hiring will be made in accordance with the prescribed procedure.

10. Meeting of the Planning Commission will be held under the Chairmanship of the Prime Minister on bi-annual basis to monitor the progress of economic policies and for future guidance.

11. The Secretary Planning, Development and Reform Division / Member Coordination will be assigned the role of Principal Accounting Officer of the Planning Commission. The Planning, Development and Reform Division will act as the secretariat of the Planning Commission.

12. This supersedes Cabinet Division's Resolution No 4-6/2006- Min.1 dated 20th April, 2006.

Sd/-
(Syed Arshad Ali)
Additional Secretary (Cabinet)

The Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Copy forwarded to:

1. Secretary to the President, President's Secretariat, Islamabad.
2. Secretary to the Prime Minister, Prime Minister's Office, Islamabad.
3. Minister for Planning, Development and Reform/ Deputy Chairman, Planning Commission.
4. Secretary, Planning, Development and Reform Division.
5. All Secretaries / Additional Secretaries In-charge of Ministries / Divisions
6. Chief Secretaries of all the Provincial Governments.
7. Chief Secretaries Govt. of Azad Jammu & Kashmir and Gilgit-Baltistan.
8. ACS (Development) FATA, FATA Secretariat, Peshawar.

Sd/-
(Syed Arshad Ali)
Additional Secretary (Cabinet)

Annexure 2-B:

Restructuring of Ministry of Planning, Development & Reform—Special Initiatives

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
CABINET DIVISION
* * *

Islamabad, the 18th June, 2019

RESOLUTION

No. 4-6/2006-Min-I – The Federal Government has decided to harmonize and improve the coordination and synergy amongst the top hierarchy of the Planning Commission. The Deputy Chairman, Planning Commission will, henceforth, report to the Minister for Planning, Development & Reform in the following areas:

- i. All issues requiring approval / consideration of Prime Minister, Cabinet, NEC, ECC, and ECNEC.
 - ii. Brief and seek approval of the Minister on the agenda of CDWP.
 - iii. Finalize PSDP in consultation with the Minister.
 - iv. Close liaison with Minister on all matter pertaining to development, policy formulation etc.
2. The approved Organogram of the Planning Commission is Annexed.
 3. This will supplement Cabinet Division's Resolution of even No. dated 30th October, 2013.

(DR. IMTIAZ AHMAD)

Joint Secretary to the Cabinet

Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Copy forwarded to: -

1. Secretary to the President, Islamabad.
2. Secretary to the Prime Minister, Islamabad.
3. Federal Minister for Planning, Development and Reform, Islamabad.
4. Deputy Chairman, Planning Commission, Islamabad.
5. Secretaries / Additional Secretaries Incharge of Ministries / Divisions.
6. Chief Secretaries of the Provincial Governments.
7. Chief Secretaries of Government of Azad Jammu & Kashmir and Gilgit-Baltistan

(DR. IMTIAZ AHMAD)

Joint Secretary to the Cabinet
Ph: 9202918

Annexure 2-BB:**List of Five-Year Plans****List Five Year Plans in Pakistan**

S.No.	Plan	Period
1.	Colombo Plan (Six Year Plan)	1951-57
2.	1 st Five year Plan	1955-60
3.	2 nd Five year Plan	1960-65
4.	3 rd Five year Plan	1965-70
5.	4 th Five year Plan	1970-75
6.	5 th Five year Plan	1978-83
7.	6 th Five year Plan	1983-88
8.	7 th Five year Plan	1988-93
9.	8 th Five year Plan	1993-98
10.	9 th Five year Plan (not launched)	1998-2003
11.	Medium Term Development Framework (MTDF)	2005-10
12.	10 th Five year Plan (drafted twice but not launched)	2010-15
13.	11 th Five year Plan	2013-18
14.	12 th Five year Plan	2018-23

Annexure 2-C: Functions and Composition of NEC

Government of Pakistan
Cabinet Division

Islamabad, the 10th December, 2019

NOTIFICATION

S.R.O.1548(I)/2019.- In exercise of the powers conferred by clause (1) of Article 156 of the Constitution, the President of the Islamic Republic of Pakistan is pleased to re-constitute the National Economic Council as under:-

(a)	The Prime Minister	Chairman
(b)	The Chief Ministers of the Provinces of Balochistan, the Khyber Pakhtunkhwa, the Punjab and Sindh	Members
(c)	Four members nominated as under by the Prime Minister under paragraph (c) of clause (1) of Article 156 of the Constitution:- (i) Dr. Abdul Hafeez Shaikh, Adviser to the Prime Minister on Finance and Revenue; (ii) Mr. Asad Umar, Minister for Planning, Development and Reform; (iii) Mr. Abdul Razak Dawood, Adviser to the Prime Minister on Commerce, Textile, Industry and Production and Investment; and (iv) Dr. Ishrat Hussain, Adviser to the Prime Minister on Institutional Reforms and Austerity.	Members
(d)	Four members nominated as under by the respective Chief Ministers under paragraph (b) of clause (1) of Article 156 of the Constitution:- (i) Mr. Jan Muhammad Jamali, Member Provincial Assembly nominated by Chief Minister Balochistan; (ii) Mr. Taimur Saleem Khan Jhagra, Minister for Finance nominated by Chief Minister Khyber Pakhtunkhwa; (iii) Makhdum Hashim Jawan Bakht, Minister for Finance nominated by Chief Minister Punjab; and (iv) Mr. Nisar Ahmed Khuhro nominated by Chief Minister Sindh.	Members

Contd...P/2

-2-

2. The following shall be invited to attend the meetings of the National Economic Council for all items on the agenda, namely:-


- (a) Governor, Khyber Pakhtunkhwa;
- (b) Prime Minister, Azad Jammu and Kashmir;
- (c) Chief Minister, Gilgit - Baltistan;
- (d) Deputy Chairman, Planning Commission;
- (e) Secretary, Finance Division;
- (f) Secretary, Economic Affairs Division; and
- (g) Secretary, Planning, Development and Reform Division.

3. Other Federal Secretaries, including Chief Secretaries of the Provinces, Azad Jammu and Kashmir and Gilgit-Baltistan shall on need basis attend the meetings of the National Economic Council by special invitation.

4. The meetings of the National Economic Council shall be convened in accordance with Article 156 of the Constitution read with rule 22 of the Rules of Business, 1973.

5. The Cabinet Division's Notification No.F.5/1/2018-Com, dated the 15th May, 2019 is hereby repealed.

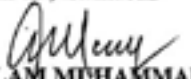
[No.5/1/2018-Com]


(GHULAM MUHAMMAD)
Joint Secretary
(Cabinet Committees)
Ph # 9203014

The Manager,
Printing Corporation of Pakistan Press,
Islamabad

Copy forwarded for information to:

1. All Members and Special Invitees of the National Economic Council
2. Secretary to the President
3. Secretary to the Prime Minister
4. All Secretaries/Additional Secretaries-in-Charge of Divisions
5. Chief Secretaries of the Provinces, AJ&K and Gilgit-Baltistan
6. Principal Information Officer, Press Information Department, Islamabad


(GHULAM MUHAMMAD)
Joint Secretary
(Cabinet Committees)

Annexure 2-D:

Notification of Nomination of Mr. Shaukat Fayaz Ahmed Tarin as Member of NEC

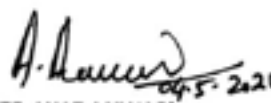
TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRAORDINARY

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
CABINET DIVISION

Islamabad, the 4th May, 2021

NOTIFICATION

No.F.5/1/2018-Com.- In partial modification of Cabinet Division's Notification of even number dated 10th December, 2019, the President has been pleased to approve the nomination of Mr. Shaukat Fayaz Ahmed Tarin, Minister for Finance and Revenue, as member of the NEC in place of Dr. Abdul Hafeez Shaikh in the composition of the National Economic Council (NEC) in terms of Article 156(1)(c) of the Constitution.


(SYED AYAZ ANWAR)
Deputy Secretary
(Cabinet Committees)
Ph # 9201375

The Manager,
Printing Corporation of Pakistan Press,
Islamabad

Copy forwarded for information to:

1. All members of the Cabinet, Advisers to the Prime Minister, Ministers of State and Special Assistants to the Prime Minister
2. All Members and Special Invitees of the National Economic Council
3. Secretary to the President
4. Secretary to the Prime Minister
5. All Secretaries/Additional Secretaries-in-Charge of Ministries/Divisions
6. Chief Secretaries of the Provinces, AJ&K and Gilgit-Baltistan
7. Principal Information Officer, Press Information Department, Islamabad


(SYED AYAZ ANWAR)
Deputy Secretary
(Cabinet Committees)

Annexure 2-E: Composition of ECC

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRAORDINARY

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
CABINET DIVISION

Islamabad, the 15th December, 2020

NOTIFICATION

No.F.5/3/2018-Com.- In supersession of Cabinet Division's earlier Notifications of even number issued from time to time and in terms of rule 17(2) of the Rules of Business, 1973, the Prime Minister has been pleased to re-constitute the **Economic Coordination Committee (ECC) of the Cabinet** with immediate effect. The composition of the ECC will be as under:

1. Minister for Finance and Revenue	Chairman
2. Minister for Communications	Member
3. Minister for Economic Affairs	"
4. Minister for Industries and Production	"
5. Minister for Interior	"
6. Minister for Law and Justice	"
7. Minister for Maritime Affairs	"
8. Minister for National Food Security and Research	"
9. Minister for Planning, Development & Special Initiatives	"
10. Minister for Power	"
11. Minister for Petroleum	"
12. Minister for Privatization	"
13. Minister for Railways	"
14. Minister for Water Resources	"

By Special Invitation:

1. Deputy Chairman, Planning Commission
2. Governor, State Bank of Pakistan
3. Chairman, Security Exchange Commission of Pakistan
4. Special Assistant to the Prime Minister on Petroleum
5. Special Assistant to the Prime Minister on Power
6. Special Assistant to the Prime Minister on Revenue
7. Special Assistant to the Prime Minister on Social Protection and Poverty Alleviation
8. Adviser to the Prime Minister on Commerce and Investment
9. Adviser to the Prime Minister on Institutional Reforms and Austerity
10. Secretary, Commerce Division
11. Secretary, Communications Division
12. Secretary, Economic Affairs Division

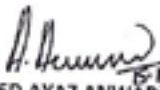
Contd...P/2

A. Hussain

-2-

13. Secretary, Finance Division
14. Secretary, Industries and Production Division
15. Secretary, National Food Security and Research Division
16. Secretary, Planning, Development and Special Initiatives Division
17. Secretary, Petroleum Division
18. Secretary, Power Division
19. Secretary, Privatization Division
20. Secretary, Railways Division
21. Secretary, Revenue Division/Chairman FBR
22. Secretary, Poverty Alleviation and Social Safety Division
23. Secretary, Water Resources Division
24. Chairman, Board of Investment

2. The Charter of the ECC will remain the same.


(SYED AYAZ ANWAR)
Deputy Secretary
(Cabinet Committees)
Ph # 9201375

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Islamabad

Copy forwarded to:-

1. All members of the Cabinet, Advisers to the Prime Minister, Ministers of State and Special Assistants to the Prime Minister
2. Secretary to the President
3. Secretary to the Prime Minister
4. All Secretaries/Additional Secretaries Incharge of Ministries/Divisions
5. Principal Information Officer, Press Information Department, Islamabad


(SYED AYAZ ANWAR)
Deputy Secretary
(Cabinet Committees)

ECONOMIC COORDINATION COMMITTEE (ECC)
OF THE CABINET
CHARTER

1. Consideration of all urgent economic matters and coordination of economic policies initiated by various Divisions of Government.
2. To identify and propose measures for the gradual attainment of the status of a welfare state.
3. To maintain vigilance on the monetary and credit situation and make proposals for the regulation of credit in order to maximize production and exports and to prevent inflation.
4. To determine the future pattern of growth of agriculture and industries.
5. To review from time to time country's import policy and its effect on production and investment.
6. To evaluate export performance from time to time in relation to specific policies and measures for the promotion of exports.
7. To watch the current price situation with a view to ensuring the stability of the prices of goods used by the common man.
8. Implementation of any other task assigned by the Cabinet from time to time.
9. Cases of agreements and licensing for oil prospecting and exploration.
10. Overseeing the performance of important Autonomous Bodies.
11. Cases of Industrial sanctions where powers have not been delegated to subordinate authorities.
12. Tariff problems and cases involving fiscal anomalies.
13. Review of major social and economic surveys such as Labour Force survey, Demographic survey, Household Income and expenditure surveys, Census of Large scale Manufacturing Industries and Survey of small and Household Manufacturing Industries.
14. Half-yearly review of implementation of industrial projects in private sector.
15. Reviewing from time to time the energy requirements and its effect on production and investment.



Annexure 2-F: Composition of APCC

Composition of Annual Plan Coordination Committee (APCC)

Deputy Chairman, Planning Commission

Chairman

a. Provincial Ministers/Other Dignitaries

Members

1. Governor, State Bank of Pakistan, Karachi
2. Minister for Finance, Government of the Punjab, Lahore
3. Minister for Planning & Development, Government of the Punjab, Lahore
4. Minister for Finance, Government of Sindh, Karachi
5. Minister for Planning & Development, Government of Sindh, Karachi
6. Minister for Finance, Government of Khyber Pakhtunkhwa, Peshawar
7. Minister for Planning & Development, G/o Khyber Pakhtunkhwa, Peshawar
8. Minister for Finance, Government of Balochistan, Quetta
9. Minister for Planning & Development, Government of Balochistan, Quetta
10. Minister for Finance, Government of AJ&K, Muzaffarabad
11. Minister for Planning & Development, Government of AJ&K, Muzaffarabad
12. Minister for Finance, Government of Gilgit-Baltistan, Gilgit
13. Minister for Planning & Development, Government of Gilgit-Baltistan, Gilgit

b. Provincial Planning & Development Departments

1. Chairman, Planning & Development Board, Government of the Punjab, Lahore
2. Chairman, Planning & Development Board, Government of Sindh, Karachi
3. Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar
4. Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, Quetta
5. Additional Chief Secretary (Dev), Planning & Development Department, Government of AJ&K, Muzaffarabad
6. Secretary, Planning & Development Department, Government of Gilgit-Baltistan, Gilgit
7. Secretary, Finance Department, Government of the Punjab, Lahore
8. Secretary, Finance Department, Government of Sindh, Karachi
9. Secretary, Finance Department, Government of Khyber Pakhtunkhwa, Peshawar
10. Secretary, Finance Department, Government of Balochistan, Quetta
11. Secretary, Finance Department, Government of AJ&K, Muzaffarabad
12. Secretary, Finance Department, Government of Gilgit-Baltistan, Gilgit

c. All Federal Secretaries

1. Secretary, Aviation Division
2. Secretary, Cabinet Division
3. Secretary, Capital Administration and Development Division
4. Secretary, Establishment Division
5. Secretary, National Security Division
6. Secretary, Climate Change Division
7. Secretary, Commerce Division
8. Secretary, Communications Division
9. Secretary, Defence Division
10. Secretary, Defence Production Division
11. Secretary, Federal Education and Professional Training Division
12. Secretary, Finance Division
13. Secretary, Economic Affairs Division
14. Secretary, Revenue Division
15. Secretary, Privatization Division
16. Secretary, Foreign Affairs Division
17. Secretary, Housing & Works Division
18. Secretary, Human Rights Division
19. Secretary, Industries & Production Division
20. Secretary, Information and Broadcasting Division
21. Secretary, National History and Literary Heritage Division
22. Secretary, Information Technology & Telecommunication Division
23. Secretary, Interior Division
24. Secretary, Narcotics Control Division
25. Secretary, Inter Provincial Coordination Division
26. Secretary, Kashmir Affairs and Gilgit Baltistan Division
27. Secretary, Law and Justice Division
28. Secretary, National Food Security & Research Division
29. Secretary, National Health Services, Regulations & Coordination Division
30. Secretary, Overseas Pakistanis and Human Resource Development Division
31. Secretary, Parliamentary Affairs Division
32. Secretary, Petroleum Division
33. Secretary, Planning Development & Special Initiatives
34. Secretary, Ports and Shipping Division
35. Secretary, Railways Division
36. Secretary, Religious Affairs and Inter-faith Harmony Division
37. Secretary, Science and Technology Division
38. Secretary, States and Frontier Regions Division
39. Secretary, Textile Industry Division
40. Secretary, Water Resources Division
41. Secretary, Power Division
42. Secretary, Federal Tax Ombudsman Secretariat
43. Secretary, Poverty Alleviation and Social Safety

d. Autonomous Bodies/Others

1. Chairman, Federal Board of Revenue (FBR), Islamabad
2. Chairman, Water and Power Development Authority (WAPDA), Lahore
3. Chairman, National Highway Authority (NHA), Islamabad
4. Chairman, Higher Education Commission (HEC), Islamabad
5. Chairman, Capital Development Authority (CDA), Islamabad
6. Chairman, Pakistan Atomic Energy Commission (PAEC), Islamabad
7. Chairman, Pakistan Nuclear Regulatory Authority (PNRA), Islamabad
8. Chairman, SUPARCO, Karachi
9. Vice Chancellor, Pakistan Institute of Development Economics (PIDE), Islamabad
10. Additional Secretary (Budget), Finance Division, Islamabad
11. Economic Advisor, Finance Division, Islamabad

Annexure 2-G: Functions & Composition of ECNEC

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRAORDINARY

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)

Islamabad, the 7th May, 2021

NOTIFICATION

No.F.5/2/2018-Com.- In supersession of Cabinet Division's Notification of even number dated 15th January, 2021 the Prime Minister has been pleased to re-constitute the **Executive Committee of the National Economic Council (ECNEC)**. The composition of the ECNEC shall now be as under:

(i)	Mr. Shaukat Fayaz Ahmed Tarin, Minister for Finance and Revenue	Chairman
(ii)	Mr. Asad Umar, Minister for Planning, Development & Special Initiatives	Member
(iii)	Makhdoom Khusró Bukhtiar, Minister for Industries & Production	Member
(iv)	Mr. Muhammad Hammad Azhar, Minister for Energy	Member
(v)	Makhdoom Hashim Jawan Bakht, Minister for Finance, Punjab	Member
(vi)	Mr. Nisar Ahmed Khuhro, Sindh	Member
(vii)	Mr. Taimur Saleem Khan Jhagra, Minister for Finance, Khyber Pakhtunkhwa	Member
(viii)	Nawabzada Tariq Khan Magsi, Minister for Communication and Works Department, Balochistan	Member

BY SPECIAL INVITATION FOR ALL ITEMS:

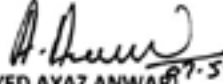
- (i) Deputy Chairman, Planning Commission
- (ii) Adviser to the Prime Minister on Commerce and Investment
- (iii) Adviser to the Prime Minister on Institutional Reforms and Austerity
- (iv) Secretary, Economic Affairs Division
- (v) Secretary, Finance Division
- (vi) Secretary, Planning, Development and Special Initiatives Division
- (vii) Chairman, Planning & Development Board, Punjab
- (viii) Chairman, Planning & Development Board, Sindh
- (ix) ACS, Planning & Development Department, Khyber Pakhtunkhwa
- (x) ACS, Planning & Development Department, Balochistan

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2. Other officers of the Federal and Provincial Governments as well as of the Government of AJ&K and Gilgit-Baltistan shall be invited to the meetings of ECNEC on need basis.


(SYED AYAZ ANWAR) 17.5.2022
Deputy Secretary
(Cabinet Committees)
Ph # 9201375

The Manager,
Printing Corporation of Pakistan Press,
Islamabad

Copy forwarded for information to:

1. All members of the Cabinet, Advisers to the Prime Minister, Ministers of State and Special Assistants to the Prime Minister
2. Secretary to the President
3. Secretary to the Prime Minister
4. All Secretaries/Additional Secretaries-in-Charge of Ministries/Divisions
5. Chief Secretaries of the Provinces, AJ&K and Gilgit-Baltistan
6. Principal Information Officer, Press Information Department, Islamabad


(SYED AYAZ ANWAR) 17.5.2022
Deputy Secretary
(Cabinet Committees)

Annexure 2-H:**Composition of Central Development Working Party (CDWP)**

**Government of Pakistan
Planning Commission
Ministry of Planning, Development and Special Initiatives
(Public Investment Authorization Section)**

No.20 (1) PIA-I/PC/2021

Islamabad the 15th December, 2021

Chairman,
Planning & Development Board
Government of the Punjab, Lahore
Additional Chief Secretary (Dev)
Planning & Development Department
Government of Khyber Pakhtunkhwa, Peshawar
Additional Chief Secretary (Dev)
Planning & Development Department
Government of AJK, Muzaffarabad

Chairman,
Planning & Development Board
Government of Sindh, Karachi
Additional Chief Secretary (Dev)
Planning & Development Department
Government of Balochistan, Quetta
Additional Chief Secretary (Dev)
Planning & Development Department
Government of Gilgit-Baltistan, Gilgit

Subject: **COMPOSITION OF CENTRAL DEVELOPMENT WORKING PARTY (CDWP)**


I am directed to refer to this Ministry's letter of even number dated 23rd January, 2015 and to say that the Deputy Chairman, Planning Commission has been pleased to approve revise composition of the CDWP as per following:

S.#	Designation	Status
1.	Deputy Chairman, Planning Commission	Chairman
2.	The Chairman, Planning & Development Board, Government of Punjab, Lahore	Member
3.	The Chairman, Planning & Development Board, Government of Sindh, Karachi	Member
4.	The Additional Chief Secretary (Dev.), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar	Member
5.	The Additional Chief Secretary (Dev.), Planning & Development Department, Government of Balochistan, Quetta	Member
6.	The Additional Chief Secretary (Dev.), Planning & Development Department, Government of AJK, Muzaffarabad	Member
7.	The Additional Chief Secretary (Development), Gilgit-Baltistan, Gilgit	Member
8.	Representative of Finance Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
9.	Representative of Economic Affairs Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
10.	Representative of Climate Change Division, Government of Pakistan, Islamabad (not below AS/Sr. JS)	Member
11.	Representative of Ministry of Housing & Works Government of Pakistan, Islamabad (not below the rank of AS/Sr. JS)	Member
12.	Chairman, Pakistan Council of Science & Technology, Islamabad	Member
13.	Chief Statistician, Pakistan Bureau of Statistics	Member
14.	Relevant Federal Ministry (Secretary/Incharge)	Member
Planning Commission / Ministry of Planning, Development & Special Initiatives		
1.	Secretary	Member
2.	Additional Secretary (Dev & SI)	Member

3.	Chief Economist	Member
4	All Members, Planning Commission	Member
5.	Vice Chancellor, PIDE	Member
6.	Joint Chief Economist (Economic Policy)	Member
7.	Joint Chief Economist (Operations)	Member
8.	Sr. Chief (Tech)/Chief (PP&H)	Member
9.	Chief, Public Investment Authorization (PIA)	Member
10.	Chief, Public Investment Programming (PIP)	Member
11.	Chief, Economic Appraisal Section	Member
	Chief, Employment & Research Section	Member
12.	Chief, Foreign Assistance Section	Member
13.	Chief, Governance Section	Member
14.	Chief, SDGs Section	Member
15.	Director General, PPMI	Member
16.	Director General, (Evaluation) Projects Wing	Member
17.	Director General, (Monitoring) Projects Wing	Member
18.	Chief of concerned Technical Section of MPD&SI	Member
By Special Invitation		
1	Representative of Pakistan Engineering Council (PEC)	Member
2	Director General, Board of Investment	Member
3	Chief Executive Officer, PPPA	Member
4	Director General, Environment Protection Agency	Member
5	Advisor, (Climate Change), MPD&SI	Member
6	Advisor, (Water), MPD&SI	Member

2. It may be noted that Ministries/Divisions/Executing Agencies should be represented at least by Additional Secretary (BS-21) or equivalent.

3. The earlier composition conveyed vide letter of even number dated 23rd January, 2015 may be treated as superseded.


 (Hafiz Shahid Abbas)
 Chief
 Tel: 9205755

Distribution

- i. All Federal Secretaries/Additional Secretaries (In-charge) Ministries/Divisions
- ii. All Members of the CDWP
- iii. Sr. Chief/Chiefs/Head of Technical Sections, MPD&SI, Islamabad

Copy for information to:

- i. Director to the Minister, PD&SI, Islamabad
- ii. SO to Deputy Chairman, Planning Commission
- iii. SPS to Secretary, MPD&SI, Islamabad
- iv. APS to JCE(Ops), MPD&SI, Islamabad
- v. All Officers of PIA Section MPD&SI, Islamabad

Annexure 2-HH:**Holding of pre-CDWP meetings in Planning Commission**

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING, DEVELOPMENT & REFORM
(Public Investment Authorization Section)

No.24(4)PIA-I/PC/2016

Islamabad, the 28th June, 2016

- | | | | |
|---|---|---|---|
| 1 | Chairman, Planning & Development Board, Government of the Punjab, <u>Lahore.</u> | 2 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Sindh, <u>Karachi.</u> |
| 3 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, <u>Peshawar.</u> | 4 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, <u>Quetta.</u> |
| 5 | Additional Chief Secretary (FATA), Civil Secretariat Warsak Road, <u>Peshawar.</u> | 6 | Additional Chief Secretary (Dev), Planning & Development Department, Government of A.J&K., <u>Muzaffarabad.</u> |
| 7 | Secretary, Planning & Development Department, Gilgit- Baltistan, <u>Gilgit</u> | | |

Subject: **HOLDING OF PRE-CDWP MEETING IN PLANNING COMMISSION**

It has been observed that in a number of cases representation by the sponsoring Ministries/Divisions does not commensurate with the requirement for taking a decision or making a commitment in the meeting. The issue was discussed in a meeting held under the Chairmanship of Secretary, Ministry of Planning, Development and Reform on 13th May, 2016 in which inter-alia it was decided that:

“The sponsoring Ministry/Division/Province will ensure adequate & effective level of representation in pre-CDWP meetings for prompt decision/compliance. Representation from the sponsors below Grade-20 Officer or equivalent may not be accepted.”

2. In view of the above it is requested that the decision quoted above may kindly be strictly followed and representation must be ensured equivalent to Grade-20 Officers of the Federal Government or above. In case of representation below the desirable level the quorum of the meeting would be taken as in-sufficient for holding the meeting.

3. This issues with the approval of the Chairman CDWP/Deputy Chairman, Planning Commission.

Sd/-
(Mushtaq Ahmad Raja)
Chief
Tel: 9205755

Copy to:

- 1) Secretaries/Additional Secretaries (Incharge) of all Ministries/Divisions
- 2) Chief Economist, All Members of Planning Commission
- 3) JCE, Macro & Opr.
- 4) Advisor (D)
- 5) All Chiefs/Deputy Chiefs (Incharge) of Technical & Economic Sections, of Ministry of Planning, Development and Reform for follow up and compliance.

Copy for information to:

- i) Director to Minister for PD&R
- ii) SPS to Secretary M/o PD&R
- iii) SPS to Additional Secretary, M/o PD&R

Annexure 2-J:

Procedure for approval of self-financed development schemes of autonomous organizations (commercial/non-commercial)

IMMEDIATE

GOVERNMENT OF PAKISTAN
PLANNING & DEVELOPMENT DIVISION
(Public Investment Authorization Section)

No.21(2-Gen)/PIA/PC/2004

Islamabad the, 18th December 2004

OFFICE MEMORANDUM

Subject: **PROCEDURE FOR APPROVAL OF SELF-FINANCING DEVELOPMENT SCHEMES OF AUTONOMOUS ORGANIZATIONS (COMMERCIAL/NON-COMMERCIAL)**

The undersigned is directed to say that the Executive Committee of the National Economic Council (ECNEC) considered the summary dated 5th November, 2004 submitted by the Planning & Development Division on "Procedure for Approval of Self-Financing Development Schemes of Autonomous Organizations (Commercial/Non-Commercial)" and approved the recommendations contained in paragraph 2 (two) thereof.

2. Para 2 of the above summary is reproduced below:-

The autonomous organizations whether commercial or non-commercial having board by whatever name called, should be competent to sanction their development schemes with 100% self-financing with no government guarantee and involving less than 25% foreign exchange/foreign assistance, subject to the following:-

- i) A Development Working Party should be constituted by each organization and notified to consider and approve their self-financed projects.
- ii) The Development Working Party should be headed by the Chairman/head of the Organization and, among others, should include representatives of the Planning & Development Division, the Finance Division, and the concerned Ministry/Division each not below the rank of Joint Secretary.
- iii) The quorum of the Development Working Party would be incomplete without the presence of either representative of the Finance Division and the Planning & Development Division. In case either of these Divisions does not agree to the project proposal or any aspect thereof, the case would be referred to the CDWP for consideration.
- iv) The decision of the Development Working Party will be subject to the endorsement of the board of the organization.

3. Ministries/Divisions are requested to take further necessary action to implement the above decision of ECNEC under intimation to this Division.

Sd/-
(Shahnawaz Hussain)
Chief
Tel: 051-9202701

All Secretaries/Additional Secretaries (Incharge), Federal Ministries/Divisions

Copy forwarded to:-

Heads of P&D Deptts. of all the Provinces, AJK and Northern Areas.

Sd/-
(Shahnawaz Hussain)
Chief
Tel: 051-9202701

Copy also forwarded to:-

1. All Members, Planning Commission.
2. Additional Secretary (Projects), P& D Division.
3. Sr. Chiefs/Chiefs/Head of Technical Section.

Annexure 2-M:

Clearance of Revenue Components of Development Projects by Finance Department



**Government of Khyber Pakhtunkhwa
Planning & Development Department
Civil Secretariat Peshawar
(Coordination Section)**

Dated: 5th January, 2021

CIRCULAR:

NO.CHIEF/COORD/P&D/PDWP/2020-21: The 14th PDWP meeting was held on 4th January, 2021. The Additional Chief Secretary P&D Department (chair) took serious notice of delay in obtaining revenue clearance of developmental projects with revenue component and directed that PC-I having revenue component shall not be submitted to the PDWP for consideration unless it's revenue clearance is formally obtained from Finance Department. Both sponsoring department and Finance department are requested to process, finalize, and issue required revenue clearance with proactive and timely interaction.

All concerned are therefore, requested to kindly ensure compliance with the above directions of the competent authority:

Chief Coordination

Copy for information and necessary action:

1. Senior Member Board of Revenue Government of Khyber Pakhtunkhwa.
2. All Administrative Secretaries Government of Khyber Pakhtunkhwa.
3. Registrar Peshawar High Court, Peshawar.
4. All Chief of Sections P&D department with the request to follow up the aforementioned instructions in letter & spirit.
5. PS to Additional Chief Secretary P&D Department.
6. PS to Secretary P&D Department.
7. PA to Chief Economist P&D Department.
8. PAs to Additional Secretary-I & II P&D Department.


Chief Coordination

Annexure 2-N:**Checklist for Approval of Schemes for Clearance of Civil Works from Infrastructure Section****CHECKLIST FOR APPROVAL OF SCHEME**

S.No.	Description	Details		
1.	Sector			
2.	ADP/Code #			
3.	Nomenclature of Project			
4.	Location			
5.	Status (New/Revised/Non-ADP)			
6.	GIS Coordinates recorded (Yes, No, NA)			
7.	Executing & Sponsoring Agencies			
8.	Cost of the Project as Per ADP	Local (Rs. in million)	Foreign (Rs. in million)	Total (Rs. in million)
9.	Break up of Cost of PC-I	Capital (Rs. in million)	Revenue (Rs. in million)	Total (Rs. in million)
10.	Allocation			
11.	Source of Funding : Whether Foreign funding committed in case of Foreign Aided Projects (Yes/No)			
12.	Whether supported by Infrastructure section (Yes, No, NA).			
13.	In case of Revised PC-I whether M&E has supported the revision (Yes, No, NA).			
14.	Revenue Clearance of Finance Department (Yes, No, NA).			
15.	Outcome of Pre-PDWP	# of Total Observations	# of Observations Cleared	# of Pending/ Uncleared observations
16.	Recommendation for PDWP			
17.	Final Approval Forum	PDWP/COWP/ECNEC		

Annexure 2-O:**Appraisal of schemes by Appraisal Wing of Directorate General M&E**

Annex-IX


GOVERNMENT OF KHYBER PAKHTUN KHWA
PLANNING AND DEVELOPMENT DEPARTMENT

No. MAS/P&D/DS/A/2020/113/ru 09 Dated: 04-03-2020

To,

1. The Director General (M&E), System, P&D Department
2. The Additional Director General (M&E), System, P&D Department
3. All the Chief of Section, P&D Department

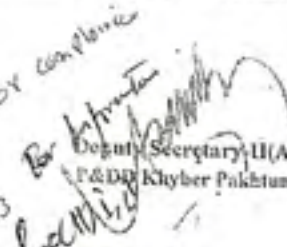
Subject: appraisal of unapproved PC-Is by appraisal wing of Directorate General M&E, P&D Department.

Memo,

I am directed to refer to the subject noted above and to inform that a dedicated appraisal wing has been created in the Directorate General, M&E P&D Department for independent appraisal and evaluation of unapproved/under revision PC-Is of selected schemes. In this respect, the competent authority has directed that the Chief of Section (s), P&DD, on receipt of unapproved /under revision scheme's PC-Is of their respective sectors Financed by Donor, PSDP, PSDP and ADP cost sharing (irrespective of cost) as well as ADP funded schemes (costing Rs.500.00 M and above) will be provided to Appraisal Wing of Directorate General, M&E P&D Department for appraisal and evaluation prior to holding pre-PDWP.

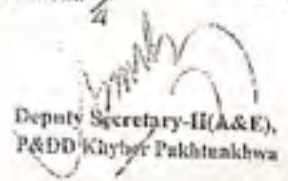
The appraisal wing will resubmit the PC-Is along with appraisal report and recommendation to the concerned section as early as possible but not later than seven days, otherwise the scheme will be considered as viable for processing and approval of the respective approval forum.

Compliance of the said policy instructions is requested to be followed accordingly please.


 Deputy Secretary-II(A&E),
 P&DD Khyber Pakhtunkhwa

Copy to:

1. PS to Additional Chief Secretary, P&D Department KP.
2. PS to All Administrative Secretaries, Government of Khyber Pakhtunkhwa
3. PS to Secretary P&D Department
4. Additional Secretaries/Chief Economist P&D Department.


 Deputy Secretary-II(A&E),
 P&DD Khyber Pakhtunkhwa

Annexure 2-P:

Processing/Approval of Provincial Nature of Projects for Financing From PSDP

Immediate
PST/2021/16

Government of Pakistan
Planning Commission
Ministry of Planning, Development and Special Initiatives
(Public Investment Authorization Section)

C/PSDP
24/8

Islamabad the 16th August, 2021

No.20 (1) PIA-I/PC/2021

1. Chairman, Planning & Development Board Government of the Punjab, <u>Lahore</u>	2. Chairman, Planning & Development Board Government of Sindh, <u>Karachi</u>
3. Additional Chief Secretary (Dev) Planning & Development Department Government of Khyber Pakhtunkhwa <u>Peshawar</u>	4. Additional Chief Secretary (Dev) Planning & Development Department Government of Balochistan, <u>Quetta</u>
5. Additional Chief Secretary (Dev) Planning & Development Department Government of AJK, <u>Muzaffarabad</u>	6. Secretary Planning & Development Department Government of Gilgit-Baltistan, <u>Gilgit</u>

Subject: **PROCESSING/APPROVAL OF PROVINCIAL NATURE OF PROJECTS FOR FINANCING FROM PSDP/**

I am directed to say that the Federal Government has been financing Provincial projects, which otherwise is the responsibility of Provincial Governments especially after 18th Amendment to the Constitution to supplement provincial resources. However, it has been observed that due to financial constraints and financing of mega project of national importance by the Federal Government, it may not be possible to continue to finance provincial projects unless costs also shared by the Provincial Governments.

2. On the recommendations of APCC held on May 28, 2021, the NEC in its meeting of June 7, 2021 has approved policy to finance Provincial projects which inter alia include:

The Federal / PSDP funding with cover only;

- Capital investment
- Projects located in deprived areas
- Original approved cost. Any subsequent change due to scope or any other reason in cost would be the responsibility of Provincial Government.

The Provincial Governments would be responsible to;

- to bear the cost of land acquisition, resettlement, provincial taxes and cost of PMU
- to take over the project on completion immediately
- in case of irrigation projects, Provincial Governments would simultaneously develop command area to fully benefit from the project.

G.O.P/12

24/8


For info as above
Puting with DFA 1/3
Amir 24/8

-2-

3. The projects which are selected for financing by the Federal Government adhering to the above policy would be approved by the competent forum by adopting the following approval procedure:

- 100
- 8
- dash/2
- A
- i) Projects identified by Provincial Governments for Federal financing are to be recommended by concerned PDWP for placing before CDWP/ECNEC for consideration as the case may be. The PC-Is of these projects would be signed by the respective Chairman/ACS, Planning & Development Boards / Departments
 - ii) For projects identified by Ministries / Divisions to be implemented / executed with the collaboration of Provincial Governments, the PC-Is are to be signed by PAO of the concerned Ministry and approved by relevant fora as per project cost
 - iii) The project PC-I must also be uploaded on i-PAS online by logging on to the web link www.ipas.pc.gov.pk

4. The aforementioned procedure and policy guidelines are to be followed in letter and spirit by all concerned. This may also be brought in to the notice of all attached Departments under administrative control of Ministry / Province.


(Hafiz Shahid Abbas)
Chief

All Federal Secretaries/Additional Secretaries (In-charge) of Ministries/Department

Cc:

- i. All Members, Planning Commission, Islamabad
- ii. Sr. Chief/Chiefs/Deputy Chief (In-charge), of Technical Sections MoPD&SI, Islamabad
- iii. SO to Deputy Chairman, Planning Commission, Islamabad
- iv. SPS to Secretary, MoPD&SI, Islamabad
- v. PS to Addl. Secretary-II, MoPD&SI, Islamabad
- vi. APS to JCE(Ops), MoPD&SI, Islamabad

Annexure 2-PA:

Processing of PC-Is Through Intelligent Project Automation System (i-PAS)

Most Immediate

GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
Ministry of Planning, Development and Special Initiatives
(Public Investment Authorization Section)

F.No. 35(7)/PIA-I/PC/2021

Islamabad, the 18th June, 2021

Subject: PROCESSING OF PC-IS THROUGH INTELLIGENT PROJECT AUTOMATION SYSTEM (IPAS)

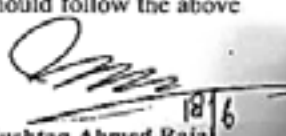
Please refer to the above subject.

2. As already informed vide this Ministry's O.M of even number dated 6th May, 2021. M/o Planning Development and Special Initiatives with the support of PITB has developed Intelligent Project Automation System (iPAS) for PC-I processing. With effect from 1st July, 2021, no hard copy of PC-I will be received. For this, M/o PD&SI has already arranged two days' trainings for focal persons of all Ministries/Division and Provincial P&D Departments.

3. Keeping in view of the above, following time lines have been checked out for new projects:

S#	Event / Activity	Timeliness
i.	Discussion / conceptualization on likely new development intervention / initiatives duly supported by feasibility studies	1 st Quarter, 2020-21
ii.	Based on 1st quarter clearance outcome, the concerned agencies will submit PC-Is through online for consideration / approval from the relevant development forum	2 nd Quarter, 2020-21
iii.	PC-Is shall be considered at DDWP, CDWP, ECNEC and other development fora of Provincial / Special Areas	3 rd Quarter, 2020-21
iv.	Formulation of PSDP 2021-22 by including all approved PC-Is. Meetings of Priority Committees, APCC, NEC shall also be held in 4th quarter. Priority of PSDP 2021-22 will be finalized accordingly.	4 th Quarter, 2020-21

4. It is also highlighted that after 31st March, 2022, M/o PD&SI / Planning Commission will not accept any fresh/revised PC-I for inclusion in PSDP of Next Financial Year. It is therefore requested that Ministries/Division should follow the above time lines in letter and spirit.


(Mushtaq Ahmed Raja)
JCE (Ops)

All Federal Secretaries / PAOs of Sponsoring Ministries / Divisions

CC:

- All Members of Planning Commission
- SA to Federal Minister for PD&SI
- SO to Deputy Chairman, Planning Commission
- Sr. Chiefs / Chiefs/ Heads of Economic / Technical Sections of M/o PD&SI
- SPS to Secretary, M/o PD&SI, Islamabad.

Annexure 2-Q:

PC-I Form | Production Sector

Revised 2005

PC-1 FORM

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROFORMA FOR DEVELOPMENT PROJECTS

(PRODUCTION SECTORS)

- **Agriculture Production**
- **Agriculture Extension**
- **Industries, Commerce and Minerals**

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PC-1 FORM

(PRODUCTION SECTORS)

1. Name of the project
2. Location
3. Authorities responsible for:
 - i. Sponsoring
 - ii. Execution
 - iii. Operation and maintenance
 - iv. Concerned federal ministry
4. Plan provision
5. Project objectives and its relationship with sector objectives
6. Description, justification, technical parameters and technology transfer aspects (enclose feasibility study for projects costing Rs 500 million and above)
7. Capital cost estimates
8. Annual operating and maintenance cost after completion of the Project
9. Demand and supply analysis
10. Financial plan and mode of financing
11. Project benefits and analysis
 - i. Financial
 - ii. Economic
 - iii. Social benefits with indicators
 - iv. Employment generation (direct and indirect)
 - v. Environmental impact
 - vi. Impact of delays on project cost and viability
12.
 - a) Implementation schedule
 - b) Result Based Monitoring (RBM) Indicators.

13. Management structure and manpower requirements including specialized skills during construction and operational phases
14. Additional projects/decisions required to maximize socio-economic benefits from the proposed project
15. Certified that the project proposal has been prepared on the basis of Instructions provided by the Planning Commission for the preparation of PC-I for production sector projects

Prepared by _____

Name, Designation & Phone #

Checked by _____

Name, Designation & Phone #

Approved by _____

Name, Designation & Phone #

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

Instructions to Fill-in PC-I Proforma (Production Sector)

1. Name of the Project

Indicate name of the project.

2. Location

- Provide name of district and province.
- Attach a map of the area, clearly indicating the projects location.

3. Authorities responsible for

- Indicate name of the agency responsible for sponsoring, execution, operation and maintenance
- In case of more than one agency, give their component-wise responsibility. For provincial projects, name of the concerned federal ministry be provided.

4. (a) Plan provision

- If the project is included in the medium term/five year plan, specify actual allocation.
- If not included in the current Plan, what warrants its inclusion and how is it now proposed to be accommodated.
- If the project is proposed to be financed out of block provision, indicate:

Total block provision	Amount already committed	Amount proposed for this project	Balance available

(b) Provision in the current year PSDP/ADP.

5. Project objectives

- The objectives of the sector/sub sector as indicated in the medium term/five year plan be reproduced. Indicate objectives of the project and a linkage between the proposed project and the sectoral objectives.
- In case of revised project, indicate objectives of the project if different from original PC-I.

6. Description and Justification of Project

- Describe the project and indicate existing facilities in the area and justify the establishment of the project.
- Provide technical parameters i.e. input and output of the project in quantitative terms. Also discuss the technology aspect of the project.
- Provide details of civil works, equipment, machinery and other physical facilities required for the project.
- Indicate governance issues of the sector relevant to the project and strategy to resolve them.

In addition to above the following sector specific information be provided.

Agriculture Production

- For fisheries projects: Give area for fishing and the legal rights to that area; the availability of trawlers; amount and type of fish likely to be available.
- For forestry projects: Indicate nature and state of existing forests their growth rate and any problems connected therewith. Give details of species; rotation and anticipated rotation and volume yield. Indicate availability of complementary services, e.g., access roads, saw mills etc.
- For livestock projects: Give the livestock situation of the country and mention any problems connected therewith. Present and future herd size, their species age characteristics and production capacity.
- For agriculture production projects: Give present and future crop yield, cropping intensity; land use pattern technological intervention and the basis for calculation of the future output.
- For all agriculture production sector projects, provide (i) transport, equipment & field machinery available with the department (ii) effect on farm income and basis for pricing of outputs (iii) farm gate and international prices.

Agriculture extension

- Provide history of extension work in and around project area and justify the extension work.
- Provide transport, equipment and field machinery etc available with the department.

Industry, Commerce and Minerals

- Provide installed capacity, proposed expansion and available technologies, the selected technology and reason for its selection.
- Whether the output is meant for (i) import substitution (ii) meeting domestic demand or (iii) export oriented.
- In case of exports, give likely markets and their size, competitive prices and cost of production to justify the project.
- Provide all information under with and without project conditions in case of BMR & expansion projects.

7. Description and Justification of Project

- Indicate date of estimation of project cost estimates.
- Basis of determining the capital cost be provided. It includes market survey, schedule rates, estimation on the basis of previous work done etc.

- Provide year-wise estimation of physical activities as per following:

Year wise/component wise physical activities

Quantities

Items	Unit	Year I	Year II	Year III
A				
B				
C				

- Phasing of capital cost be worked out on the basis of each item of work as stated above and provide as per following:

Year-wise/Component-wise financial phasing

(Million Rs.)

Items	Year-I			Year-II			Year-III			Total		
	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC
A												
B												
C												
Total												

- In case of revised projects, provide
- Project approved history along with PSDP allocations, releases and expenditure.
- Item-wise, year-wise actual expenditure and Physical progress.
- Justification for revision of PC-I and variation in scope of project if applicable.
- Item-wise comparison of revised cost with the approved cost and give reasons for variation.
- Exchange rate used to work out FEC in the original and revised PC-I's.

8. Annual Operating Cost

- Item-wise annual operating cost based on proposed capacity utilization for 5 years.

9. Demand and supply analysis (for Industrial and Agricultural Production Projects)

- Description of product/services.

- Demand/Supply along with unit price for the last five years
- Imports/Exports for the last five years along with unit price (if applicable)
- Projected demand/supply for 10 years.
- Proposed year-wise production and unit price of the product.
- Existing and proposed arrangements for marketing.

10. **Financial Plan**

Sources of financing

(a) Equity:

Indicate the amount of equity to be financed from each source

- Sponsors own resources
- Federal government
- Provincial government
- DFI's/banks
- General public
- Foreign Equity (indicate partner agency)
- NGO's/Beneficiaries
- Others

(b) Debt

Indicate the local & foreign debt, interest rate, grace period and repayment period for each loan separately. The loan repayment schedule be also annexed.

(c) Grants along with source

(d) Weighted cost of capital

11. **Benefits of the project and analysis**

- Financial: Income to the project along with assumptions
- Economic: Benefit to the economy along with assumptions
- Social: Benefits with indicators
- Environmental: Environmental impact assessment negative/positive

Financial/Economic Analysis (with assumptions)

Financial analysis

- Quantifiable output of the project
- Profit and loss account and cash flow statement
- Net present value (NPV) and benefit cost ratio (BCR)
- Internal financial rate of return (IFRR)
- Unit cost analysis
- Break even Point (BEP)
- Payback period
- Return on equity (ROE)

Economic analysis

- Provide taxes & duties separately in the capital and operating cost

- Net present value (NPV) and benefit cost ratio (BCR)
- Internal economic rate of return (IERR)
- Foreign exchange rate of the project (Bruno's Ratio) for import substitute and export oriented projects

Employment analysis

- Employment generation (direct and indirect)

Sensitivity analysis

- Impact of delays on project cost and viability

12. a) Implementation Schedule

- Indicate starting and completion date of the project
- Item-wise/year-wise implementation schedule in line chart co-related with the phasing of physical activities.

b) Result Based Monitoring (RBM) Indicators

- Indicate Result Based Monitoring (RBM) framework indicators in quantifiable terms in the following table.

S.No	Input	Output	Outcome		Targeted Impact
			Baseline Indicator	Targets after Completion of Project	
1					
2					
3					
4					
5					
.					
.					
.					
.					
.					

13. Management structure and manpower requirements

- Administrative arrangements for implementation of project
- The manpower requirements by skills/profession during execution and operation of the Project.
- The job description, qualification, experience, age and salary of each job may be provided.

14. Additional projects/decisions required

- Indicate additional projects/decisions required to optimize the investment being undertaken on the project

15. Certificate

- The name, designation and phone # of the officer responsible for preparing and checking be provided. It may also be confirmed that PC-I has been prepared as per instructions issued by the Planning Commission for the preparation of PC-I for Production Sector projects.
- The PC-I along with certificate must be signed by the Principal Accounting Officer to ensure its ownership.

Annexure 2-R:

PC-I Form | Infrastructure Sector

Revised 2005

PC-1 FORM

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROFORMA FOR DEVELOPMENT PROJECTS

(INFRASTRUCTURE SECTORS)

- **Transport & Communication**
- **Telecommunication**
- **Information Technology**
- **Energy (Fuel & Power)**
- **Housing, Government Buildings & Town Planning**
- **Irrigation, Drainage & Flood Control**

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PC-1 FORM

(INFRASTRUCTURE SECTORS)

1. Name of the project
2. Location
3. Authorities responsible for:
 - v. Sponsoring
 - vi. Execution
 - vii. Operation and maintenance
 - viii. Concerned federal ministry
4. Plan provision
5. Project objectives and its relationship with sector objectives
6. Description, justification, technical parameters and technology transfer aspects (enclose feasibility study for projects costing Rs 500 million and above)
7. Capital cost estimates
8. Annual operating and maintenance cost after completion of the Project
9. Demand and supply analysis
10. Financial plan and mode of financing
11. Project benefits and analysis
 - vii. Financial
 - viii. Economic
 - ix. Social benefits with indicators
 - x. Employment generation (direct and indirect)
 - xi.
 - a) Environmental impact Assessment
 - b) Clean Development Mechanism (CDM) Assessment
 - xii. Impact of delays on project cost and viability
12.
 - a) Implementation schedule
 - b) Result Based Monitoring (RBM) Indicators.

Manual For Development Projects Khyber Pakhtunkhwa 2022

13. Management structure and manpower requirements including specialized skills during construction and operational phases
14. Additional projects/decisions required to maximize socio-economic benefits from the proposed project
15. Certified that the project proposal has been prepared on the basis of Instructions provided by the Planning Commission for the preparation of PC-I for Infrastructure sector projects

Prepared by _____

Name, Designation & Phone #

Checked by _____

Name, Designation & Phone #

Approved by _____

Name, Designation & Phone #

Revised 2005**GOVERNMENT OF PAKISTAN****PLANNING COMMISSION****Instructions to Fill-in PC-I Proforma (Infrastructure Sector)****1. Name of the Project**

Indicate name of the project.

2. Location

- Provide name of district / province.
- Attach a map of the area, clearly indicating the projects location.

3. Authorities responsible for

Indicate name of the agency responsible for sponsoring, execution, operation and maintenance. For provincial projects, name of the concerned federal ministry be provided.

4. (a) Plan provision

- If the project is included in the medium term/five year plan, specify actual allocation.
- If not included in the current Plan, what warrants its inclusion and how is it now proposed to be accommodated.
- If the project is proposed to be financed out of block provision, indicate:

Total block provision	Amount already committed	Amount proposed for this project	Balance available

(b) Provision in the current year PSDP/ADP.**5. Project objectives**

- The objectives of the sector/sub sector as indicated in the medium term/five year plan be reproduced. Indicate objectives of the project and a linkage between the proposed project and the sectoral objectives.
- In case of revised project, indicate objectives of the project if different from original PC-I.

6. Description and Justification of Project (enclose feasibility study for projects costing Rs.500 million & above.)

- Describe the project and indicate existing facilities in the area and justify the establishment of the project.

- Provide technical parameters i.e. input and output of the project in quantitative terms. Also discuss the technology aspect of the project.
- Provide details of civil works, equipment, machinery and other physical facilities required for the project.
- Indicate governance issues of the sector relevant to the project and strategy to resolve them.

In addition to above the following sector specific information be provided.

Transport & Communication

- Provide technical parameters i.e. selected design features and capacity of the proposed facilities along with alternates available.
- For roads, provide information regarding land width, geometric and pavement design including formation width, pavement width.
- Land classification for bridges and culverts.
- Thickness/width of road way on bridges and culverts.
- Design speed, traffic capacity of road in terms of passenger car units per day.
- Saving in distance for diverted traffic. Average daily traffic of motor vehicles by category as well as the car units be provided.
- In case of improvement within the urban areas, separate traffic counts within that area should be given. Brief information regarding traffic and pavement width etc. in adjoining sections should also be given.
- For bridges provide location, total length of bridge, number of spans with length of each span, width roadway and footpath, type of sub and superstructure and load classification.

Telecommunication

- Mention alternate means of providing the same facilities (for example microwaves verses optic fiber cable, underground cable versus overhead cable etc.) and the cost of each of the alternatives means.

Information Technology

- Provide Hardware specification
- Attach Networking/LAN diagram
- Software requirements
- Availability of services (DSL, Dial-ups, wireless)

Energy (Fuel & Power)

Fuel

- Detailed description of major equipments, items and structure.
- Provide basis of design of the project.
- Indicate alternate technology along with the selected one with justification.
- For exploration projects give details of previously work undertaken.

Power

- Give detailed description of major equipment and structure.
- **For Hydroelectric projects:** Give information regarding geological investigations, flow duration curve, water storage, estimated monthly kilowatt hours generation under minimum and average flow conditions and the flow conditions assumed in the project and operational regime i.e. base load or peak load plant. Rainfall record, stream flow calculation, hydrograph and other available water data along with siltation problems be provided.
- **For thermal projects:** Give information on sources and availability of cooling water and fuel, calorific value, heat rate price (with custom duties and taxes shown separately) and disposal of ash and effluents.
- Give a comprehensive, comparison of available technology and rationale/criteria for selection of specified technology.
- Provide analysis of adopted technology with respect to existing system.
- Indicate whether maintenance facilities are available. If not, provide details/plans for maintenance facilities.
- **For transmission and distribution system:** Basis of design voltage drop allowance system stability, reliability, operating voltage, policy regarding reserves, design and material to be used for supporting structure, average span length and conductor size, type of spacing.
- Load flow studies for the year in which plant is proposed to be commissioned and five years thereafter.
- **For sub-stations and switching stations:** Give location and purpose of each station KVA voltage, type and structure, number of circuits, type of transformers and major circuit breakers.
- Load conditions of the existing facilities, in case of extension facilities.
- In case of new projects, loading conditions of sub stations be provided.

Housing, government buildings & town planning

- Provide alternate designs and proposed design features of the project, keeping in view the income levels, family size of the population to be served along with weather conditions etc.
- Mention the nature and size of land available and indicate whether the design ensures the most economical use of space.
- Indicate whether the project is in consonance with the master plan of the city.
- Town Planning and covered area parameters/space standards applied in determining land and flood area requirements.
- Specifications of the civil works.

Irrigation, drainage and flood control

- Provide project areas characteristics in terms of population, climate, geology, soil, irrigation, ground water, drainage and agriculture (crops, yields etc.)
- For multipurpose projects, provide basis of allocation of costs between different purposes.

- Engineering projects be supported by technical background data and each distinct segment of the project be described separately.

7. **Description and Justification of Project**

- Indicate date of estimation of project cost estimates.
- Basis of determining the capital cost be provided. It includes market survey, schedule rates, estimation on the basis of previous work done etc.
- Provide year-wise estimation of physical activities as per following:
-

Year wise/component wise physical activities

Quantities

Items	Unit	Year I	Year II	Year III
A				
B				
C				

- Phasing of capital cost be worked out on the basis of each item of work as stated above and provide as per following:

Year-wise/Component-wise financial phasing

(Million Rs.)

Items	Year-I			Year-II			Year-III			Total		
	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC
A												
B												
C												
Total												

In case of revised projects, provide

- History of project approval, year-wise PSDP allocation, releases and expenditure.
- Item-wise, year-wise actual expenditure and Physical progress.
- Justification for revision of PC-I and variation in scope of project if applicable.

- Item-wise comparison of revised cost with the approved cost and give reasons for variation.
- Exchange rate used to work out FEC in the original and revised PC-I's.

8. **Annual Operating Cost**

- Item-wise annual operating cost based on proposed capacity utilization be worked out for 5 years and sources of its financing.

9. **Demand and supply analysis**

- Existing capacity of services and its supply/demand
- Projected demand for 10 years.
- Capacity of the projects being implemented in public/private sector.
- Supply – demand gap.
- Designed capacity and output of the proposed project.

10. **Financial Plan**

Sources of financing

(a) Equity:

Indicate the amount of equity to be financed from each source

- Sponsors own resources
- Federal government
- Provincial government
- DFI's/banks
- General public
- Foreign Equity
- NGO's/Beneficiaries
- Others

(b) Debt

Indicate the local & foreign debt, interest rate, grace period and repayment period for each loan separately. The loan repayment schedule be also annexed.

(c) Grants along with source

(d) Weighted cost of capital

11. **Benefits of the project and analysis**

- Financial: Income to the project along with assumptions
- Economic: Benefit to the economy along with assumptions
- Social: Benefits with indicators
- Environmental: Environmental impact assessment negative/positive

Financial/Economic Analysis (with assumptions)

Financial analysis

- Quantifiable output of the project
- Profit and loss account and cash flow statement
- Net present value (NPV) and benefit cost ratio (BCR)
- Internal financial rate of return (IFRR)
- Unit cost analysis

- Break even Point (BEP)
- Payback period
- Return on equity (ROE)

Economic analysis

- Provide taxes & duties separately in the capital and operating cost
- Net present value (NPV) and benefit cost ratio (BCR)
- Internal economic rate of return (IERR)

Employment analysis

- Employment generation (direct and indirect)

Sensitivity analysis

- Impact of delays on project cost and viability

12. a) Implementation Schedule

- Indicate starting and completion date of the project
- Item-wise/year-wise implementation schedule in line chart co-related with the phasing of physical activities.

b) Result Based Monitoring (RBM) Indicators

- Indicate Result Based Monitoring (RBM) framework indicators in quantifiable terms in the following table.

S.No	Input	Output	Outcome		Targeted Impact
			Baseline Indicator	Targets after Completion of Project	
1					
2					
3					
4					
5					
.					
.					
.					

13. Management structure and manpower requirements

- Administrative arrangements for implementation of project
- The manpower requirements by skills during execution and operation of the Project be provided.
- The job description, qualification, experience, age and salary of each job may be provided.

14. Additional projects/decisions required

- Indicate additional projects/decisions required to optimize the investment being undertaken on the project

15. Certificate

- The name, designation and Phone # of the officer responsible for preparing and checking be provided. It may also be confirmed that PC-I has been prepared as per guidelines issued by the Planning Commission for the preparation of PC-I for Infrastructure Sector projects.
- The PC-I along with certificate must be signed by the Principal Accounting Officer to ensure its ownership.

Annexure 2-S:

PC-I Form | Social Sector

Revised 2005

PC-1 FORM

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROFORMA FOR DEVELOPMENT PROJECTS

(SOCIAL SECTORS)

- **Education, Training and Manpower**
- **Health, Nutrition, Family Planning & Social Welfare**
- **Science & Technology**
- **Water Supply & Sewerage**
- **Culture, Sports, Tourism & Youth**
- **Mass Media**
- **Governance**
- **Research**

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PC-1 FORM

(SOCIAL SECTORS)

1. Name of the project
2. Location
3. Authorities responsible for:
 - ix. Sponsoring
 - x. Execution
 - xi. Operation and maintenance
 - xii. Concerned federal ministry
4. Plan provision
5. Project objectives and its relationship with sector objectives
6. Description, justification, technical parameters and technology transfer aspects (enclose feasibility study for projects costing Rs 500 million and above)
7. Capital cost estimates
8. Annual operating and maintenance cost after completion of the Project
9. Demand and supply analysis
10. Financial plan and mode of financing
11. Project benefits and analysis
 - i. Financial
 - ii. Social benefits with indicators
 - iii. Employment generation (direct and indirect)
 - iv. Environmental impact
 - v. Impact of delays on project cost and viability

12. a) Implementation schedule
 b) Result Based Monitoring (RBM) Indicators.
13. Management structure and manpower requirements including specialized skills during construction and operational phases
14. Additional projects/decisions required to maximize socio-economic benefits from the proposed project
15. Certified that the project proposal has been prepared on the basis of Instructions provided by the Planning Commission for the preparation of PC-I for Social Sector projects

Prepared by _____

Name, Designation & Phone #

Checked by _____

Name, Designation & Phone #

Approved by _____

Name, Designation & Phone #

Revised 2005**GOVERNMENT OF PAKISTAN****PLANNING COMMISSION****Instructions to Fill-in PC-I Proforma (Social Sector)****1. Name of the Project**

Indicate name of the project.

2. Location

- Provide name of district / province.
- Attach a map of the area, clearly indicating the projects location.

3. Authorities responsible for

Indicate name of the agency responsible for sponsoring, execution, operation and maintenance. For provincial projects, name of the concerned federal ministry be provided.

4. (a) Plan provision

- If the project is included in the medium term/five year plan, specify actual allocation.
- If not included in the current Plan, what warrants its inclusion and how is it now proposed to be accommodated.
- If the project is proposed to be financed out of block provision, indicate:

Total block provision	Amount already committed	Amount proposed for this project	Balance available

(b) Provision in the current year PSDP/ADP.**5. Project objectives**

- The objectives of the sector/sub sector as indicated in the medium term/five year plan be reproduced. Indicate objectives of the project and a linkage between the proposed project and the sectoral objectives.
- In case of revised project, indicate objectives of the project if different from original PC-I.

6. Description and Justification of Project

- Describe the project and indicate existing facilities in the area and justify the establishment of the project.
- Provide technical parameters and discuss technology aspect of the Project.

- Provide details of civil works, equipment, machinery and other physical facilities required for the project.
- Indicate governance issues of the sector relevant to the project and strategy to resolve them.
-

In addition to above the following sector specific information be provided.

Education, training and manpower

- Give student-teacher ratio for the project and the national average for the proposed level of education.
- Year-wise proposed enrolment of the institution for 5 years.
- For scholarship projects, indicate number of scholarships to be awarded each year alongwith selection criteria.
- Provide faculty strength in relevant discipline, in case of expansion of facilities.
- Indicate the extent of library and laboratory facilities available in case of secondary, college and university education.
- Provide details of technical staff required for operation & maintenance of laboratories.

Health, nutrition, family planning and social welfare

a. Health projects

- Indicate whether the proposed facilities are preventive or curative.
- Bifurcate the facilities between indoor, out door and department-wise.

b. Nutrition

- Indicate the infrastructure and mechanism required for the project.
- Measures taken for involvement and participation of the community.
- Net improvement in the nutritional status of target groups in quantitative terms.

c. Family planning

- Provide information relating to motivation and distribution sub-system.
- Give benchmark data and targets relating to number of couples to be approached and number of contraceptives and other devices to be distributed.
- Mode/mechanism of advocacy and awareness

Water supply & sewerage

- Present and projected population and water availability/ demand.
- Indicate source and water availability (mgd) during next 5,10,20 years.
- For waste water/sewerage, provide present and future disposal requirements, gaps if any and proposed treatment methods and capacity.
- Indicate present and proposed per capita water supply in the project area, comparison be made with water supply in similar localities.
- Indicate whether the proposed project is a part of the master plan. If so, provide details.

Culture, sports, tourism & youth

- Existing and projected flow of tourists in the country/project area.
- Capacity of existing departments to maintain archaeological sites/museums.
- Relationship of archaeological projects with internal and foreign tourism.

Mass media

- Indicate area and population to be covered with proposed project.

Research

- Indicate benefits of the research to the economy.
- Mention number of studies/papers to be produced.
- Indicate whether these studies would result in commercial application of the process developed (if applicable).

7. Capital Cost estimates

- Indicate date of estimation of Project cost.
- Basis of determining the capital cost be provided. It includes market survey, schedule rates, estimation on the basis of previous work done etc.
- Provide year-wise estimates of Physical activities by main components as per following

Component-wise, Year wise physical activities**Quantities**

Items	Unit	Year I	Year II	Year III
A				
B				
C				

- Phasing of capital cost be worked out on the basis of each item of work as stated above and provide as per following:

Year-wise/Component-wise financial phasing**(Million Rs.)**

Items	Year-I	Year-II	Year-III	Total

	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC
A												
B												
C												
Total												

In case of revised projects, provide

- Projects approval history, year wise PSDP allocations, releases and expenditure.
- Item-wise, year-wise actual expenditure and Physical progress.
- Justification for revision of PC-I and variation in scope of the project if applicable.
- Item-wise comparison of revised cost with the approved cost and give reasons for variation.
- Indicate exchange rate used to work out FEC in the original and revised PC-I.

8. Annual Operating Cost

- Item-wise annual operating cost for 5 years and sources of financing.

9. Demand and supply analysis (excluding science & technology, research, governance & culture, sports & tourism sectors)

- Existing capacity of services and its supply
- Projected demand for ten years
- Capacity of projects being implemented both in the public & private sector
- Supply – demand gap
- Designed capacity & output of the proposed project

10. Financial Plan**Sources of financing****a. Equity:****Indicate the amount of equity to be financed from each source**

- Sponsors own resources
- Federal government
- Provincial government
- DFI's/banks
- General public
- Foreign Equity (indicate partner agency)
- NGO's/Beneficiaries
- Others

b. Debt

Indicate the local & foreign debt, interest rate, grace period and repayment period for each loan separately. The loan repayment schedule be also annexed.

c. Grants along with source**d. Weighted cost of capital**

11. (a) Benefits of the project and analysis

- Financial: Income to the project along with assumptions
- Social: Benefits with indicators
- Environmental: Environmental impact assessment negative/positive

(b) Project Analysis

- Quantifiable output of the project
- Unit cost analysis
- Employment generation (direct and indirect)
- Impact of delays on project cost and viability

12. a) Implementation Schedule

- Indicate starting and completion date of the project
- Item-wise/year-wise implementation schedule in line chart co-related with the phasing of physical activities.

b) Result Based Monitoring (RBM) Indicators

- Indicate Result Based Monitoring (RBM) framework indicators in quantifiable terms in the following table.

S.No	Input	Output	Outcome		Targeted Impact
			Baseline Indicator	Targets after Completion of Project	
1					
2					
3					
4					
5					
.					

13. Management structure and manpower requirements

- Administrative arrangements for implementation of project
- Manpower requirements during execution and operation of the project be provided by skills/profession.

- Job description, qualification, experience, age and salary of each job be provided.

14. Additional projects/decisions required

- Indicate additional projects/decisions required to optimize the investment being undertaken on the project

15. Certificate

- The name, designation and phone # of the officer responsible for, preparing and checking be provided. It may also be confirmed that PC-I has been prepared as per instructions for the preparation of PC-I for social sector projects.
- The PC-I along with certificate must be signed by the Principal Accounting Officer to ensure its ownership.

Annexure 2-T:

PC-II Form| Survey and Feasibility Studies

Revised 2005

PC-II FORM

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROFORMA FOR DEVELOPMENT PROJECTS

(SURVEY AND FEASIBILITY STUDIES)

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PC-II FORM

PROFORMA FOR DEVELOPMENT PROJECTS

(SURVEY AND FEASIBILITY STUDIES)

1. Name by which survey/ feasibility will be identified
2. Administrative authorities responsible for
 - i) Sponsoring
 - ii) Execution
3. Details of survey/feasibility study
 - i) General description and justification
 - ii) Implementation period
 - iii) Year wise estimated cost
 - iv) Manpower requirements
 - v) Financial plan
4. Expected outcome of the survey feasibility study and details of projects likely to be submitted after the survey.

Prepared by _____

Name, Designation & Phone #

Checked by _____

Name, Designation & Phone #

Approved by _____

Name, Designation & Phone #

Revised 2005

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

Instructions to fill in PC-II Proforma

1. Name of the Project

Please indicate the name by which survey/feasibility study will be undertaken.

2. Administrative authority

Indicate name of the agency responsible for sponsoring and execution of the project.

3. Details of survey/feasibility study

- Provide a general description of the aims, objectives and coverage of the survey/feasibility Study.
- Provide justification for undertaking the survey/feasibility Study. Indicate whether previous studies in the field have been undertaken. If so, provide details.
- Indicate duration of study and proposed months of commencement and completion of the study.
- Provide item-wise/year-wise capital cost estimate of the study broken down between local and foreign exchange.
- Indicate date on which cost estimates were prepared and the basis of these estimates.
- Sources of financing the capital cost be provided
- Indicate requirements separately for local and foreign personnel i.e. professional, technical, administrative, clerical, skilled, unskilled, others along with their terms of reference.
- Indicate the period of contract of both the local and foreign consultants along with qualifications, experience and the terms of their appointment.

4. Expected outcome

Indicate the expected outcome of the survey/feasibility study in quantifiable terms. It may also be indicated whether any project will be prepared after the survey.

Annexure 2-U:

PC-III (A) Form for Physical Targets based on PSDP Allocations

Revised 2005

PC-III FORM

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROFORMA FOR DEVELOPMENT PROJECTS

(ANNUAL TARGETS AND PROGRESS REPORTING)

PC-III (a) Form**(Revised – 2005)****Government of Pakistan****Planning Commission****Implementation of Development Projects****(Physical Targets based on PSDP allocation)****To be furnished by 1st July of each year****1. Name of the Project:**

--

(Million Rs)

2. Approved Capital Cost:

--

(Million Rs)

3. Expenditure up to the end of last Financial**Year:**

Actual	Accrued	Total

(Million Rs)

4. PSDP allocations for the Current year:

Total	Local	FEC

5. Annual Work Plan:

As per PC-I			Achievements upto	Target for current
Item	Unit	Quantities	the end of last year	year

6. Quarterly work plan based on annual work plan:

Item	Unit	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter

7. Cash Plan:

(Million Rs)

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter

8. Output indicators:

To be determined by project director on the basis of indicators given in the PC-I.

(Revised 2005)

Government of Pakistan

Planning Commission

Instructions to fill-in PC-III (a) Proforma

1. Name of the Project:

Indicate name of the project.

2. Approved capital cost:

Provide approved capital cost by the competent forum.

3. Expenditure upto the end of last financial year:

Provide the actual and accrued expenditure upto end of last financial year.

4. PSDP allocations for the current year:

Provide allocations for the project as shown in the PSDP/ADP.

5. Annual Work Plan:

- Provide scope of work as indicated in the PC-I by major items of work.
- Actual physical achievements upto the end of last financial year against the scope of work indicated in PC-I.
- Physical targets for the year be determined on the basis of activity chart/work plan to be prepared each year on the basis of PSDP allocations. (Blank activity chart/work plan for major items of works enclosed).

6. Quarterly Work Plan:

The quarterly work plan be prepared on the basis of annual work plan.

7. Cash Plan:

Indicate the finances required to achieve the quarterly work plan targets as indicated at 6 above.

8. Output indicators:

A number of projects start yielding results during its implementation. In such projects the recurring cost is capitalized and the project start yielding results during its implementation. Indicate quantifiable outcome of the projects for the current year.

The Proforma alongwith activity chart/work plan has to be furnished by 1st July of each financial year.

Annexure 2-UA:

PC-III(B) Monthly Progress Reporting

PC-III (B) Form

(Revised - 2005)

Government of Pakistan

Planning Commission

Implementation of Development Projects

(To be furnished by 5th day of each month)

1. Name of the Project

2. Financial Status

i) PSDP allocations for the current year

ii) Current quarter requirements as per cash plan

iii) Releases during the month

iv) Expenditure during the month

3. Physical Status

Physical achievements during the month under report

S.No	Items	Unit	Quantities

4. Output Indicators

Manual For Development Projects Khyber Pakhtunkhwa 2022

5. Problem/Bottlenecks in Projects Implementation
- | | |
|---|--|
| <input type="checkbox"/> Ban on Recruitment | <input type="checkbox"/> Law & Order Situation |
| <input type="checkbox"/> Delay in Consultants Appointments | <input type="checkbox"/> Management Capacity |
| <input type="checkbox"/> Lack of coordination between Fed/Prov Govts. | <input type="checkbox"/> Non-Existence of PMUs |
| <input type="checkbox"/> Land Acquisition | <input type="checkbox"/> Intra-Departmental Problems |
| <input type="checkbox"/> Turn over PD/Staff | <input type="checkbox"/> Procurement problems |
| <input type="checkbox"/> Concept & Design Problems | <input type="checkbox"/> Contractor's Problem |
| <input type="checkbox"/> Delay in Release of Fund | <input type="checkbox"/> Others |

Annexure 2-V:
PC-IV Form | Project Completion Report

PCR – 01

(Revised-2010)

PC - IV

PROJECT COMPLETION REPORT

(PROFORMA FOR DEVELOPMENT PROJECTS)

PLANNING COMMISSION
GOVERNMENT OF PAKISTAN

PCR – 01

(Revised-2010)

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

PROJECT COMPLETION REPORT

(PC – IV PROFORMA)

To be furnished immediately after completion of the project regardless the project accounts have been closed or not.							
1.	Name of the Project/Program/Study						
	Location						
2.	Sector						
	Sub-Sector						
3.	Sponsoring Ministry/Agency						
4.	Executing Agency (s)						
5.	Agency for Operation & Maintenance after Completion						
6.	Date of Approval & Approving Forum (DDWP/CDWP/ECNEC/PDWP/Other)						
	• Original						
	• Revised						
7.	a) Implementation Period			Date of Commencement	Date of Completion		
	• As per PC-I						
	• Actual						
	b) Extension(s) in the Implementation Period (if any)			Date	Period (Months/Days)		
	•				•		
	•				•		
	•				•		
(Rs. Million)							
8.	Capital Cost	PC-I Cost (approved)			Actual Expenditure		
		Local	FE/Loan/Grant	* Total	Local	FE/Loan/Grant	* Total
	• Original						
	• Revised						
* Clearly specify the source and mention exchange rate							
(Rs. Million)							
9.	Financing of the Project			Local	FE/Loan/*Grant		Total

	• Federal Share							
	• Provincial Share							
	• Donors/Others							
	Total:							
* Mention the Rupee exchange rate, if applicable								
10. Project Accounts								
a) Nature of Account	Type	Date of Opening	Lapsable/ Non-lapsable					
	PLA							
	Assignment Account							
	Current Account							
	Saving Account							
	Other							
b) Status of Account	• If closed, mention the date							
	• If not closed, mention reasons thereof & tentative closure date							
11. Financial Phasing as per PC-I and Expenditure								
(Rs. Million)								
Year	PC-I Phasing		PSDP Allocation		Releases		Expenditure	
	Total	FE/Loan/* Grant	Total	FE/Loan/* Grant	Total	FE/Loan/* Grant	Total	FE/Loan/* Grant
1	2	3	4	5	6	7	8	9
Total								
* Clearly specify the source								
12. Physical Targets and Achievements								
S.No.	Items (as per PC-I)			Unit	Quantity	Actual Achievements *		
* Attach/Annex detailed information for each item separately								
13. Item-wise Planned & Actual Expenditure								
(Rs. Million)								

S.No.	Items (As per PC-I)	PC-I Estimates			Actual Expenditure		
		Total	Local	FEC	Total	Local	FEC
	Total:						
14. Recurring Cost after Completion of the Project							
(Rs. Million)							
S.No.	Components	PC-I Estimates*			Actual Expenditure*		
		Total	Local	FEC	Total	Local	FEC
	Total:						
* Mention source and agency responsible for financing the recurring cost after completion of the project							
15. Achievement of Objectives							
S. No.	As Contained in the PC-I	Actual Achievement*					
* Attach/Annex detailed information for each objective separately. In case of not achieving the objectives fully/partially, indicate reasons thereof							
16. Year-wise Income from Services/Revenue Generation							
(Rs. Million)							
S. No.	As Estimated in the PC-I	Actual					
17. RBM Indicators as given in the PC-I							
S.No.	Input	Output	Outcome		Targeted Impact		
			Baseline Indicator	Targets after Completion of Project			

18. List of Project Directors (PDs) till Completion			
S.No.	Name & Designation	From	To

19. Responsibility/Ownership of Assets (Procured/Acquired/ Developed) after Completion of the Project

- Indicate Agency
- List of Assets (Moveable/Immoveable)

20. Impact after Completion of the Project

- Financial
- Economic
- Technological
- Social (Education, Health, Employment, area Development, etc.)
- Environmental
- Any other

21. Mechanism for Sustainability of Activities after Completion

Indicate mechanism how the project activities will be continued on sustainable basis

22. Financial/Economic Analysis

S.No.	Components	As Per PC-I	After Completion
a)	Financial		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Internal Financial Rate of Return (IFRR)		
	Unit Cost Analysis		
b)	Economic		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Internal Economic Rate of Return (IERR)		

23. Issues Faced during Implementation

- Organizational Management
- Capacity of the department concerned
- Decision making process
- Any other

24. Lessons learned

- Project identification
- Project preparation
- Project approval
- Project financing

e) Project implementation

25. Suggestions for Future Planning & Implementation of Similar Projects

Submitted by:

Signature

Name & Designation

Telephone No.

E-mail Address

Date

PCR – 01

(Revised-2010)

GOVERNMENT OF PAKISTAN**PLANNING COMMISSION**

Instructions to fill in the PC-IV Proforma**1. Name of the project**

Indicate the same name of the project as appeared on PC-I and also mentioned locations of the project.

2. Sector/Sub-Sector

Indicate Sector & Sub-Sector in which the project falls and as indicated in the PC-I.

3. Sponsoring Ministry/Agency

Indicate the full name of the Ministry/Department/Agency with address.

4. Executing Agency

Indicate the name and address of the Organization responsible for implementation of the project.

5. Agency for Operation & Maintenance after Completion

Indicate the name and address of the Agency/Organization.

6. Date of Approval

Mention date of approval of the competent forum like DDWP, CDWP, ECNEC, etc. and enclose copy of the decision/s.

7. Implementation period

Indicate planned, actual commencement & completion date and total duration (in months). Provide details of extension granted in the implementation period with dates and the notification indicating the name of authority.

8. Capital cost

Provide capital cost of the project as approved by the competent forum and actual expenditure incurred on the project till preparation of PC-IV with expected/actual completion cost.

9. 10. Financing the project

Provide financing/funding requirement and agency (indicating exchange rate in case of foreign component provided in the PC-I).

11. Financial Phasing as per PC-I and Expenditure

- Provide PC-I phasing as per approved PC-I.
- PSDP allocations as reflected in annual PSDP/ADP.
- Year-wise releases made to the project.
- Year-wise actual expenditure incurred on the project.

12. Item-wise physical targets and achievements

- Provide item-wise quantifiable physical targets as given in the approved PC-I.
- Actual physical achievements against physical targets be provided.

13. Item-wise planned and actual expenditure

- Provide item-wise allocations as per approved PC-I.
- Item-wise actual expenditure incurred on the project be provided.

14. Recurring Cost after Completion of the Project

Indicate Source and Agency Responsible for Financing the Recurring Cost after completion of the project.

15. Achievements of Objectives

Indicate actual achievements against objectives envisaged in the PC-I.

16. Year-wise income from services rendered/income generation:

Indicate the details and type of services rendered to other agency(s), private agencies and amount of income generated.

17. Indicate Result Based Monitoring & Evaluation (RBM&E) indicators as envisaged in the Column 12(b) of the PC-I

18. List of Project Directors (PDs) Since Inception

Give details of the PDs of the projects with full details of working periods.

19. Responsibility/ownership of assets (procured/developed) after completion of the project

Indicate to whom assets of the project (developed/procured) will be transferred after completion of project. Details of assets may also be provided.

20. Impact after Completion of the Project

Provide impact of the project on the target group/area, etc.

21. Mechanism for sustainability of project/activities

Indicate the mechanism by which project activities will be continued in a sustainable manner.

22. Financial/Economic results based on actual cost

- Undertake financial, unit cost and economic analysis based on actual capital and recurring cost. The benefits of the project may also be calculated on prevailing prices and output.
- In case of social sector projects, unit cost analysis may only be provided.

23. Project implementation

Indicate whether project has been implemented as per approved cost, scope and time. In case of variation, reasons be provided.

24. Lessons learned

Provide lesson's learned during identification, preparation, approval, financing and implementation of the project.

25. Suggestions

Suggestions for planning & implementation of similar nature of projects, keeping in view the lessons learned during the implementation of this project.

Annexure 2-W:
PC-V Form | Annual Performance Report After Completion of Project

Revised 2005

PC-V FORM

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION**

PROFORMA FOR DEVELOPMENT PROJECTS

**(ANNUAL PERFORMANCE REPORT AFTER
COMPLETION OF PROJECT)**

From PC-V

Revised 2005

Government of Pakistan

Planning Commission

To be furnished by 31st July of each years for 5 years after completion of Project indicating Projects operational results during the last financial year.

- 1. Name of the Project:**
- 2. Objectives & scope of project as per approved PC-I and state as to what extent the objectives have been met:**
- 3. Planned and actual recurring cost of the project, with details:**
- 4. Planned & actual manpower employed:**
- 5. Planned and actual physical output of the project:**
- 6. Planned and actual income of the project:**
- 7. Planned and actual benefits to the economy:**
- 8. Planned and actual social benefits:**
- 9. Planned and actual cost per unit produced/sold:**
- 10. Marketing mechanism:**
- 11. Arrangement for maintenance of building & equipment.**
- 12. Whether output targets as envisaged in the PC-I have been achieved. If not, provide reasons:**
- 13. Lessons learned during the year in:**
 - Operation**
 - Maintenance**
 - Marketing**
 - Management**
- 14. Any change in project management during the year:**
- 15. Suggestions to improve projects performance:**

(Revised 2005)**Government of Pakistan****Planning Commission****Instructions to fill in PC-V Proforma****1. Name of the Project:**

Indicate name of the project.

2. Objective & scope of the project:

Indicate objectives and scope of the project as stated in the approved PC-I. It may also be indicated that upto what extent the objectives of the project have been met.

3. Planned & actual recurring cost:

Provide planned (as per PC-I) and actual recurring cost of the project alongwith details for the financial year under report.

4. Planned & actual manpower employed:

Provide category-wise details of manpower actually employed for the operation of the project as compared to proposed in the PC-I.

5. Planned & actual physical output:

Provide output of the project as given in the PC-I for the year under report and compare it with actual output of the project.

6. Planned & actual income of the project:

Provide income of the project as indicated in the PC-I for the year under report alongwith assumptions and compare it with the actuals for the year.

7. Benefits to the economy:

Provide quantifiable planned & actual benefits to the economy for the year under report.

8. Planned & actual social benefits:

Provide social benefits to the target group as given in the PC-I, compare with the year under report and state to what extent the social benefits have been achieved.

9. Planned & actual cost per unit produced/sold:

Provide cost per unit produced and sold at the weighted cost of capital of the project.

10. Market mechanism:

Indicate how the output of the project is being marketed. In case it differs from the PC-I, the details may be provided.

11. Maintenance of building & equipment:

Provide arrangements made for the maintenance of building & equipment during the last financial year. It may also be indicated whether annual maintenance of building & equipment was carried out in the last financial year.

12. Output targets:

Indicate whether output targets as given in the PC-I for the year under report have been met. In case of variation, give reasons.

13. Lessons learned:

Provide lessons learned during the year under report

- Operation
- Marketing
- Management.

14. Change in project management:

In case of any change in the senior management of the project, the details alongwith justification be provided.

15. Suggestions to improve project performance:

Based on the experience gained during last financial year, suggest measures to improve the projects performance.

Annexure 2-X:**Sanctioning Powers of Federal Projects Approving Fora**

GOVERNMENT OF PAKISTAN
 Planning Commission
 Ministry of Planning, Development & Reform
 (Public Investment Authorization Section)

No. 20(1)/PIA-I/PC/2019

Islamabad the 23rd September, 2019

Subject: **ENHANCEMENT OF SANCTIONING POWERS OF FEDERAL PROJECTS APPROVING FORA**

The Prime Minister of Pakistan in his capacity as Chairman, National Economic Council (NEC) has been pleased to approve the revised sanctioning limits for various federal development fora as under:

Forum	Chaired by	Existing Sanctioning Power		Enhanced Sanctioning Power	
Executive Committee of the National Economic Council (ECNEC)	Minister/Advisor Finance	Above million	Rs.3000	Above million	Rs 10,000
Central Development Working Party (CDWP)	Deputy Chairman, Planning Commission	Upto million	Rs.3000	Upto million	Rs 10,000
Departmental Development Working Party (DDWP)	Federal Secretary/ (PAO)	Upto million	Rs.60	Upto million	Rs 2,000

2. The composition and functions of CDWP and ECNEC would remain unchanged. However, composition, functions and procedure for federal level DDWP are at Annex-I, II and III respectively.

(Mushtaq Ahmed Raja)
 Chief
 Tel:9205755

All Ministries / Divisions**Copy forwarded for information to:**

1. Chairman, Planning and Development Board, Government of Punjab, Lahore
2. Chairman, Planning and Development Board, Government of Sindh, Karachi
3. Additional Chief Secretary (Dev), Planning & Development Department, Govt. of KPK, Peshawar
4. Additional Chief Secretary (Dev), Planning & Development Department, Govt. of Baluchistan, Quetta
5. Additional Chief Secretary (Dev), Planning & Development Department, Govt. AJ&K, Muzaffarabad
6. Secretary, Planning & Development Department, Government of Gilgit-Baltistan, Gilgit
7. Joint Secretary, (Committees) Cabinet Division, Islamabad

Cc:

- i) All Members of Planning Commission
- ii) JCE (Ops) & JCE (Macro), Ministry of Planning, Development & Reform
- iii) All Sr. Chiefs, Chiefs/Deputy Chiefs (Incharge) of Technical/ Economic Sections, Ministry of Planning, Development & Reform
- iv) Director to Minister for Planning, Development & Reform
- v) PSO to Deputy Chairman, Planning Commission
- vi) SPS to Secretary, MPDR, Ministry of Planning, Development & Reform

:

Annexures: 2-Y:

Sanctioning Powers of PDWPs



**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT
(REGULATION WING)**

Finance Department Civil Secretariat Peshawar

http://www.gokp.gov.pk

Facebook.com/GokPFD

Twitter.com/GokPFD

No.SQ(FR)FDR-1/2017/17445/DOP

Dated Peshawar the 23rd July 2018

To

All the Administrative Secretaries
to Govt. of Khyber Pakhtunkhwa

Subject:- **KHYBER PAKHTUNKHWA DELEGATION OF FINANCIAL
POWER RULES, 2018**

Dear Sir,

I am directed to refer to the subject noted above and to state that in light of new developments, the Govt. of Khyber Pakhtunkhwa has been pleased to revise the existing Delegation of Powers & Financial Rules accordingly.

Therefore, a revised copy of Khyber Pakhtunkhwa Delegation of Financial Powers Rules 2018 duly published in Gazette notification is sent herewith for information and official business.

Yours faithfully

Section Officer (FR)

Copy is forwarded for information and necessary action to the:

1. Director FMIU with the request that the Delegation of Power & Financial Rules 2018 may please be uploaded on the website of Finance Department.
2. Deputy Secretary (Dev-I), Finance Department.
3. SO (Admin), Finance Department.
4. PS to Secretary, Finance Department.
5. PS to Additional Finance Secretary (Reg), Finance Department.

Section Officer (FR)

Power of Sanctioning Development Projects / Programmes	Forum		Limit to Sanction
	1.	Departmental Development Working Party (DDWP)	Rs. 200 Million
	2.	District Development Committee (DDC)	Rs. 60 Million
	3.	Tehsil Development Committee (TDC)	Rs. 20 Million
	4.	Projects Approval Committee for Village / Neighbourhood Councils	Rs. 5 Million
Specific Condition(s):			
1. The project/programme so sanctioned shall be sent to the Planning & Development Department and Finance Department.			
2. In case of difference of opinion, the project/programme shall be referred to the Provincial Development Working Party (PDWP).			
3. Prior clearance of revenue component (creation of new posts, pay & allowances, purchase of vehicles, purchase of machinery & equipments, operating expenses etc.) of the project/programme from Finance Department / District Officer Finance & Planning concerned shall stand as a prerequisite.			
4. Project/programme having a subsidy / foreign aid element shall be referred to the Provincial Development Working Party (PDWP) for approval, irrespective of its cost.			

Annexure 3-A: Concept Clearance Proposals- Policy Guidelines

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING, DEVELOPMENT & REFORM
(Public Investment Authorization Section)**

No.23(1)PIA-I/PC/2018

Islamabad, the 04th April , 2018

Chairman, Planning & Development Board, Government of the Punjab, Lahore.

Additional Chief Secretary (Dev), Planning & Development Department, Government of AJ&K, Muzaffarabad.

Chairman, Planning & Development Board, Government of Sindh, Karachi.

Additional Chief Secretary (FATA), Planning & Development Department, Civil Secretariat (FATA), Peshawar.

Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar.

Secretary, Planning & Development Department , Government of Gilgit-Baltistan, Gilgit

Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, Quetta.

Subject: **CONCEPT CLEARANCE PROPOSALS – POLICY GUIDELINES**

The Deputy Chairman Planning Commission during Concept Clearance Committee meeting of 5th November, 2017 noticed that the guidelines given in 2008 for project management clearly indicates that only after the approval of PC-I by the competent forum projects will be sponsored for foreign assistance. However, Concept Clearance may be allowed in case of urgency for exploring donor financing for specific projects but MoU cannot be signed by EAD before approval of PC-I or PC-II. Further, it may be ensured that PC-I is submitted within three (3) months of the approval of the concept clearance.

2. The Chairman, CDWP/CCC also directed that indication/confirmation of financing from multilateral agencies/donors may be incorporated in the proposal for making available necessary funding and in case, formal request for donor financing cannot wait for the preparation of PC-I/II.

3. In light of the above it should be noted that:

- i) Concept Clearance Proposal of only those projects be processed which fall under economic framework i.e. five years or annual plans and there is urgency, pending preparation/approval of PC-I/PC-II.
- ii) All concept clearance proposals costing Rs.10.00 million and above must be accompanied by a feasibility study.
- iii) No proposal for foreign assistance will be considered for the purchase of vehicles, air conditioners and other consumer durables produced in the country.

4. In this regard policy guidelines are attached herewith for compliance. This may also be brought into the notice of all departments/organizations under your administrative control for similar action.

Sd/-
(Mushtaq Ahmad Raja)
Chief
Tel: 9205755

Copy for information and necessary action to:

- 1) All Secretaries/Additional Secretaries (Incharge) of Ministries/Divisions
- 2) Chief Economist, Planning Commission, Islamabad
- 3) All Members of Planning Commission, Islamabad
- 4) JCE Macro & JCE Operation, Sr. Chief T&C, Sr. Chief Water Resources, MoPDR, Islamabad.
- 5) All Chiefs/Head of Technical & Economic Sections, MoPDR, Islamabad

Copy also to:

- i) SPS to Deputy Chairman, Planning Commission, Islamabad
- ii) SPS to Secretary, Ministry of Planning, Development & Reform, Islamabad

Annexure 3-B: Concept Clearance Proforma for Foreign Assistance Projects

Pakistan Planning Commission

Project Concept Clearance Proposal for Foreign Assistance

PART-I (To be filled in by the Sponsoring Agency)

Sector: _____

Sub-Sector: _____

1. Name of the Project:

2. Sponsoring Agency:

3. Executing Agency:

4. Location:

5. Brief description and scope:

6. Period of implementation:

i) Planned commencement Date:

ii) Expected completion date:

7. Cost: (In Million Rupees)

i) Local:

ii) FEC:

iii) Total:

8. Financing Plan:

i) Government Contribution:

a) Through Budgetary resources

i) Federal PSDP

ii) Provincial PSDP

iii) SDP

b) Through non-budgetary Resources (i.e. self-financing, Bank borrowing, equity etc):

ii) Foreign Contribution:

a) Amount of Technical Assistance:

b) Amount of Capital Assistance:

(Specify whether grant or loan):

Total: (a+b):

% of total cost:

c) Name of possible donor agency/country.

(Indicate whether any contact already established):

9. Requirement:

- i) Equipment (indicate major items and estimated value)
- ii) Material (Specify Items)
- iii) Training (indicate:
 - i) Field,
 - ii) Duration,
 - iii) Local/Foreign)
- iv) Foreign/Local experts (in man-months)
- v) Books & Journals.

10. Whether included in the current Five-Year Plan? If yes,

i. Priority

ii. Allocation made:

11. Whether Feasibility Study carried out/proposed to be carried:

(All Concept Clearance Proposals costing Rs.10.00 million and above must accompany a feasibility study prepared departmentally).

12. Status of PC-I/PC-II:

PART-II (To be filled in by the Planning Commission)

1. Report by Chief of Technical Section concerned:

2. Recommendations:

- a) No proposal for Foreign Assistance will be considered for the purchase of vehicles, air conditioners and other consumer durable produced the country.
- b) All proposals for road making or earth moving machinery, by the Government Departments/Agencies should be accompanied by an inventory of the existing strength of machinery of all the public sector departments/agencies.

Please submit 50 copies of the completed proforma. (The proposal must be approved by the Secretary of the Ministry/Division's concerned in case of Federal Government and by the PDWP in case of Provincial Government).

Annexure 3-C: Project Concept Form for New Initiatives

Government of Khyber Pakhtunkhwa

Planning & Development Department

Project Concept Form for New Initiatives

(Rs. Million)

Cost		Allocation for 2021-22				Throw Forward beyond 2021-22		
Local	Foreign	Local			Foreign	2021-22	2022-23	2023-24
		Cap	Rev	Total				
1	Title of the Proposed Project (with GPS coordinates).							
2	Proponent Information.							
3	PAMframe results to be achieved (This is applicable in case the Department's PAMframe is finalized)							
4	Rationale for ADP Funding (How the project will contribute to the sector development results in the PAMframe).							
5	Geographical Coverage (For whole province or specific district/tehsil).							
7	Relationship of the Project 100 days Agenda, Five Year Plans of the Department and SDGs (TDS/AIP, if applicable).							
8	Nearest place where similar facility is available.							
9	Financial Phasing.					Year 1 2021-22	Year 2 2022-23	Year 3 2023-24
10	Detail of post completion annual O&M Cost: Maintenance Human Resource Operation Repairs Others							
11	Beneficiaries (Type & Number).							
12	Expected Output (Qualitative & Quantitative).							
13	Priority (Indicate Top, Normal, or Low).							
14	Alignment with Sector PAM frame (How important is the project to meet the sector development results in the PAM frame). [Check in the next column which applies]					Critical Significant Will contribute to results (Check one option)		

Note: The conditionality (s) related to following the PAMframe mentioned above are subject to finalization of the sector PAMframes by the respective Line Departments with the technical assistance from the UNDP Merged Areas Governance Project. In case such PAMframes are not finalized, the above conditionalities are not binding on the Line Departments.

Annexure 4-A: PC-I for Preparation of District Government Projects

Government of Khyber Pakhtunkhwa
Planning & Development Department
(District Government Projects)

1. Name of the Project:

2. Sponsoring Agency:

3. Executing Agency:

4. Operation & Maintenance
Agency:

5. Project Objectives:

6. Project Description:

7. Item wise Capital Cost:

(Million Rs.)

Item	Capital Cost

8. Item wise Operating & Maintenance Expenditure:

(Rs. Million)

Item	O&M Cost

9. Source of financing the project:

(Rs. Million)

Source	Amount
ADP	
Special Program	
Local Council	

10. Implementation Period:**11. Benefits of the Project:**

i. Quantifiable:

ii. Not Quantifiable:

12. Project Income i.e. user charges (if any):

Annexure 4-B:

Revised Accounting Procedure for Revolving Funds Account. (Foreign Aided Assignment Account)

Government of Pakistan
Finance Division
(Budget Wing)

No.F.2(1)BR-II/2007- 949

Islamabad, August 02, 2013

OFFICE MEMORANDUM

Subject: Revised Accounting Procedure for Revolving Fund Accounts (Foreign Aid Assignment Account).

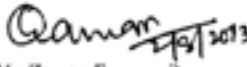
The undersigned is directed to refer to this Division's O.M.No.F.2(1)BR-II/2007-88 dated 17th January, 2012 & 26th January, 2012 on the subject cited above.

2. Para II and IV of the Revised Accounting Procedure for Revolving Fund Accounts (Foreign Aid Assignment Account), may be read as under:-

- II. (a) The NBP shall be the designated bank for handling all transactions of Revolving Fund Accounts. The foreign currency amounts received under a foreign credit/loan/grant for RFAs shall be translated/ converted into Pak. Rupees at the State Bank of Pakistan's (SBP) Weighted Average Buying Rate of exchange prevailing on the date of transfer of funds by the donors.
 - (b) The payments out of RFAs by way of reimbursement to NBP would be translated notionally at the aforesaid SBP rate of exchange at which the foreign currency was purchased by the SBP (date of Receipt of funds from the donor in SBP). The RFAs at NBP branches shall show debits, credits and balance in Pak. Rupees as the funds available to the Project management would be in Pak. Rupees.
 - (c) The rate of exchange used for donor reporting purposes by the project authorities would be the rate of exchange applied by State Bank of Pakistan for converting foreign currency into Pak. Rupees for that tranche at the time of receipt of funds in the SBP from the donor. In case of more than one tranches, the rate applied for each tranche will be used for donor reporting purposes and fund received in the first tranche will be utilized first and the unutilized balance shall be attributed to the last tranche.
- IV. The RFA shall be lapsable at the end of each financial year. However, the lapsed balance in one financial year will be protected through budgetary allocation in the next financial year.

3. Revised Accounting Procedure for Revolving Fund Accounts (Foreign Aid Assignment Account), after making amendments/corrections is enclosed herewith. It is also clarified that the Revolving Fund Accounts (Foreign Aid Assignment Account) is also applicable to the existing Revolving Fund Accounts.

4. Kindly acknowledge receipt, at the earliest.


(M. Qamar-Uz-Zaman Farooqui)
Deputy Secretary (BR-II)
Tele: # 9209346

To
All Ministries/Division, Islamabad/Rawalpindi.

-2-

Copy forwarded for information and similar action to: -

1. The Secretary Finance Department, Government of the Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan (Lahore, Karachi, Peshawar, Quetta, Gilgit).
2. The Secretary, Planning & Development Department, Government of the Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan (Lahore, Karachi, Peshawar, Quetta, Gilgit).
3. Auditor General of Pakistan, Constitution Avenue, Sector G-5/1, Islamabad
4. Controller General of Accounts (CGA), CGA Complex, Sector G-5/2, Islamabad.
5. Accountant General Pakistan Revenues, (Foreign Aid Section), G-8/4, Islamabad.
6. Additional Chief Secretary, FATA Secretariat, Peshawar.
7. All Financial Advisers/Deputy Financial Advisers, Islamabad/ Rawalpindi.
8. AGPR, Sub-Offices, (Lahore, Karachi, Peshawar, Quetta, Gilgit).
9. All Accountant Generals of the Provinces, Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, (Lahore, Karachi, Peshawar, Quetta).
10. The Director General, Pak PWD, Islamabad.
11. Director General, Pakistan Postal Services, Islamabad.
12. Chief Accounts Officer, Ministry of Foreign Affairs, Islamabad.
13. The Director, Accounts Department, State Bank of Pakistan, (Central Directorate), I.I. Chundrigarh Road, Karachi (Registered).
14. The Chief Manager, State Bank of Pakistan, I.I. Chundrigar Road, Karachi (Registered).
15. Executive Vice President, National Bank of Pakistan, I.I. Chundrigar Road, Head Office, P.O. Box 4937, Karachi.
16. Director of Accounts, Economic Affairs Division (Accounts Wing), 'C' Block, Pak Secretariat, Islamabad.
17. Deputy Chief(R&S), Economic Affairs Division, Islamabad.
18. Deputy Secretary(World Bank), Economic Affairs Division, Islamabad
19. Deputy Secretary (Asian Development Bank), Economic Affairs Division, Islamabad.
20. Deputy Secretary(DM), Economic Affairs Division, Islamabad
21. All Joint Secretaries of the Finance Division, Islamabad.
- ✓ 22. Web Administrative, Finance Division, Islamabad (for uploading at Finance Division's Website i.e. www.finance.gov.pk)


(M. Qamar-Uz-Zaman Farooqui)
Deputy Secretary (BR-II)

REVISED ACCOUNTING PROCEDURE FOR REVOLVING FUND ACCOUNTS
(FOREIGN AID ASSIGNMENT ACCOUNT)

- (I) For a foreign donor-assisted project, a Revolving Fund Account (RFA) in respect of donor financing under loan/credit/grant shall be established at a branch of the National Bank of Pakistan (NBP), separately from the account to be established for the government's share of project financing (counterpart funds) if any required. Such Accounts shall be in the nature of Assignment Accounts.
- (II)
- (a) The NBP shall be the designated bank for handling all transactions of Revolving Fund Accounts. The foreign currency amounts received under a foreign credit/loan/grant for RFAs shall be translated/ converted into Pak. Rupees at the State Bank of Pakistan's (SBP) Weighted Average Buying Rate of exchange prevailing on the date of transfer of funds by the donors.
 - (b) The payments out of RFAs by way of reimbursement to NBP would be translated notionally at the aforesaid SBP rate of exchange at which the foreign currency was purchased by the SBP (date of Receipt of funds from the donor in SBP). The RFAs at NBP branches shall show debits, credits and balance in Pak. Rupees as the funds available to the Project management would be in Pak. Rupees.
 - (c) The rate of exchange used for donor reporting purposes by the project authorities would be the rate of exchange applied by State Bank of Pakistan for converting foreign currency into Pak. Rupees for that tranche at the time of receipt of funds in the SBP from the donor. In case of more than one tranches, the rate applied for each tranche will be used for donor reporting purposes and fund received in the first tranche will be utilized first and the unutilized balance shall be attributed to the last tranche.
 - (A) The 'Foreign Currency' for the purposes of this Procedure would mean the United States Dollar (USD), Euro (EUR), Pound Sterling (GBP), Japanese Yen (JPY), Australian Dollar (AUD), Canadian Dollar (CAD), Swiss Franc (CHF) and any other foreign currency which may be permitted specifically or generally later on by the Finance Division (Budget Wing) in consultation with State Bank of Pakistan (Finance Department), Karachi.
- (III) Separate Revolving Fund Accounts shall be established by the project management at the NBP for each of the Loans/Credits/Grants, and each Revolving Fund Account will be designated a special Sub-Fund Identification Number upon establishment of the account. These individual sub-accounts will together constitute a single but separate account (Child Account) under Central Government Account No.1 (Non-Food) held presently with the

SBP. The transactions against individual assignment accounts will be recorded and reported along with the other Government balances by the respective office of SBP Banking Services Corporation (SBP-BSC) to SBP Karachi (Finance Department-Government Accounts Division) on daily basis. The reimbursement of payments made by the NBP shall be claimed by NBP from SBP-BSC respective office on daily basis. The State Bank of Pakistan will ensure the reimbursement to NBP within two working days. The balances of the RFAs will be reported in SBP Finance Department Karachi's daily report of the consolidated balances of the Federal/Provincial Government Account along with other Government balances to the Federal/Provincial Government (Finance Division/ Finance Department/Respective AGs). The CGA will issue a Code Classification in the Chart of Account for RFA's. The code for Assignment Accounts for the Government counterpart funding is already allotted/available i.e. G01191. The SBP BSC respective office after making re-imbursement to NBP shall prepare a separate Debit (payment) Voucher for each payment out of RFAs for onward submission to FTO Karachi. The Federal Treasury Officer Karachi shall pass the following journal entry:

Debit: G01-Cheque Clearing Account – Foreign Aid Assignment Account.

Credit: F01-Central Government Account-I – (Non-Food).

- (IV) The RFA shall be lapsable at the end of each financial year. However, the lapsed balance in one financial year will be protected through budgetary allocation in the next financial year.
- (V) If the funds from donors are received in currencies other than US Dollars, these shall be credited in respective Revolving Fund Accounts in Pak Rupees at the prevailing rate of exchange.
- (VI) **Deleted**
- (VII) On receipt of the credit advice in respect of a disbursement of foreign currency funds to the project from donors that must be routed through the SBP Karachi, the SBP's Finance Department will advise the Chief Manager (SBP-BSC) Karachi, to credit Pak Rupee equivalent of the **Foreign Currency** to the Assignment Account (sub account of Central Account-I) under the appropriate Debt or Grant head. The Chief Manager will, in turn, and

at maximum by the next business day, authorize amount in Pak Rupee credit into the relevant Revolving Fund Account of the project.

a. In the books of FTO/AGPR:

Debit: F01-Central Government Account-I(Non Food)

Credit: E03301-Permanent Debt (Foreign) - Direct or

Credit: C036-Foreign Grants (under relevant detailed head).

- (VIII) The (SBP-BSC) Karachi will immediately report the receipt in the Pak Rupee and the equivalent foreign currency to NBP HQ with a copy to respective NBP branch, the relevant Project Director, Planning & Development Division/Department (as the case may be), Economic Affairs Division and Finance Division/Department and AGPR/AG. No Accounting Entry shall be made in the books of DAO/AG/AGPR at this stage.
- (IX) On intimation of receipt of funds from SBP BSC Karachi, the respective branch of NBP will record it in the Revolving Fund (Proforma) Account both in Pak Rupee and **Foreign Currency** equivalent under intimation to SBP Karachi, local office of SBP-BSC, relevant Project Director and NBP head office.
- (X) In case of receipts on account of projects under the control of Provincial Governments, or Local Governments, Financial and Non-Financial Institutions under the administrative control of the Provincial Governments, the SBP will simultaneously transfer the funds for credit to the concerned Provincial Government Account. The Provincial Finance Department shall ensure that the Budget allocations are available in the Provincial Schedule of Authorized Expenditure. The following Journal Entries will be passed:

1. In the Books of Federal Government:

a. In the books of AGPR:

(i) On receipt of funds from donor:

Debit: F01-Central Government Account-I (Non-Food)

Credit: E03301-Permanent Debt (Foreign)- Direct or

Credit: C036-Foreign Grants

(ii) On transfer of funds to Provincial Government:

Debit: Demand No. & Function - A08-Loans and Advances to Provinces (under the relevant detailed head of account) or

Debit: A052- Grants Domestic (under the relevant detailed head of account)

Credit: F01-Central Government Account-I (Non-Food)

2. In the Books of Provincial Government AG:

Debit: F01-Provincial Government Account-I(Non-Food)
 Credit: E03302-Permanent Debt (Foreign) - received from
 Federal Government or
 Credit: C036-Foreign Grants.

3. On issue of payment/cheque following entry shall be made (Govt. Department only):

Debit: Demand No. & Function Code- A-Expenditures (under the relevant detailed head of account).
 Credit: G01-Cheque Clearing Account – Foreign Aid Assignment Account.

(XI) All payments from the Revolving Fund Accounts shall be effected through NBP Cheques/Authorizations issued by at least two persons authorized to sign. The payments into the account in respect of donor funds shall be initiated through withdrawal applications signed by such persons as may be nominated by the project management with the approval of the administrative Ministry/Division/Department. Each project management shall submit, through its appropriate administrative Ministry/Division/Department, its budget for the following year as required for all budgets that will be included in the 'Schedule of Authorized Expenditure' and such budgets shall be prepared and submitted with the information including Grant/Loan No. (Project ID), Project Name/Description, Fund Code, Cost Center, Sub-detailed Function, Detailed Object, consistent with the Government Chart of Accounts and within the Government's budget calendar.

(XII) A. Each project shall prepare its own annual financial statements comprising expenditure from Revolving Fund Account and Direct Payments (showing in three separate columns for RF Account, GOP Assignment Account and Third Party payments) and submit the same to Donor/Lender as well as to external audit as required under the loan/credit/grant agreements. Nevertheless, the project accounts, being sub-accounts of receipts and expenditures under the consolidated fund of the government(s) will be subject to certification as part of the consolidated government financial statements by the Auditor General of Pakistan.

B. Recording of Commitment:

- i) The Commitment i.e. an obligation to make a future payment, funds for which are allocated in the budget, shall be recorded on memorandum basis against the funds

authorized from Assignment Account in accordance with the criteria laid down as under:-

- a. Where a valid purchase order is raised and where applicable, a purchase contract (legal undertaking or legally binding) has been entered with the supplier. The amount involved shall be clearly mentioned in the purchase order/contract.
 - b. The officer in accordance with the delegation of Financial Powers (who shall be deemed to be the approving officer) shall authorize the commitment.
 - c. The commitment shall be recorded when amount involved (expenditure) is above Rs. 0.5 million or 10% of total budget head, whichever is higher.
 - d. It shall exclude the following types of payment:-
 - Salaries and related deductions
 - Pension
 - GP fund
 - Loans and advances to employees.
- ii). Commitment shall only be raised for those expenditures expected to be paid in the current financial year.
 - iii) A commitment advice form (Annexure-B) shall be completed by the officer authorized by the delegated authority. The form shall be sent to the DDO along with the relevant purchase order which is in sequential order as set out below:-
 - A sequentially numbered purchase order (Annexure-C) shall be raised for all contingent expenditures (excluding salaries and utilities etc.) by the department/entity/project.
 - Purchase order shall be approved by the officer who has authority to incur the expenditure.
 - The budget availability review clearance form and purchase order (where applicable) will represent the sanction for the expenditure and must shall be sent to **DDO**.
 - iv) A copy of any contract/agreement shall also be sent with the commitment advice form.
 - v). Commitment shall be entered into and approved by the delegated authority (approving officer), it shall be recorded by the DDO.
 - vi) A section to record commitment shall be maintained within the appropriation Control Register (Annexure-D) by the DDO. On receiving Commitment Advice form from the officer authorized the delegated authority, the DDO shall record the commitment in this register.
 - vii) When the claim voucher related to commitment previously entered into by the delegated officer is received by the DDO, he shall reverse the original commitment entry in commitment section of the appropriation control register upon authorizing payment.
 - viii) Except as sent out in such Para ix below, a commitment once recorded, must not be reversed unless:
 - a. Payment has been made, or

- b. The purchase order or other legally binding contract has been cancelled and the same-delegated authority entering into the commitment has approved the reversal.
 - ix) At the close of the financial year, all outstanding commitments made during that year duly scrutinized by the DDO/MoF and provision made in the next year appropriation (through supplementary budget process) shall be allowed for the reinstatement of valid commitments in the next financial year.
 - x) Commitments which are not renewed shall be cancelled.
- (XIII) After the internal agreements containing provision for the opening of Revolving Fund Accounts have been signed, the concerned Ministries/Divisions/Departments and the project implementing agencies will arrange immediate opening of the Assignment Accounts at a branch of the NBP and special instructions for operation of the Accounts, if any, shall be provided to all parties concerned. NBP will, however, open the account after obtaining necessary permission from Exchange Policy Department of SBP Karachi, and will provide a monthly statement of accounts to the project management by the end of first week of the succeeding month. It shall be mandatory for the NBP, in all cases, to mention clearly the name and Account No. of the payee on the Monthly Bank Statement. NBP shall send copy of the Bank Statement on 5th of the following month to SBP which shall be returned by SBP to NBP duly verified by 10th of the month. Even 'Nil' balance shall also be reported by NBP to SBP.
- (XIV) Withdrawal Applications will be prepared and submitted to donors by the project management, requesting the amount of initial deposits/subsequent funding to the Revolving Fund Account through the foreign currency account of SBP Karachi for further simultaneous credit to the Revolving Fund Account (a named sub-account of the Central Account-I) at the concerned branch of the NBP. The assigned identification number of the Revolving Fund Account will be indicated on the Withdrawal Applications. The person authorized to sign Withdrawal Applications and/or operate 'Revolving Fund Accounts' shall furnish copies of the Withdrawal Applications, simultaneously, to their respective Administrative Ministries /Divisions as well as to the Economic Affair Division, NBP Head Office, Karachi, relevant branch of NBP, SBP Finance Department, Karachi and concerned AG/AGPR office.
- (XV) (a) The Finance Managers of the respective projects (or the persons so authorized) shall perform the role of DAO to the extent of authorization for payment within the

available budgetary limits. He will also be responsible for the reconciliation with NBP, reporting of authorized 'direct payments' to the contractors/suppliers through the donors, and financial reporting. All payments, except for an authorized petty-cash to be notified in writing by the Project Director to the relevant NBP branch, shall be made directly to the recipients through crossed-cheques. Cash payments or funds transfers from Assignment Accounts to any DDO-account or any other account for the sake of onwards disbursements shall be strictly prohibited. The following entries will be made at the time of issue of payment/ cheque out of each Assignment Account:

Debit: Demand No. & Function Code - A-Expenditures (under the relevant detailed head of account)
Credit: G01-Cheque Clearing Account- Foreign Aid Assignment Account (for separate Assignment Accounts).

- (b) In case of projects which have PIFRA connectivity, the recording of expenditure shall be made in real time through system instead of submission of schedule to AGPR/DAO for this purpose after approval of the revised procedure arrangement between AGPR and PIFRA on this subject.
- (XVI) The 'direct payment' shall be noted as a 'third party transaction' for the purposes of reporting and an equivalent amount shall be entered as a 'contra' receipt from the donor to ensure that the fiscal balances match the monetary balances of the project. The project Finance Manager shall be responsible for reporting of third party payments. The project authorities shall make sure that the detail of this payment has been communicated in written to EAD/Finance Division and respective AG/AGPR. The following entry shall be passed for direct payments:
- Debit: Demand No. & Function Code - A-Expenditures (under the relevant detailed head of account)
Credit: E03301-Foreign Debt or C036-Foreign Grants (as the case may be).
- (XVII) The consultancy charges payable by the donors shall be paid after verification of services rendered by the consultant, by the concerned Project Director/ Ministry/ Division or by the Provincial Governments. However, in case of foreign training prior approval of concerned Ministry/Division will be required.
- (XVIII) In case there is balance available in **US Dollar/Foreign Currency** at the close or short-close of the project which is required to be refunded to the Donor, the following procedure

shall be adopted for refund of unspent balance:-

- i). The project authority shall reconcile the account with the SBP/NBP at the close of the project to work out exact amount of unspent balance, both in PKR and USD/ Foreign Currency, within two weeks of the close of a project.
 - ii) The project authority shall close the Revolving Fund Assignment Account (RFA) with NBP and surrender unspent PKR balance to the government, within two weeks of the close of a project. For this purpose the project authority shall approach SBP (Finance Department), Karachi through respective NBP branch along with detailed credit head of Government account for crediting the surrendered amount in the Federal Government account.
 - iii) Upon approach by the project authority in writing through respective NBP branch, SBP (Finance Department) shall arrange closing of RFA by the respective branch of SBP - BSC within two weeks time and would intimate the same to the project authority, NBP respective branch, NBP Head Office, Exchange Policy Department - SBP and Economic Affairs Division alongwith the reconciled/exact amount of outstanding balance in PKR and USD/Foreign Currency.
 - iv) After receipt of intimation from SBP as at (iii) EAD will reconcile unspent balances with concerned donors within one week's time. The Finance Division shall provide necessary funds in the block allocation of EAD in the Demand "Repayment of Foreign Debt" for refund of loan through normal budgetary process and all refunds in respect of foreign loans shall be charged to this Demand. In case of refund of foreign grants, the concerned Ministry/Division/ Department shall arrange/provide the budget provision in its respective Demand. The concerned Ministry/Division/Department shall intimate the Head of Account and Demand Number to State Bank of Pakistan, Economic Affairs Division for accounting/ booking of refund.
 - v) After receipt of necessary documentation, the EAD shall ensure that the authorization/repayment instructions to SBP in the form of standard central payment authority addressed to the Chief Manager, SBP-BSC (Bank), Karachi are issued within 10 working days.
 - vi) The SBP shall refund outstanding balance to respective donor within 07 days after receipt of complete documentation.
- (XIX) In order to record expenditure upon issue of cheques, the concerned Project Authority/ DDO shall ensure that the copy of the schedule in the format at Annex-A is received to the concerned AGPR/AG Office on daily basis (or as the cheques are drawn depending on the volume). The copy of the schedule will also be sent to the NBP by the DDO. The Project Authority/DDO shall also provide/submit a statement of account to AGPR/AG on monthly basis.
- (XX) The controlling Ministries/Divisions shall reconcile expenditure on account of Foreign Aid with AGPR and EAD on monthly basis. The controlling departments of the Provincial

Governments will similarly reconcile the expenditure on foreign aided projects with the AG/Provincial Finance Department. In case of non-reconciliation by 21st of the following month, AGPR/Provincial A.Gs to advise the donor through the EAD to take appropriate action as per the donor's "Financial Management Guidelines".

Annexure 4-BB:

ASAAN Assignment Account Procedure (Local Currency) 2020



GOVERNMENT OF KHYBER PAKHTUNKHWA FINANCE DEPARTMENT

Finance Department Civil Secretariat Peshawar | <http://www.finance.gov.pk> | [facebook.com/GoKPFD](https://www.facebook.com/GoKPFD) | [twitter.com/GoKPFD](https://www.twitter.com/GoKPFD)
Attn: AC

No.5/139(F/L)/FD/2019/Vol-III
Dated Peshawar the 18th November 2020

To

1. The Additional Chief Secretary, P&D Department Govt of Khyber Pakhtunkhwa, Peshawar.
2. The Senior Member Board of Revenue, Khyber Pakhtunkhwa, Peshawar.
3. The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa, Peshawar.
4. The Secretary to Governor, Khyber Pakhtunkhwa, Peshawar.
5. All Administrative Secretaries to Government of Khyber Pakhtunkhwa, Peshawar.
6. All Heads of Attached Departments in Khyber Pakhtunkhwa.
7. All Deputy Commissioners in Khyber Pakhtunkhwa.
8. The Member Board of Revenue, Khyber Pakhtunkhwa, Peshawar.
9. The Registrar, Peshawar High Court, Peshawar.
10. The Chairman, Khyber Pakhtunkhwa Public Service Commission, Peshawar.
11. The Chairman, Khyber Pakhtunkhwa Service Tribunal, Peshawar.
12. All Chief Executives Autonomous/Semi-Autonomous Bodies/Corporations in Khyber Pakhtunkhwa.

Subject: - **ASSAN ASSIGNMENT ACCOUNT PROCEDURE (LOCAL CURRENCY), 2020**

Dear Sir,

I am directed to refer to the subject noted above and to enclose herewith a copy of Controller General Accounts, Islamabad letter No.1376/CGA/A/RP-2018(LC) dated 26.10.2020 alongwith ASSAN Assignment Account Procedure (Local Currency) duly approved by the Finance Division No.F.2(2)B/2008/2020-1081 dated 20.10.2020 for strict compliance and implementation please.

Yours faithfully,

Encl: As above

(HAMMAD RAZA)
BUDGET OFFICER (FUNDS/LOANS)
Phone # 091-9210436

Endost: No. & Date even.

Copy forwarded to:-

1. The Accountant General, Khyber Pakhtunkhwa for information and necessary action.
2. PSO to Chief Secretary Govt of Khyber Pakhtunkhwa, Peshawar.
3. The Director, FMIU, Finance Department with the request to upload the above instructions on Finance Department's website.
4. The Director, Local Fund Audit, Peshawar.
5. All Section / Budget Officers in Finance Department for necessary action.
6. Private Secretary to Finance Secretary.
7. PA to Additional Secretaries / Deputy Secretaries in Finance Department.

(HAMMAD RAZA)
BUDGET OFFICER (FUNDS/LOANS)



GOVERNMENT OF PAKISTAN
CONTROLLER GENERAL OF ACCOUNTS
CGA Complex, FBC Building, Sector G-5/2
ISLAMABAD
www.cga.gov.pk

No. 1376 CGA.A.A/RP-2018(L.C)

Dated: 26-10-2020

All PAOs Federal Secretaries,
Ministry of
Islamabad.

Subject: ASSAN ASSIGNMENT ACCOUNT PROCEDURE (LOCAL CURRENCY), 2020

Kindly refer to Finance Division letter no.F.2(2)BI/2008/2020-1081 dated 20-10-2020 on the subject cited above.

2. The Finance Division has approved the "ASSAN ASSIGNMENT ACCOUNT PROCEDURE (LOCAL CURRENCY)".
3. The procedure is enclosed for information and necessary action, please.

Each: As above.

(Khalid Nazir)
Accounts Officer (PAC)
Tel No: 051-9245517

Copy forwarded for information and necessary action to:

1. The Director General (Policy), Office of the Auditor-General of Pakistan, Islamabad.
2. The Accountant General Pakistan Revenues, Islamabad/Sub-Offices Karachi/ Lahore/ Peshawar/ Quetta/ Gilgit.
3. The Accountant Generals Punjab/Sindh/Khyber Pakhtunkhwa/Balochistan/Gilgit Baltistan.
4. The Jr. Joint Director, State Bank of Pakistan, I.I. Chundrigar Road, Karachi for issuance of necessary instructions.
5. The Vice President, National Bank of Pakistan (Head Office), I.I Chundrigar Road, Karachi for issuance of necessary instructions to NBP branches.
6. The Federal Treasury Officer, Islamabad/ Karachi.

CC:

1. The Provincial Secretaries Punjab/Sindh/Khyber Pakhtunkhwa/Balochistan and Gilgit Baltistan.
2. Mr. Rashid Ahmed, Section Officer (BI), Finance Division, Islamabad with reference to their letter no. F.2(2)BI/2008/2020-1081 dated 20.10.2020

Applicable w.e.f 26th October, 2020

ASAAN ASSIGNMENT ACCOUNT PROCEDURE (LOCAL CURRENCY), 2020

All Special Drawing Accounts (SDAs), Personal Leger Accounts (PLAs), and Revolving Fund Accounts (Local Currency) were abolished vide CGA office letter No.AC-II/1-39/08-Vol-V/632 dated 24th September, 2008 and Finance Division O.M. No. 3(4) DS(BR-II)/2008 dated 6th October, 2008. At present, in the light of provisions of the Public Finance Management Act 2019 and Cash Management and Treasury Single Account Rules 2020, the Assignment Accounts shall be part of Treasury Single Account, as well as Federal Consolidated Fund at Federal Government level.

2. As far as provincial governments are concerned, the Assignment Accounts shall be a part of respective provincial governments' consolidated fund at provincial levels. The following procedure shall be followed for opening and operation of the Assignment Account, for Development Projects and Non Development Expenditure in the Federal and Provincial Governments:

1. General Instructions:

- i) Assignment Accounts shall be part of Consolidated Fund of respective Governments. The unspent balance at the close of financial year shall be surrendered by respective offices as per government instruction, otherwise it shall be treated as lapsed amount.
- ii) Assignment Accounts shall be opened in designated Branches of National Bank of Pakistan (list attached) in the jurisdiction of the Accounting Offices in which the user Organization / or office / or project is located or the amount has been budgeted.
- iii) User Organizations already submitting their claims for Development and Non-Development Expenditure to Accounting Offices for pre-audit shall not be allowed Assignment Accounts, under any circumstances.
- iv) The officers of BS-17 or above on payroll of user organization concerned shall be nominated by the PAO as signatories. A signatory on current / acting charge of BS-17 or equivalent may operate the account till he/she holds current charge of BS-17 and shall no more operate the account on the completion of period of current charge.
- v) Any officer or person attached with a project or unit as honorary officers or board members or on attachment drawing salary from other project or unit shall not become a signatory. However, in cases, where a project, or unit does not have any officer of BS-17 or above on its payroll, the PAO may allow signatories from controlling offices, or entities Board of Directors, till such officers are appointed.

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- vi) In case of entities, where signatories are pre-decided by designation under departmental rules or codes, or SoPs, or the PAO decides the signatory by Designation, the approval (while converting to AAAP 2020, for the first time for one or more branches, or divisions, or geographical stations) can be obtained in a collective manner. In the event of transfer, or retirement, or suspension, or due to any other reason, if an officer who happens to be a signatory, is replaced by any other officer, or the charge of the position is given on acting, current or look after basis, signatory may be changed with the approval of the head of unit, division or department at that station, i.e., obtaining the approval of Head of Department / or entity or PAO shall not be required till the appointment / posting of officer on regular basis. But if the positions remain vacant (i.e., charge is not given to any officer), the second signatory shall be decided with the approval of PAO.
- vii) A third signatory may also be approved by the PAO to operate the account during the leave or if a signatory is away or on tours.
- viii) The Bank shall comply with Government Policy Instructions and SBP regulatory requirements including Know your Customer (KYC) in case of Assignment Account (like that of FATF / AML) and shall ask for requisite documents and ensure biometric verification. The signatories shall comply with these requirements.
- ix) The ASAAN Assignment Account Procedure, 2020 (AAAP 2020) shall be applicable to all the existing Assignment Accounts for all future banking.
- x) For any clarification of the ASAAN Assignment Account Procedure 2020, the PAOs shall refer the matter to Budget Wing, Finance Division (through the Administrative Secretary) for the decisions.
- xi) In case a project is reflected in Federal PSDP but it is executed by the Provincial Government as provided in PC-I, the PAO at Federal level may approve the opening of assignment account or Sub-Assignment Account of such projects or programs and approve signatories whose Names/Designations are recommended by Secretary of Provincial Government Department concerned.
- xii) Budget shall be proposed and approved in the heads of account as per requirements of projects / unit and shall be booked accordingly.
- xiii) Opening of Assignment Account is not needed for funds allocated as 'one-time seed money'.

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- xiv) Assignment Account shall be closed by the PAO upon closing of project, program, or if the expenditure is shifted to pre-audit system of Accounting Offices
- xv) Cash withdrawal or transfer of funds to any bank account is not allowed except employees related deductions like pension contribution, provident fund and GP Fund, etc. These deductions shall be made as per Rules / Policy Guidelines / Procedure of the relevant offices. Payment shall be made only through crossed cheque to contractors, vendors, suppliers, employees, etc.
- xvi) Security Deposit / Retention Money may be deposited in a designated Bank Account in case of perpetual organizations like National Highway Authority but in case projects / programs or operational units or corporations, in a dedicated Bank Account opened with the approval of Finance Division or in Public Account. The account shall be used for deposit of retention money only and no utilization shall be made out of the account, except payment of retention money / security deposit. Such account shall immediately be closed on expiry of contract or completion of project under intimation to Finance Division. In case retention money is forfeited or not claimed within a stipulated period, the same may be deposited alongwith interest, if any, in the Federal / Provincial Government account as the case may be.
- xvii) The PAOs may allow one Imprest Money upto Rs100,000 (One hundred thousand) or less based on the needs. The Finance Division shall be consulted for approval for requirement of any higher amount of Imprest Money.

2. Responsibilities of Principal Accounting Officers (PAOs):

- i) The Principal Accounting Officers (PAOs) shall approve the opening, closing and change of signatories of the Assignment Account. They shall not delegate these powers to any officer (The Additional Secretary In-charge of Ministry/Division or any officer holding the charge of a PAO shall be deemed as the PAO).
- ii) The following Pre-conditions shall be met for opening of Assignment Accounts by the PAO / his office:
 - a. In case of a development project, the project should have administrative approval. The Project Director shall be in place and it should have the Cost Centre / ID No. and allocation of budget.
 - b. In case of current budget expenditure, it should have the Cost Centre / ID No. and allocation of budget.

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- c. There shall be a separate assignment account for every development project, Sub-account(s) may be allowed on need basis.
 - d. The PAO shall ensure that signatories are approved as per provisions of AAAP 2020.
 - e. As required under Section 23 of the PFM Act 2019, the PAO shall submit a certificate to the Finance Division on half yearly basis that public money has not been transferred from Assignment Account to any other bank account.
- iii) The copies of following documents are mandatory / required for submission of request to PAO:
- a) Gazette Notification for designation of PAO other than Secretary/Additional Secretary Incharge of Ministry/Division.
 - b) Administrative approval in case of Development Projects. (b) Valid CNIC and Office Card of signatories. (c) Specimen signature. (d) In case of entities like corporations, companies, autonomous entities under a Division, the specimen signature shall be verified by an officer of (BPS-17 or above), a Section Officer, Deputy Secretary, etc but not the SPS or PS at the administrative Division.
- iv) The opening of Assignment Account or change of signatories shall be intimated by the PAO office to all the concerned offices including Budget Wing, Finance Division, PD&SI Division, CGA and Accounting Offices concerned.
- v) The Ministry /Division /Department will issue sanction letter (as per prescribed procedure) for placement of amount as ceiling in Assignment Account as per Form-C.
- vi) Under the PAO, the officers processing, sanctioning and controlling the budget, payment, or any matter related to assignment account shall observe and enforce financial propriety and follow all the rules and procedure as applicable to such matters.
- vii) The drawing authorities shall be responsible for reconciliation of expenditure with Accounts Offices on monthly basis. They shall maintain a proper account of all expenditure.
- viii) The PAO and his sub-ordinate officers shall ensure the proper booking, reporting and reconciliation of expenditure.
3. **Responsibilities of National Bank of Pakistan (NBP)**
- i) On receipt of request from user organization i.e., Ministry/Division/Department, duly approved by the PAOs for the opening of Assignment Account on **Form-A**, the manager of the designated branch of the NBP shall open the account or sub-account. The letter of Assignment Account shall specify the following detail:

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- (a) Title of Account. (b) The Bank branch where it shall be opened. (c) Authorized cheque signatories and specimen signatures. (d) Any other condition for operation of the account as required by the bank. The NBP may ask / add any other requirement as per Government Policy or SBP regulatory requirements.
- ii) Availability of funds, as authorized by Accounting offices (AGPR/AG/DAO) concerned will be checked before each payment by National Bank of Pakistan (NBP).
- iii) The Bank shall entertain the cheque(s) that are accompanied with a scroll mentioning Demand No., Cost Centre and Object Code, and both endorsed by Accounting Offices for payment. The cheques not endorsed by the Accounting Offices shall not be entertained by the Bank.
- iv) After payment, the NBP Branch maintaining assignment account or sub-account may claim reimbursement from the SBP. The SBP shall reimburse as per existing practice and shall issue debit voucher containing necessary accounting detail (Demand No. Cost Centre and object classification) to the respective Accounting Offices.
- v) The bank will accept crossed cheques and no cash withdrawal and transfer of funds to other bank account will be made except as provided in clause 1.
- vi) The dormant Assignment Accounts or sub-accounts which have no transactions for the last three years will be closed by the NBP under intimation to the PAO and Accounting Offices concerned.
- vii) The NBP shall automate the assignment account through their core business application and provide complete information including list of assignment accounts or sub-accounts on monthly basis to Accounting Office concerned and Budget Wing, Finance Division. No payment will be made manually after 31.12.2020 except with the approval of Finance Division
4. Responsibilities of Accounting Offices (AGPR / AGs / DAOs)
- i) On receipt of the sanction letter for placement of amount in Assignment Account or Sub-Account, the Accounting Offices will authorize the Manager NBP for the ceiling as per Form-D.
- ii) As per Federal Treasury Rule (FTR) 170-B, the authorization letter for placement of fund will be issued directly to the NBP by the Accounting Offices concerned by endorsing the copies to all the concerned. The cheque book of Assignment Account will also be

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supplied upon requisition by authorized signatories to them or to person (Government employee) authorized by the signatories.

- iii) The Accounting Offices shall endorse the cheque in the name of beneficiary or a Manager, NBP/Commercial Bank alongwith scroll having necessary details attached for payment of pay, allowance pension, etc. The exception is for sub-assignment account, where the endorsement is not required.
- iv) The cheque in the name of Manager NBP/Commercial Bank for transfer of funds to establish a Letter of Credit (LC) shall be endorsed by the Accounting Offices.
- v) The DDOs dealing with assignment accounts or sub-account shall prepare three copies of scroll mentioning therein name, CNIC, Bank Account No, amount, Demand No. and Object Codes. The Accounting Offices shall endorse all the three, and enclose cheque, retain one copy of scroll as record which will also serve as basis for recording of expenditure, second copy shall be endorsed to the bank and third copy will be returned to DDOs for record.

5. Establishment and Responsibilities Pertaining to Sub-Assignment Account(s):

- i) The Sub-Assignment Account(s) shall be established / opened by the PAO in accordance with the following procedure:
- ii) Sub-Assignment Account(s) may be allowed by the PAO at designated branche(s) of the NBP if expenditure from one cost centre is incurred at more than one location.
- iii) Sub-Assignment Account(s) shall be a part of main assignment account and all sub-Assignment Account(s) shall be tagged with CIF (Customer Information Folio) of the main Assignment Account by the NBP through IT system.
- iv) Requirements and procedure of opening, authorization, and documentation for sub-Assignment Account shall be same as for the Assignment Account.
- v) The Ministry/Division/Department will communicate the sanction to Accounting Offices for placement of amounts as ceiling with clear-cut bifurcation of each Sub-Assignment Account as an Annexure to Form-C. On receipt of the said sanction, the Accounting Offices will authorize ceiling in Form-D along with the ceiling, detail of each Sub-Assignment Account to the Manager, NBP maintaining the main Assignment Account. Payments from sub-assignment account shall be recorded by Accounting Offices at the place where main Assignment Account is maintained. (The user organization shall distribute the budget according to its needs at various places and convey to Accounting Offices who will endorse it to NBP maintaining main assignment account). The Manager NBP maintaining the main

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-7-

Assignment Account will intimate ceiling to NBP branches where sub-assignment account is maintained for each Sub-Assignment Accounts as per break-up provided by the Accounting Office concerned.

- vi) Payment will be made by the said NBP branch immediately after necessary verification of authorized ceiling for the Sub-Assignment Account and details of authorized signatories etc.
- vii) After payment, the NBP branch dealing with Sub-Assignment Account will inform to the NBP Branch maintaining the main Assignment Account which will claim reimbursement from the SBP. The SBP shall reimburse as per existing practice and shall issue debit voucher containing necessary accounting detail (Demand No. Cost Centre and object classification) to the respective Accounting Offices.
- viii) For the Federal Government Offices, located at Islamabad, the NBP main branch Islamabad and for other locations, the respective NBP main branch will be focal branch where main assignment accounts will be opened and maintained by the project authorities/entities. Any intimation / correspondence with regard to opening of sub-assignment account, change of signatories, budget ceilings etc. will be communicated to the Chief Manager, NBP main branch of respective location. Further action will be ensured by the respective NBP Main Branch. Provincial Governments may have their own arrangements with NBP main branches at respective provincial headquarters.
- ix) Payment from Sub-Assignment Account shall not require endorsement by Accounting Offices but photocopies of cheque(s) and schedule / scroll shall be submitted to the office maintaining main assignment account for the booking of expenditure in Accounting Offices concerned as soon as the cheques are issued.

6. **Exception:**

The procedure prescribed for Revolving Fund Account (Foreign Currency Assignment Account) as amended vide Finance Division No.F.2 (1)/BR-II/2007-949 dated 02-08-2013 shall be followed for Foreign Currency Assignment Account.

Note: For the purpose of AAP 2020, the expressions used and their meaning are as under:

- User Organizations: Ministry, Division, Department, Project, Program, Unit, Entity, etc.
- Accounting Office: Accountant General Pakistan Revenue, Provincial Accountant Generals, including Sub Offices of ADPR, Accountant General, AJK and Accountant General, GB and District Accounts Offices.
- PAO: Principal Accounting Officer (PAO of any Department, Entity, Unit, etc.) as notified by Cabinet Division

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FORM-A

(Sanction for opening of Assignment Account/Sub-Assignment Account)

Ministry/Department -----

Division-----

Attached Department-----

No. -----

Islamabad, the-----20-----

From:-----

To:

The Manager,
National Bank of Pakistan,

Subject:- OPENING OF LAPSABLE ASSIGNMENT ACCOUNT/SUB-ASSIGNMENT
ACCOUNT IN PAK-RUPEE TITLED "-----"

It is requested that Lapsable Assignment Account / Sub-Assignment
Account may kindly be opened with the above titled in the National Bank of
Pakistan (NBP) -----Branch-----.

2. The above account will be operated jointly by Mr/Mrs/Ms-----
-----and Mr/Mrs/Ms----- whose specimen signatures duly
attested alongwith copies of CNIC and Office Card or Notification or Office Order
are attached herewith in triplicate.

3. The above account will be operated / maintained in accordance with the
approved revised procedure circulated by the CGA vide No.-----dated
-----.

4. The funds in the Assignment Account / Sub-Assignment Account will be
provided through sanctioned Current/Development budget allocation.

5. It is certified that all the requirements / codal formalities as prescribed /
defined in the ASAN Assignment Account Procedure are fulfilled / completed to
open the account and Secretary, Ministry / Division-----has approved the
opening of Assignment Account on the subject title being the Principal
Accounting Officer (PAO).

(-----)

Cc:

- i. Chief, PIP Section, Planning & Development Division, Islamabad
- ii. Deputy Secretary (BI), Budget Wing, Finance Division, Islamabad.
- iii. Accounting Offices, Office of AGPR/Sub-Office of AGPR/DAO.
- iv. Account Officer (PAC), Office of CGA, Islamabad.

9

FORM - C

(Sanction for Placement of Funds in Assignment Account/Sub-Assignment Account)

No. _____

Government of Pakistan

Ministry of _____

Islamabad the _____ 200x.

The Accountant General
Pakistan Revenue,Subject- **SANCTION FOR PLACEMENT OF AMOUNT AS CEILING IN
THE ASSIGNMENT ACCOUNT/SUB-ASSIGNMENT
ACCOUNT RELATING TO _____**

Dear Sir,

I am directed to convey the sanction of the President of Islamic Republic of Pakistan to the placement of an amount of Rs. _____ (Rupees _____ only) in the assignment account titled _____

_____ as ceiling
for the quarter/month _____ of the current financial year 200x-200x.2. It is requested that the Manager National Bank of Pakistan _____
—Branch _____ may be advised to arrange payment against above mentioned ceiling of Rs. _____ on the receipt of cheque and prescribed schedule of payment duly signed by the authorized signatories of the account.

3. The above assignment of funds has been made against budgetary allocation in Grant No. _____

—Cost centre _____ bearing Function-Item-Object Classification _____

for the year 200x-200x to which the expenditure may be debited in accounts.

Yours faithfully,

Name _____

Designation _____

Tele _____

No. _____

Government of Pakistan
Finance Division
(FA's Organization)

Islamabad the _____ 200x

FORM T.R. (1 B.)
(See Rule 170 B.)

FORM - D

Office of the Accountant General
Pakistan Revenues
Dated the

No.
To
The Manager
National Bank of Pakistan

Subj- **AUTHORISATION FOR PLACEMENT OF FUNDS IN ASSIGNMENT
ACCOUNT No. TITLED**

In pursuance of Govt. of Pakistan Ministry of
..... sanction letter No. dated
..... duly endorsed by the Finance Division vide their No. dated
..... you are hereby authorized to arrange payments upto a ceiling of Rs.
(Rupees only) from the assignment account titled
..... allowed for the quarter/ month of the
current financial year 200x-0x.

2 The amounts may be paid on receipt of assignment account cheques signed by
the authorized signatories of the account after verification from the schedule of
cheques received in the banks.

3 The above authorization of funds has been made against budgetary allocation
in Grant No. Cost Centre bearing Function-cum- Object
classification for the
year 200x-0x to which expenditure is debitable in accounts.

4 The paid cheques with a copy of the scroll may be provided to this office on
next working day. The debit on account of paid cheques may be passed on through
daily accounts to the Treasury/DAO as per existing practice.

//

5. Re-imbursement for such payments will be made by the State Bank of Pakistan on receipt of claim from the Head Office of the National Bank of Pakistan.

6. The Assignment Account will be maintained only to keep a record of withdrawals out of them by their authorized officer and no receipts will be creditable to the said Account.

7. The amount remaining un-utilized at the close of the financial year would lapse. It is, therefore, requested that the amount remaining un-utilized on the 30th June each year may be intimated to this office immediately after the close of financial year. The amount remaining un-utilized may be determined after providing for cheques already issued before the close of the year as per schedule of cheques received by 30th June.

8. Please acknowledge receipt.

(Signature)
(Designation)
Dated the.....

No.....

Copy forwarded to for information and necessary action.

The authorization made in the above letter is subject to the condition that no moneys would be drawn from the assignment account unless they are required for immediate disbursement. No cash shall be drawn from an Assignment Account except for imprest and in such limit as will be sanctioned by the Finance Division.

(Signature)
(Designation)

copy forwarded to Manager, State Bank of Pakistan, for information and necessary action.

(Signature)
(Designation)

12

SCHEDULE OF ASSIGNMENT ACCOUNT CHEQUES

Sr. No: _____

Date: _____
(per Numbered)

Name of Deptt and DDO: _____

Assignment A/c Name and No: _____

Cost Center _____

Project Description _____

Project Code _____

SUB-Detailed Function _____

Grant No _____

Serial no.	Cheque no	Date of cheque	Payee's Name	Amount (Rs)	Detailed Object Code

Certificate

It is certified that money being drawn through above cheque/cheques is required for immediate disbursement and will not be kept in any bank account:

DDO's Signatures and /stamp

13

Commitment Advice Form

DDO Date:
 DDO Reference No:
 Division/Deptt/Project
 Purchase Order/ Date of Purchase
 Contract No Order:

Committed Amount: Rs:

Rupees (in words)

Account Code:

Entity
Object
Fund
Function
Project

Supplier/ Contractor Details:
(Name & Address)

Details of Good/
Service Under Commitment:

Schedule of Payment:

Prepared by: _____ Signature: _____ Date: _____

Approved by: _____ Signature: _____ Date: _____

Embossing
Seal



Purchase Order Form
(On Government Letter Head)

Toc

DDO Name:

•

Purchase Order No:

Pre Printed
Serial Number

DDO Reference No:

1	2	3
---	---	---

Date:

--	--

Division / Department:

11/11/2011

[illegible]

Special Condition:

Prepared by: _____ Signature: _____ Date: _____

Approved by: _____ Signature: _____ Date: _____

Account Code

PROJECT EXPENDITURE STATEMENT

Month/Year

Brief Description of the project

- Budget for the project
- Expenditure during the month
- Progressive expenditure during the year
- Upto date expenditure since beginning of the project

Current Year	Previous Year

DDO's Signature and Stamp

16

210
Immediate
By Messenger

Government of Pakistan
Finance Division
(Budget Wing)

No.F.2 (2)BI/2008/2020-1081


Islamabad, the 20th October, 2020

OFFICE MEMORANDUM

Subject: ASAAN ASSIGNMENT ACCOUNT PROCEDURE (LOCAL CURRENCY), 2020

Kindly find enclosed herewith Asaan Assignment Account Procedure (Local Currency), 2020, duly approved by the Finance Secretary.

2. It is therefore, requested that the said procedure may be notified under intimation to this Division.


(RASHID AHMAD)
Section Officer (BI)
Ph: 9202910

Director General(Accounts),
Office of Controller General of Accounts,
Federal Bank for Cooperative Building,
CGA Complex, G-5/2,
Islamabad

Cc: Controller General of Accounts,
Office of CGA, Islamabad.

Annexure 4-C: Preparation of Proper Feasibility Study/PC-II

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING, DEVELOPMENT & REFORM
(Public Investment Authorization Section)**

No.24(4)PIA-I/PC/2016

Islamabad, the 28th June, 2016

- | | | | |
|---|--|---|---|
| 1 | Chairman, Planning & Development Board, Government of the Punjab, <u>Lahore.</u> | 2 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Sindh, <u>Karachi.</u> |
| 3 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar. | 4 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, <u>Quetta.</u> |
| 5 | Additional Chief Secretary (FATA), Civil Secretariat Warsak Road, <u>Peshawar.</u> | 6 | Additional Chief Secretary (Dev), Planning & Development Department, Government of A.J&K., <u>Muzaffarabad.</u> |
| 7 | Secretary, Planning & Development Department, Gilgit- Baltistan, <u>Gilgit</u> | | |

Subject: **PREPARATION OF PROPER FEASIBILITY STUDY/PC-II BY THE SPONSORS FOR DEVELOPMENT PROJECTS**

It has been observed that in a number of cases Ministries/Divisions do not comply with the requirement of undertaking a proper feasibility study/PC-II. In this regard, detailed instructions have already been issued vide letter dated 19th November, 2015. The issue was again discussed in detail in a meeting held under the Chairmanship of Secretary, Ministry of Planning, Development and Reform, on 13th May, 2016 in which, inter-alia, it was decided that:

“Instructions for financial threshold limits have already been issued for undertaking feasibility studies as approved by the Minister for PDR/DCPC. However, it was decided that feasibility study should be proper and based on current data. Any study older than three years will not be accepted by the Planning Commission”.

1. In view of the above it is requested that the decision quoted above may kindly be strictly followed in letter & spirit. Planning Commission will not accept those feasibility studies which are non-compliant to the above instructions and those issued earlier.

3. This issues with the approval of the Chairman CDWP/Deputy Chairman, Planning Commission.

Sd/-
(Mushtaq Ahmed Raja)
Chief
Tel: 9205755

Copy to:

- 1) Secretaries/Additional Secretary (Incharge) of all Ministries/Divisions
- 2) Chief Economist, All Members of Planning Commission
- 3) JCE, Macro & Opr.
- 4) Advisor (DB)
- 5) All Chiefs/Deputy Chiefs (Incharge) of Technical & Economic Sections of Ministry of Planning Development & Reform for follow up and compliance.

Copy for information to:

- i. Director to Minister for PDR
- ii. SPS to Secretary M/o PDR
- iii. SPS to Additional Secretary, M/o PDR

Annexure 4-CC

Enhanced limit for proper Feasibility Study/PC-II

**Government of Pakistan
Planning Commission
Ministry of Planning, Development & Reform
(Public Investment Authorization Section)**

No.2(38)PIP/PC/2017-18

Islamabad, the 15th August, 2017

- | | | | |
|---|---|---|--|
| 1 | Chairman, Planning & Development Board, Government of the Punjab, <u>Lahore.</u> | 2 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Sindh, <u>Karachi.</u> |
| 3 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, <u>Peshawar.</u> | 4 | Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, <u>Quetta.</u> |
| 5 | Additional Chief Secretary (Dev), Planning & Development Department, Government of AJ&K., <u>Muzaffarabad.</u> | 6 | Additional Chief Secretary (FATA), Civil Secretariat (FATA), Planning & Development Department, <u>Peshawar.</u> |
| 7 | Secretary, Planning & Development Department, Gilgit- Baltistan, <u>Gilgit</u> | | |

Subject: **ENHANCED LIMIT FOR PROPER FEASIBILITY STUDY/PC-II**

In partial modification of this Ministry's letter No. 20(1)PIA-I/PC/2015 dated the 19th November, 2015 on the above noted subject and in compliance to the direction of the Public Accounts Committee, it is conveyed that all projects costing Rs. 50 million to Rs. 500 million should be based on feasibility studies prepared by the professionals hired by Ministries/Divisions Departments/Executing Agencies for respective Project Management Units/Planning Cells etc. Such feasibility studies should include technical details of proposed projects(s) including design, BOQs etc.

2. The instructions issued vide this Ministry's letter of 19th November 2015 referred to above for projects costing above Rs. 500 million, as per direction of NEC, would also remain in force.

3. Ministries/Divisions/Executing Agencies may ensure compliance of above instructions while preparing PC-I's. These instructions would also be applicable to the projects being processed at DDWP level.

4. This issues with the approval of Secretary, M/o Planning, Development & Reform.

Sd/-
(Ayaz Ali Sakhani)
Assistant Chief


Copy for information to:

- 1) Secretaries/Additional Secretary (Incharge) of all Ministries/Divisions
- 2) Chief Economist and All Members of Planning Commission
- 3) All Chiefs/Deputy Chiefs (Incharge) of Technical & Economic Sections of Ministry of Planning Development & Reform for follow up and compliance.
- 4) Joint Secretary (PAC), National Assembly Secretariat, Islamabad.

Annexure 4-D:

Appointment of Consultants for Undertaking Feasibility Studies for Infrastructure Sector Projects, KP

Annex-TV




Government of Khyber Pakhtunkhwa
Planning and Development Department
Civil Secretariat Peshawar
Coordination Section
Phone No. 091-9211137 – 9210494-95
Dated Peshawar the 14th May, 2014

NOTIFICATION
No.C/COORD/P&D/105/04/ADP/2013-14: The Chief Minister, Khyber Pakhtunkhwa has been pleased to direct that consultants should be hired only for Infrastructure schemes costing more than Rs. 100 million. Schemes costing less than Rs. 100 million stand exempted from hiring of consultants unless the concerned executing agency/department considers it essential. The consultancy already awarded by the Department will continue as per agreement under prevailing mechanism.

--sd--
Additional Chief Secretary

Copy forwarded to:-

1. All Administrative Secretaries, Government of Khyber Pakhtunkhwa
2. Principal Secretary to the Chief Minister Khyber Pakhtunkhwa
3. Accountant General, Khyber Pakhtunkhwa
4. All Chief of Sections P&D Department
5. PS to Additional Chief Secretary, Khyber Pakhtunkhwa
6. PS to Secretary, P&D Department Govt: of Khyber Pakhtunkhwa
7. PA to Chief Economist P&D Department
8. PA to Additional Secretary, P&D Department.


Chief Coordination - 14/5/14

Annexure 5-A: Checklist for Appraisal of Development Projects

CHECKLIST FOR APPRAISAL OF DEVELOPMENT PROJECTS

S.No	Observations	Remarks	
Policy Related			
1.	Project nomenclature in the PC-1 corresponds to the one in the ADP	Yes	No
2.	PC-I is on standard format for different Sectors (Social, Infrastructure & Production)	Yes	No
3.	Summary for nomenclature change approved, if Project nomenclature in PC-1 differs from ADP	Yes	No
4.	Project nomenclature covers all seminal aspects like Feasibility Study, land acquisition and construction	Yes	No
5.	Summary approved for enhanced cost if Project is “New” and PC-1 cost exceeds ADP cost beyond 15 % permissible limit	Yes	No
6.	Approval on Summary obtained, in case of a non-ADP project	Yes	No
7.	Approval on Summary obtained, if Project is being revised for 3rd time	Yes	No
8.	Environmental Protection Agency clearance in terms of Environmental Impact Assessment or Initial Assessment obtained	Yes	No
Planning Related			
9.	Project site’s GIS coordinates recorded	Yes	No

10.	Proper identification of land for the Project	Yes	No
11.	Land availability certificate obtained from Board of Revenue if Project is on State Land	Yes	No
12.	Land availability certificate obtained from concerned Deputy Commissioner if land is to be purchased	Yes	No
13.	Status of the Project (New, Revised or Non-ADP) indicated	Yes	No
14.	Attested Technical Sanction annexed in case of revised approval	Yes	No
15.	If escalation claimed, whether it has been vetted from M&E	Yes	No
16.	Annual operating and maintenance cost properly worked out	Yes	No
17.	Year-wise physical and financial phasing provided	Yes	No
18.	Availability of donors' commitment in case of foreign aided projects	Yes	No
19.	Reflection of Foreign Exchange Component in case of Foreign Funded projects	Yes	No
20.	Provision of proper Location Map of the Project	Yes	No
21.	Certificate of non-duplication	Yes	No
22.	Provision of engaging consultant made, in case its mandatory	Yes	No
23.	Possibility of execution of scheme under PPP mode	Yes	No

24.	Initial Risk Assessment	Yes	No
25.	Outcome of similar projects completed in last 5 years	Yes	No
26.	Proper benefit and impact analysis focusing on the following factors:		
	○ Financial benefits	Yes	No
	○ Economic benefits	Yes	No
	○ Social benefits with indicators	Yes	No
	○ Employment generation (direct and indirect)	Yes	No
	○ Environmental impact	Yes	No
27.	PC-1 uploaded on PCFMS	Yes	No
28.	Project's goals aligned with SDGs	Yes	No
29.	PC-1 supported by Infrastructure Section, in case of Capital-based Project	Yes	No
30.	If Project is Revised or its cost exceeds Rs 500.00 million, whether M&E has supported it	Yes	No
31.	All observations made in the Pre-PDWP meeting settled	Yes	No
32.	PC-II submitted, if PC-1 amounts to Rs. 300 million	Yes	No
Technical			
33.	PC-I includes following essential documents:		
	○ Topographic Survey and Contour Map	Yes	No
	○ Master Plan	Yes	No
	○ Site Plan	Yes	No
	○ Soil Bearing Capacity Test	Yes	No
	○ Detailed Architectural Drawings	Yes	No
	○ Installation Plan for CCTV cameras	Yes	No
○ Detailed Structural Drawings including:	Yes	No	

	➤ Construction Drawings	Yes	No
	➤ Reinforcement Drawings	Yes	No
	➤ Sectional Drawings	Yes	No
	➤ Foundation and Column Layout Plan	Yes	No
	➤ Design of allied works (water, sewerage, internal & External Water supply etc)	Yes	No
	○ Installation Plan for CCTV cameras	Yes	No
		Yes	No
34.	Detailed Cost Estimates (DCEs) are based on latest MRS	Yes	No
35.	Provision made for design and supervision	Yes	No
36.	DCEs are based on Detailed Structural Designs	Yes	No
37.	Detailed Structural Designs are based on actual site	Yes	No
38.	Revenue Clearance obtained from Finance Department in case of Projects with Revenue Component	Yes	No
39.	If HR is to be hired, whether the same positions are not available on regular side	Yes	No
40.	If equipment, vehicle or machinery is to be purchased, whether these are not already available with the Sponsoring Department, or is there no provision for these in the annual current budget	Yes	No
41.	Unit cost of the machinery, vehicle or equipment to be purchased, is cited	Yes	No
42.	In case vehicle is to be purchased, whether there is any Project position which is authorized the use of vehicle under the Transport Committee Rules	Yes	No
43.	Vehicle specification conforms to the authorization in Transport Committee Rules	Yes	No

44.	If project positions are to be filled through deputation, whether deputation policy is being complied	Yes	No
45.	If project positions are to be filled through fresh recruitment, whether provisions of Project Policy regarding mode, criteria of appointment and salary are complied	Yes	No
46.	In case of PIU/ PMU, whether PIU/PMU cost is not more than 10% of Project cost	Yes	No
47.	Proper specifications provided in case of machinery or equipment	Yes	No
48.	In case of specialized machinery or equipment, whether the specifications checked by the concerned technical expert	Yes	No
49.	Unit cost of machinery or equipment is supported by price cited from an authorized dealer	Yes	No
50.	If machinery or equipment is to be purchased from abroad, whether foreign currency exchange rate has been determined for proper cost estimation	Yes	No

Annexure 6-A:

Standard pay package for the project staff directly recruited for development projects funded from PSDP

FINANCE DIVISION (Regulations Wing)

No. F. 4(9)R-14/2008

Islamabad, the 19th July, 2017

OFFICE MEMORANDUM

Subject : **STANDARD PAY PACKAGE FOR THE PROJECT STAFF DIRECTLY RECRUITED FOR DEVELOPMENT PROJECTS FUNDED FROM PSDP.**

The undersigned is directed to refer to this Division's O.M No.F.4(9)R-3/2008-592/09, dated 18th August, 2009 and to state that revised Standard Pay Package for officers/staff directly recruited from open market on contract basis, for the execution of Development Projects funded from PSDP will be as follows:-

Project Pay Scale (PPS)	Regular BPS	Minimum (Rs.)	Increment @ 5% of the Minimum	Maximum (Rs.)
PPS-1	BPS 1-4	16,000	800	25,600
PPS-2	BPS 5-8	20,000	1,000	33,000
PPS-3	BPS 9-10	25,000	1,250	40,000
PPS-4	BPS 11-13	30,000	1,500	48,000
PPS-5	BPS 14-15	40,000	2,000	64,000
PPS-6	BPS 16	60,000	3,000	96,000
PPS-7	BPS 17	90,000	4,500	144,000
PPS-8	BPS 18	125,000	6,250	200,000
PPS-9	BPS 19	175,000	8,750	280,000
PPS-10	BPS 20	250,000	12,500	400,000
PPS-11	BPS 21	350,000	17,500	560,000
PPS-12	BPS 22	500,000	25,000	800,000

2. The aforesaid pay package will be effective from 01-07-2017 for the new as well as the on-going PSDP projects and shall be admissible subject to the following conditions:-

- i) This pay package will be followed for the appointments of officers/staff including Project Directors, Advisors, Specialists; Consultants etc. in the PSDP funded development projects as reflected in the PC-1/PC-II, duly approved by the competent forum. Based on the sensitivity and size of the project, the CDWP shall decide on whether the Project Director is to be placed in PPS-10 or PPS-11 or PPS-12.
- ii) The above lump sum pay package will be admissible for fresh/direct /existing Employees of PSDP Projects. However, pay of the fresh/direct employees shall be fixed at the initial stage and thereafter an annual increase @ 5% of the initial stage would be admissible.
- iii) The pay of the existing PSDP funded project employees shall be fixed to the next higher stage of the revised stage of the above pay package.

- iv) Annual increment to the Project employees in Standard Pay Package shall be admissible on completion of one year continuous service from the date of appointment on the relevant post and also in the subsequent years in the same manner.
- v) The above lump sum project pay package shall not in any way be less than the minimum rates of wages as revised from time to time.
- vi) Government employees may apply for project posts. However, if any Government employee is selected on a project post, he/she will have to resign from Government service before appointment on project post.
- vii) The relevant project approving fora like CDWP or ECNEC will decide the number and pay scale of project staff.
- viii) Adoption of standard pay package 2017 shall require revision/approval of PC-I from the competent forum
- ix) The Projects employees will be appointed on contract basis in PSDP projects for an Initial period not exceeding two years which will be extendable further till the completion period of the project on yearly basis after evaluation of their performance.
- x) No additional facility, in addition to the revised Standard Pay Package, shall be admissible for PSDP Projects' employees.
- xi) This pay package shall not be admissible to those who are re-employed/appointed on contract after their retirement. They may be allowed pay and allowances, as per provisions of the contract policy of the Establishment Division issued vide their O.M. No.F.10/52/95-R-2, dated 18th July, 1996 and as amended from time to time.
- xii) Those retired Government servants who compete with others from the private sector for appointments against projects positions on the basis of open competition and are selected on merit should be entitled to the package, perks and privileges laid down for that positions in the projects according to the clarification issued through Establishment Division's O.M.No.10/67/2004-R-2 dated 21-06-2005 or as revised from time to time.
- xiii) The project employees appointed through transfer (deputation) on full time basis will get pay in their own pay scales and allowances plus deputation allowance as admissible under the deputation policy contained in Establishment Division's O.M.No.1/13/87/R-1 dated 03-12-1990 as amended from time to time, at the rate of 20% of the basic pay subject to maximum Rs.12,000/- per month or as revised from time to time.
- xiv) The officers/officials granted additional charge of the posts of projects in addition to their own duties will be entitled to draw additional charge allowance @ 20% of the basic pay, in addition to their own pay/allowances of their regular posts subject to maximum Rs.12,000/- per month or as revised from time to time.

- xv) This pay package will not be admissible to those project employees whose services/posts are transferred to the non-development side after completion of the project, from the date of their transfer.
- xvi) The payment of pay package of project staff will be stopped from the date of transfer of their service/posts to any other establishment.
- xvii) On the transfer of project posts to the non-development side, such posts shall be filled in the prescribed manner in regular Basic Pay Scale and incumbents of such posts shall be treated as fresh employees of the Ministries/ Divisions/Departments and not for the projects.
- xviii) If an employee of the project is selected on a post of the non-development side, he will be appointed at the initial stage of the relevant Basic Pay Scale, and his pay and services rendered in the project shall not be protected/ counted for any purpose i.e. pay, pension and seniority etc.

2. The earlier instructions contained in Finance Division's O.M. No.F.4(9)R-3/2008-592/09, dated 18th August, 2009, No. F.4(9)R-3/2008-396/2011, dated 12th December, 2011 and F.4(9)R-3/2008, dated 08th July, 2013, No.F.4(9)R-3/2008, dated 3rd November, 2016 stand superseded and replaced by this Office Memorandum.

Sd/-
(Nisar Hussain)
Section Officer (R-14)
Tele: 9245873

All Ministries/Divisions/Departments:

Annexure 6-AA:

Project Policy Khyber Pakhtunkhwa (updated uptill January, 2018)

**UPDATED VERSION OF THE KHYBER PAKHTUNKHWA
PROJECT POLICY, 2008
(UPTO 31.1.2018)**

In pursuance of the provisions of Section-25 of the Khyber Pakhtunkhwa Civil Servants Act, 1973 and in supersession of all instructions issued previously on the subject from time to time, the competent authority has been pleased to approve the following policy for compliance by all concerned in order to regulate appointments to posts in approved development projects under the Govt. of Khyber Pakhtunkhwa.

(1). SHORT TITLE AND COMMENCEMENT.

- (i) This policy may be called the "Khyber Pakhtunkhwa policy regulating appointment to posts in development projects".
- (ii) It shall apply to all posts in the approved development projects funded fully or partially by the Provincial Government or controlled by the Provincial Government.
- (iii) It shall come into force at once and shall not effect the terms and conditions of the staff already working in the projects.

(2). NOMENCLATURE, PAY SCALE / PAY PACKAGE OF THE POSTS.

- (i) As far as possible, nomenclature of the posts should be such that 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, duration of appointment and responsibilities etc of each post sanctioned for the project shall be prescribed in the PC-I. In case the qualification, experience & age limit are not given in the PC-I, then this requirement shall be completed by the Administrative Department in an objective way.
- (iii) Fixed pay package for project posts shall be sanctioned at the time of approval of PC-I with reference to the responsibilities attached with the post. Approximate fixed package with reference to various pay scales shall be as under:-

b. After thorough scrutiny of record, only qualified and eligible candidates shall be called for interview.

(9). APPOINTING AUTHORITIES.

Project Director would exercise the powers of appointing authority for posts in and equivalent to BS 1-16, 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 fifteen days notice or payment of fifteen days salary in lieu of notice. In case of 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).
- (v) On completion of the project, the services of the project employees shall stand terminated. However, they shall be re-appointed on need basis, if the project is extend over any new phase or phases.
- (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 through 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). ZONAL ALLOCATION FORMULA.

The Zonal Allocation Formula shall not apply to project posts.

2. It is requested that this policy may kindly be circulated amongst all concerned for strict compliance.

(5)	Representative of P&D not below the rank of Deputy Secretary.	Member
(6)	Project Director/ Additional Secretary or Deputy Secretary, if there is no Additional Secretary in the Department.	Member/ Secretary

c) For posts in BS-1 to 16.

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

(8). **SHORTLISTING COMMITTEE.**

(a) 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, age limits and other conditions advertised for the post:-

(i) For the post of Project Director

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

(ii) For other posts.

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

D. Interview = 8 Marks

Note: A candidate securing less than 40% marks in the interview shall be considered as failed.

E. Training course: = 7 Marks

Minimum three months 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.

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 Departments or public Sector University may be associated with the Committee.	Member
(5)	Representative of P&D not below the rank of Additional Secretary.	Member
(6)	Secretary of the concerned sponsoring Department.	Member/ Secretary

b) For posts in BS-17 upto 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 University may be associated with the Committee.	Member

A. ⁶⁷Minimum prescribed qualification = 60 MarksFor General Cadre/Non-Technical posts [Total Marks for 1st Div.=60, 2nd Div.=45, 3rd Div.=36]

S.No	Minimum prescribed qualification/ Certificate/Degree	Marks distribution		
		1 st Div.	2 nd Div.	3 rd Div.
(1)	(i) Matric	60	45	36
(2)	(i) Matric	30	22	18
	(ii) FA/F.Sc./Equivalent/12 years education	30	23	18
(3)	(i) Matric	20	15	12
	(ii) FA/F.Sc./Equivalent/12 years education	20	15	12
	(iii) B.A/B.Sc./Equivalent/14 years education	20	15	12
(4)	(i) Matric	15	11	9
	(ii) FA/F.Sc./Equivalent/12 years education	15	11	9
		15	11	9
	(iii) B.A/B.Sc./Equivalent/14 years education	15	12	9
	(iv) M.A/M.Sc./Equivalent/16 years education			

For Professional/Technical posts [Total Marks for 1st Div.=60, 2nd Div.=45, 3rd Div.=36]

S.No	Minimum prescribed qualification/ Certificate/Degree	Marks distribution		
		1 st Div.	2 nd Div.	3 rd Div.
(1)	For Four Examination:			
	1 st Professional	15	11	9
	2 nd Professional	15	11	9
	3 rd Professional	15	11	9
(2)	For three Examination:			
	1 st Professional	20	15	12
	2 nd Professional	20	15	12
	3 rd Professional	20	15	12

B. Higher Qualification = 10 Marks

One step = 7 Marks

Two step = 10 Marks

C. Experience (in the relevant field 1.5 marks per year) = 15 Marks

(Maximum marks : 15)

Note: The relevant experience gained prior to essential / desired qualification required for the post will also be considered/counted.

⁶⁷ The criteria appearing in Sub-para (c) of para (6) substituted vide Notification No.SQ(Policy)E&AD/1-25/2017 dated 06.12.2017

- (v) Civil servants passing through probationary period and those holding appointment on contract basis may apply for such posts but in case of their appointment, they shall resign from government service.
- (vi) On joining the project post on availing Extra-Ordinary Leave (Leave without pay) the Civil servant may vacate government residential accommodation allotted to her/him in case the project station is not the same in which official residence has been provided to him. If she/he wants to retain it, she/he shall pay House Rent to the Government at market rate according to the prescribed procedure.
- (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.
- (viii) Performance Evaluation Reports of the Government Servant shall be written by the concerned authorities during his appointment in the project on deputation basis.

(6). CRITERIA FOR SELECTION

- a. A candidate for appointment to a project post must possess the prescribed minimum educational qualification and experience and they must be within the age limits advertised for the post.
- b. ⁶⁶A candidate shall be a citizen of Pakistan having domicile of Khyber Pakhtunkhwa or FATA. 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 of any other province or area provided that there is no candidate available having domicile from Khyber Pakhtunkhwa or FATA.
- c. Selection will be made purely on merit to be determined by the selection committee on the basis of academic qualification, experience etc in accordance with the following Criteria:-

66. Subpara (ii) para (ii), substituted vide Notification No.30/Petition/PA/AF/25/2011 dated 08.12.2011.

- (v). ⁸⁵ During deputation, the Civil Servant may ordinarily vacate the officially allotted residential accommodation if the duty station of the Project Post is outside the district of accommodation. In case they want to retain it, they shall pay house rent to the Government at market rates as prescribed by the Government from time to time.
- (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 shall be three years extendable for another two years on completion of which the deputationist shall be repatriated to his parent department.

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

- (i) Any Civil Servant holding appointment on regular basis and possessing the minimum qualification, experience and fulfilling other conditions advertised, may apply for a project post through proper channel.
- (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. If they could not produce departmental permission at the time of interview, they 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 time and may forward the same to the quarter concerned.
- (iv) In case the Civil servant is appointed to the post in open competition, she/he shall 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, she/he shall relinquish charge after relieving by the competent authority so that her/his pensionary and other service liabilities are not accumulated against the Government for service rendered as such in the project.

⁸⁵ sub-part (v) para (f) subd (i) vide Notification No.50(Polcy/FAAD)-75/2017 dated 06.12.2017

than 30 days and not exceed 90 days. [sub-para (d) of para 1 of this department letter bearing No.SOR-VI/E&AD/1-25/2007 dated 17th October, 2008 may be deemed deleted].

- (xv) A committee under the Chairmanship of Chief Economist, P&D with the requisite members will examine the cases of headhunting and will forward their recommendations for approval of the Additional Chief Secretary, P&D.
- (xvi) The appointing authority / administrative department shall ensure maximum possible competition in the hiring process. However, they may shortlist 5 to 10 applicants against one post for interview. Furthermore, there will be no bar on the number of shortlisted candidates in the case of posts falling in specialized categories.

(4). DEPUTATION OF CIVIL SERVANTS TO PROJECT POSTS.

In case the competent authority decides to fill a post by way of transfer of a regular civil servant on deputation basis, the procedure laid down in paragraph below shall be followed:-

- (i). ⁶⁴The 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 to the P&D Department. The panel will be considered by the Provincial Project Selection Committee (PPSC) for selection of a suitable officer.
- (ii). The Lending Department will consider the proposal and will normally allow the transfer of the civil servant on deputation basis. The lending department may, however, regret the proposal in the exigency of service and in public interest.
- (iii). Civil servants appointed against project posts on deputation basis shall receive project allowance equal to one basic salary in lieu of deputation allowance.
- (iv). In case of deputation of a Civil Servant to a project which is fully funded by the Provincial Government, the pension contribution will not be a liability on the project and the Provincial Government will continue to make its payment. However, in other cases and modes of deputation, the procedure in vogue regarding pensionary/leave and other service liabilities of the civil servant shall be followed.

⁶⁴ Sub-para (i) of para 4 modified vide No. SOR-VI/E&AD/1-25/2010 dated 19/01/2011.

Secretary of the department concerned to process case for approval of appointing authority.

- (viii) 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 accordingly. In case, the first candidate on the merit list does not join service within a period of one month, offer of appointment may be extended to the next candidate on the merit list.⁶²[After completion of hiring process in a project, a waiting list duly signed by members of the selection committee shall be maintained which shall remain valid till **6 months** and any candidate on merit can be appointed during the period from the list if a post(s) is fallen vacant due to the following reasons:
 - i. Non-joining
 - ii. Resignation, or;
 - iii. Disqualification due to disciplinary action.]
- (ix) Staff appointed by initial recruitment in a project shall not be entitled to pension or CP fund. They shall also not be treated as a "civil servant".
- (x) Project employees will receive medical allowance as per medical attendance rules of the Provincial Government.
- (xi) They shall be entitled to TA/DA in accordance with the TA rules of the Provincial Government.
- (xii) ⁶³Any upgradation in BPS of posts on regular side shall automatically apply similar position in the projects.
- (xiii) Project employees shall be entitled to avail casual leaves and any long leave not exceeding 45 days with full justification and approval of the competent authority. However, maternity leave will be admissible to the female employees as per Khyber Pakhtunkhwa Civil Servants Revised Leave Rules, 1981".
- (xiv) The project employee(s) or the government servant(s) as the case may be, who are assigned additional charge of the posts of projects will be allowed Additional Charge Allowance from the project @ 20% of their basic pay subject to maximum of Rs.12000/- per month or as revised from time to time, in addition to their normal pay and allowances. The period shall not be less

⁶² Text added in sub-para (viii) para (3) vide Notification No.SO(Policy)E&AD/T-25/2017 dated 06.12.2017

⁶³ sub-para (xii) to (xvii) added to para (3) after deleting sub-para (xi) vide Notification No.SO(Policy)E&AD/T-25/2017 dated 06.12.2017

applications should not be less than seven 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. ⁶⁰[Urgent cases may refer to those cases wherein projects involve hiring of Human Resource and are required to be implemented / executed as quick as possible in the best public interest. The matters of urgency are as follows:

- 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 particularly the nomenclature of the post, pay scale or pay package, duration and nature of appointment, duties and responsibilities as well as station of duty etc should be clearly advertised.
- (iv) Applications received for the post shall be scrutinized by the short listing committee constituted for the purpose.(Para-8) The scrutiny will be carried out in the light of record furnished by the applicant with particular reference to his academic qualification, experience, professional skills, age limits and other conditions advertised for the post. ⁶¹[The appointing authority/administrative department keeping in view number of the applicants may hire the services of a registered independent testing service/agency to be used as a screening tool in order to facilitate the shortlisting process as per project policy].
- (v) The concerned department will prepare the lists of qualified and eligible candidates who will be called for test and interview by the concerned Selection Committee. Reasonable time may be given to the candidates to appear for interview. The names of those candidates who do not appear for interview shall be dropped from the selection process.
- (vi) Selection Committee (Para-7) shall interview the qualified and eligible candidates and shall draw a merit list on the basis of academic qualification, experience, professional skills, and other conditions as well as marks obtained in the interview.
- (vii) The list containing order of merit of the candidates must be signed by the members of the Committee including its chairman and forwarded to the

⁶⁰ Text added in sub-para (iii) of para (3) vide Notification No.SO(Policy)T&AD/1-25/2017 dated 06.12.2017

⁶¹ Text added in sub-para (iv) para (3) vide Notification No.SO(Policy)T&AD/1-25/2017 dated 06.12.2017

⁵⁸Pay Package:

S.No.	Pay Scale on Regular Side	Minimum (Rs.)	Increment @ 5% of the Minimum	Maximum (Rs.)
1.	BPS-1-4	16,000	800	25,600
2.	BPS-5-8	20,000	1,000	33,000
3.	BPS-9-10	25,000	1,250	40,000
4.	BPS-11-13	30,000	1,500	48,000
5.	BPS-14-15	40,000	2,000	64,000
6.	BPS-16	60,000	3,000	96,000
7.	BPS-17	90,000	4,500	144,000
8.	BPS-18	125,000	6,250	200,000
9.	BPS-19	175,000	8,750	280,000
10.	BPS-20	250,000	12,500	400,000
11.	BPS-21	350,000	17,500	560,000
12.	BPS-22	500,000	25,000	800,000

- (iv) ⁵⁹**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 the market are either scarce or monopolized; and (c) The market value is so high.

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.

(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:-

- 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 official website.
- A reasonable time not less than fifteen 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 urgent cases, time for inviting

⁵⁸ Pay Package lastly revised vide Notification No.SG/Policy/E&AD/1-25/2017 dated 06.12.2017

⁵⁹ Sub-point (iv) of para (2) inserted vide Notification No.SG/Policy/E&AD/1-25/2017 dated 06.12.2017

Policy governing appointment against project posts.

I am directed to refer to the subject and to say that it has been observed that the Project Policy circulated by Establishment Department vide letter No.SOR-VI/E&AD/1-25/2007 dated 2nd July, 2008 and amended subsequently vide letter No.SOR-VI/E&AD/1-25/2007 dated 17-10-2008 is not being followed by the Provincial Administrative Departments/their Subordinate Offices, resulting in uncalled for liabilities for the Government. The egregious breaches of the Project Policy are enumerated as under:-

- a) Continuation of the service of contract appointees for an indefinite period.
- b) Deduction of GP Fund contribution from their salaries and depositing pension contribution for them.
- c) Transferring such employees from one project post to another, and even posting them against regular and permanent posts.
- d) Allowing such employees to avail facilities and perquisites to which they are not entitled to, in contravention of the provisions of their respective contracts.
- e) Revising and extending the completion period of projects for the continuation of employment of contract appointees.
- f) Making ad hoc appointments against project posts pending appointments through prescribed process and then not following the defined procedure, thus allowing the ad hoc employees to continue.

2. It is therefore requested that the instructions contained in the Project Policy be complied with in letter and spirit and all concerned also be directed to ensure strict compliance of the prescribed Project Policy.

3. Any violation of the Project Policy, shall render the concerned officer liable to be proceeded against for misconduct.

(Authority; letter No. SOR-VI/E&AD/1-25/2008 Vol-II, Dated 1st January, 2010)

Maximum Age Limit for Service Project employees under Project Policy of Provincial Government of Khyber Pakhtunkhwa

70 []

⁷⁰ The maximum age limit as given vide letter No. SOR-VI/E&AD/1-25/2011 dated 21.09.2015 withdrawn vide letter No.SO(Policy) E&AD/1-25/2014 Vol:IV dated 22.11.2017. The age, qualification and other terms and conditions of service shall be governed as per

**Policy governing appointment to project posts – procedure
for meeting of selection.**

In continuation of this Department letter of even number, dated 17th October 2008 on the subject noted above I am directed to say that the procedure for submission of cases to the Provincial Project Selection Committee (PPSC) or Departmental Project Selection Committee (DPSC) for selection of civil servants to project posts on deputation basis has been examined. It has been decided that 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 or the DPSC, as the case may be, 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 or DPSC, as the case may be. The working paper should, inter alia, contain the following:-

- i) Provisions of PC-I containing details of post including pay package etc. of the post, life of project and relevant extract of PC-I;
- ii) Academic qualification of the officer proposed for deputation, training received and research work done, if any;
- iii) Service history including present pay scale, cadre of officer and important posts held by him with assignments;
- iv) 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;
- v) Any disciplinary proceedings initiated against the officer, if so, the outcome thereof;
- vi) Whether living in Government or in a private/ own house;
- vii) 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;
- viii) Stations of duty (in present post and after proposed deputation)
- ix) Whether previously served in a project on 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;
- x) Grading of PERs/ACRs for the last five years.
- xi) Any other information which may be helpful in disposal of the case by the PPSC.

2. In view of time constraints, however, approval by circulation may be considered subject to prior approval of Chairman PPSC or the DPSC as the case may be.

(Authority: letter No. SOR-VI/E&AD/1-25/2007 Dated 23rd Oct. 2008)

a. Provincial Project Selection Committee (for BS-17 & above posts)

- | | | |
|------|---|---------------------|
| i. | Additional Chief Secretary Khyber Pakhtunkhwa | Chairman |
| ii. | Secretary Establishment Khyber Pakhtunkhwa | Member |
| iii. | Secretary Finance Khyber Pakhtunkhwa | Member |
| iv. | Secretary P&D Khyber Pakhtunkhwa | Member |
| v. | Secretary of concerned Deptt. | (ex-officio Member) |

b. Departmental Project Selection Committee (for BS-16 & below posts)

- | | | |
|------|---------------------------------------|----------|
| i. | Secretary of the concerned Department | Chairman |
| ii. | Representative of Estab Department | Member |
| iii. | Representative of Finance Department | Member |
| iv. | Representative of P&D Department | Member |

2. The policy contained in this Department letter of even number, dated July 02, 2008 shall stand amended/modified to the above extent.

(Authority: letter No. SOH-VLT/RA/D/-25/2007 Dated 17th Oct. 2008)

BS	Amount p.m.
20 – 22	50,000
19	40,000
17 – 18	30,000
16	15,000
11 – 15	8,000
5 – 10	4,000
1 – 4	2,000

- (c) The directly recruited project employees will be appointed on contract basis for an initial period not exceeding two years which will be extendable further till completion of the project on yearly basis after evaluation of their performance.
- (d) ⁶⁰⁹ [].
- (e) If an employee of the project is selected on a post on the non-development side in the prescribed manner, he will be appointed at the initial stage of the relevant Basic Pay Scale, and his pay and service rendered in the project shall not be protected/credited for any purpose including pay, pension and seniority etc.
- (f) During deputation to a project post, the Civil servant may ordinarily vacate the officially allotted residential accommodation. In case he wants to retain it, he shall pay house rent to the government @ 45% of the basic pay last drawn by him as well as 5% maintenance charges thereon according to the prescribed procedure. The same will apply if a civil servant is appointed on a project post through direct recruitment and the government residential accommodation officially allotted to him earlier is in the same station as his station of duty under the project.
- (g) The initial period of deputation will be three years extendable for another two years or till the project life, whichever is earlier.
- (h) A civil servant will not be considered for deputation to a project post unless he has successfully completed the initial as well as extended period of probation. He will also not be considered for deputation unless a period of at least 4 years has elapsed after his return from last deputation to a project.
- (i) There will be a Provincial Project Selection Committee and a Departmental Project Committee for recommending deputation of civil servants to project posts strictly on merit keeping in view the job relevance, experience and service record. The constitution of the committee shall be as under:-

⁶⁰⁹ Deleted vide Notification No.SCR(Policy)E&AD/I-25/2017 dated 6.12.2017

10. On completion of 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
hereinto set their hands first above written,

Signed by _____
In the presence of—

Witness 1. _____
2. _____
Signed by _____

In the presence of—
Witness 1. _____
2. _____

(Authority: letter No. SO(R-V)/E&AD/1-25/2007 Dated 2nd July 2008)

Amendments in the policy governing appointment against project posts.

I am directed to refer to the subject noted above and to state that policy governing appointment to project posts, issued vide this Department letter of even number, dated July 02, 2008 has been partially modified as follows, to be applicable with immediate effect to approved projects funded or partially by the Government of Khyber Pakhtunkhwa or controlled by the Provincial Government, for the new as well as the on-going projects.

(a) ⁸⁸[]

(b) The civil servants on deputation to projects, on full time basis, will get pay in their own pay scales and allowances plus deputation allowance at the rate of 20% of the basic pay subject to maximum Rs.6000/-per month, and the following Project Allowance:-

⁸⁸ Para (a) regarding paypackage overridden vide Notification No.SO(Policy)/E&AD/1-25/2017 dated 6.12.2017. See para 2(ii) of the Project Policy.

- (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 Project 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 in efficiency 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, 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:

AGREEMENT

This agreement is made on this _____ day of _____ (Two thousand, and _____) between Governor of the Khyber Pakhtunkhwa (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 the project 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

Annexure 6-B:
Delegation of Financial Powers Rules, 2018



Annex-III

S #	Nature of Power	Administrative Department	Officers in Category-I	Officers in Category-II	Officers in Category-III	Officers in Category-IV
3	To Sanction Budget Bonus in Finance and P&D Departments	Chief Secretary Full Powers upto 3 Months Basic Pay	--	--	--	--
4	Power of Sanctioning Development Projects / Programmes	Forum				Limit to Sanction
		1. Departmental Development Working Party (DDWP)				Rs. 200 Million
		2. District Development Committee (DDC)				Rs. 60 Million
		3. Tehsil Development Committee (TDC)				Rs. 20 Million
		4. Projects Approval Committee for Village / Neighbourhood Councils				Rs. 5 Million
	Specific Condition(s):					
	1. The project/programme so sanctioned shall be sent to the Planning & Development Department and Finance Department.					
	2. In case of difference of opinion, the project/programme shall be referred to the Provincial Development Working Party (PDWP).					
	3. Prior clearance of revenue component of the project/programme from Finance Department / District Officer Finance & Planning concerned shall stand as a prerequisite.					
	4. Project/programme having a subsidy / foreign aid element shall be referred to the Provincial Development Working Party (PDWP) for approval, irrespective of its cost.					
5	Issuance of Administrative Approval to Works Development Schemes	Full Powers	Deputy Commissioner Registrar Peshawar High Court Heads of Autonomous /Semi-Autonomous Bodies Full Powers	--	--	--
	Specific Condition(s):					
	1. Subject to prior approval of the relevant forum competent to sanction projects i.e. DDC, DDWP, PDWP, CDWP, ECNEC and clearance of revenue component of the project/programme from Finance Department / District Officer Finance & Planning concerned.					
6	Re-appropriation of Funds					
(i)	Re-appropriation of Funds in Current Budget	Full Powers	Full Powers	--	--	--
	Specific Condition(s):					
	1. The authority sanctioning re-appropriation shall certify that;					
	a. The expenditure proposed to be met through re-appropriation could not be reasonably foreseen.					
	b. The expenditure can't be reduced nor can it be postponed to the next year.					

S #	Nature of Power	Administrative Department	Officers In Category-I	Officers In Category-II	Officers In Category-III	Officers In Category-IV
	<p>c. The expenditure in question was not specifically disallowed or reduced by Finance Department at the time of approving the budget estimates.</p> <p>2. No re-appropriation shall be made;</p> <p>a. From one grant to another grant.</p> <p>b. After the expiry of the financial year.</p> <p>c. Between funds authorized for expenditure charged on the Provincial Consolidated Fund/Local Fund and other expenditure.</p> <p>3. No re-appropriation shall be made beyond 15th of April each year.</p> <p>4. No authority subordinate to the one which reduced an allocation shall increase such reduced allocation by means of re-appropriation.</p> <p>5. No re-appropriation from/to Employees Related Expenditure; Secret Service Expenditure; Utilities; POL; TA/DA and Medicines and Dietary Charges.</p> <p>6. No funds shall be provided by Finance Department against such items of expenditure wherefrom the Administrative Department re-appropriated funds.</p> <p>7. No re-appropriation shall be made so as to divert the provision for specified new items to other purposes.</p> <p>8. In case of expenditure on works;</p> <p>a. No re-appropriation to meet any expenditure which is likely to involve further outlay in a future financial year.</p> <p>b. No re-appropriation shall be made from/to the Major Work / Minor Work and Repairs & Maintenance.</p> <p>c. Re-appropriation permissible from an original Major Work in Progress only to a Work(s) of the same category.</p>					
(II)	Re-appropriation of Funds in Development Budget	Full Powers	--	--	--	--
	<p>Specific Condition(s):</p> <p>1. Conditions governing the Re-appropriation of Funds in Current Budget via 6(i) ibid shall apply to Re-appropriation of Funds in Development Budget.</p> <p>2. In addition to 1 ibid, the following specific conditions shall apply;</p> <p>a. Re-appropriation shall not be made except for approved schemes.</p> <p>b. The approved cost of the schemes shall not be exceeded, through re-appropriation, beyond 10% of the amount for which the scheme has been administratively approved.</p>					
7	Unserviceable Stores					
(i)	Declaration of Stores as Surplus or Unserviceable	Full Powers	Upto Value of Rs. 400,000 per item	Upto Value of Rs. 50,000 per item	--	--
	<p>Specific Condition(s):</p> <p>1. Full justification for declaring Stores as Surplus or Unserviceable, as the case may be, shall be</p>					

1.3 Livestock & Dairy Development; Extension & Research Wing						
S #	Nature of Power	DG Livestock & Dairy Development	Director VRI	District Director Livestock	Heads of Institutions	Drawing & Disbursing Officers
	Products					
6	Declaration of Livestock as Surplus / Unserviceable and its Disposal by Public Auction	Full Powers	--	Upto Rs. 100,000 At a time	--	--

2. Communication & Works Department

2. Communication & Works Department

S #	Nature of Power	Chief Engineers	MD PKHA	Superintending Engineers	Executive Engineers
1	Technical Sanction				
(i)	Original Works	Full Powers		Upto Rs. 20,000,000 (Highways & Bridges)	Upto Rs. 6,000,000 (Highways & Bridges)
	Specific Condition(s): 1. Excess amount over the amount for which Administrative Approval has been accorded does not exceed 10%. In case it does exceed Revised Administrative Approval shall be required.				
(ii)	Ordinary & Special Repairs	Full Powers	--	Upto Rs. 2,000,000 Each case	Upto Rs. 400,000 Each case
	Specific Condition(s): 1. Include. Non-residential buildings & machinery and equipment.				
(iii)	Ordinary & Special Repairs	Upto Rs. 200,000 (Building Each Case)	--	Upto Rs. 100,000 (Building Each Case)	Upto Rs. 50,000 (Building Each Case)
	Specific Condition(s): 1. Include. Residential buildings.				
(iv)	Ordinary & Special Repairs	Full Powers	Full Powers	Upto Rs. 4,000,000 Each case	Upto Rs. 1,000,000 Each case
	Specific Condition(s): 1. Include Roads.				
2	Acceptance of Tenders	Power Equivalent to Grant of Technical Sanction in relevant Category.			
	Specific Condition(s): 1. The rates quoted and/or amounts tendered are such that the total cost of a				

S #	Nature of Power	Chief Engineers	MD PKHA	Superintending Engineers	Executive Engineers
	<p>project/programme/works shall not exceed the amount for which the project/programme/works is administratively approved by more than 45%.</p> <p>2. If the lowest tender from an approved contractor is not accepted, reasons thereof shall be recorded and further approval shall be obtained as under;</p> <p>a. Chief Engineers upto the value of Rs. 1,000,000.</p> <p>b. Administrative Department, if the value tendered does not exceed Rs. 3,000,000.</p> <p>c. The P&D Department, if the value tendered exceeds Rs. 3,000,000.</p>				
3	To Sanction Fixation of Stock Limits	Full Powers	--	--	--
4	To Dismantle & Sell Unserviceable Buildings	Upto Rs. 10,000,000	--	Upto Rs. 5,000,000	Upto Rs. 2,000,000
5	Leases of Surplus Buildings	--	--	--	--
6	Leases of Land	Full Powers	--	--	--
	<p>Specific Condition(s):</p> <ol style="list-style-type: none"> 1. Include Land along Provincial Highways / National Highways and District Roads for Petrol Pumps / CNG Stations / LPG Stations and Storage Tanks at the prescribed rates. 2. The site shall be approved by relevant forum. 3. Land shall be under the control of Communication & Works Department. 4. No Objection Certificate of competent forum shall be obtained. 5. The Lease shall be awarded under open public auction. 6. The land shall not be used for any permanent structure(s). 				
7	To Sanction Sale of Trees	Full Powers	--	Full Powers	--
	<p>Specific Condition(s):</p> <ol style="list-style-type: none"> 1. Land on which trees, whether standing or fallen, green or dead shall be under the control of Communication & Works Department. 2. The sale shall be through open public auction. 				
8	Payment of Compensation	Full Powers	--	Full Powers	--
	<p>Specific Condition(s):</p> <ol style="list-style-type: none"> 1. Include Payment under Workmen Compensation Act. 2. In case of any doubt with respect to applicability of the Act, the case shall be referred to Law Department for legal advice. 				
9	To Sanction Employment of Work Charged Establishment	Full Powers	--	Upto Rs. 10,000 Per-mensem	--
	Specific Condition(s):				

Annexure 6-BB:

Amendment in Financial Power Rules 2021

D.S (A) (F&D) Diary No. <u>102</u> Date <u>21-5-21</u>	MS (A) (F&D) DEPT Diary No. <u>1337</u> Date <u>21-5-21</u>
--	---

GOVERNMENT OF THE KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

NOTIFICATION

Peshawar, dated the 17th May, 2021

No. SO(ES)FDP-1802107445002 In exercise of the powers conferred by Article 119 of the Constitution of the Islamic Republic of Pakistan, the Governor of the Khyber Pakhtunkhwa is pleased that in the Khyber Pakhtunkhwa Delegation of Financial Power Rules, 2018, the following further amendments shall be made, namely:

AMENDMENTS

In the said rules,-

(a) in the Second Schedule, under the heading "Powers Common to All", against Serial No.4, in Column 4,-

(i) under the sub-heading "Limit to Sanction", for the figures "100", the figures "200" shall be substituted; and

(ii) under the heading "Specific Condition (4)", the existing Serial Nos. 1, 2, 3 and 4, shall be re-numbered as Serial Nos. 2,3,4 and 5 and before Serial No.2, as so re-numbered, the following new Serial No. 1 shall be added, namely:

"1. Specific conditions governing sanctioning of projects by DDWP:

(i) The DDWP approval powers enhanced to Rs.200 million only in case of Capital Cost Project;

(ii) Revisions of all projects shall come to PDWP for consideration with proper justification;

(iii) Meetings of the DDWP shall be held on PCFMS System of Planning and Development;

(iv) Formal/proper Pre-PDWP shall be held on regular basis; and

(v) Schedule/timetable of Pre-PDWP and DDWP meetings shall be shared both with Planning and Development Department and Finance Department in advance."

*to all
Chief Section*
Secretary to
Govt. of Khyber Pakhtunkhwa
Finance Department.
sp-a
P.T.O

Annexure 6-C:

ADP Release Policy for Financial Year 2021-22



GOVERNMENT OF KHYBER PAKHTUNKHWA FINANCE DEPARTMENT

Finance Department, Civil Secretariat, Peshawar

Finance.gkp.pk

finance.gkp.govt

finance.gkp.govt

No.BD.LFD/5-20/2021-22/Release Policy

Dated Peshawar the 30/06/2021

To

- 1) The Additional Chief Secretary, P & D Department, Khyber Pakhtunkhwa.
- 2) The Senior Member, Board of Revenue, Khyber Pakhtunkhwa.
- 3) All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
- 4) The Principal Secretary to Governor, Khyber Pakhtunkhwa.
- 5) The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
- 6) All Divisional Commissioners in Khyber Pakhtunkhwa.
- 7) All Deputy Commissioners in Khyber Pakhtunkhwa.
- 8) The Registrar, Peshawar High Court, Khyber Pakhtunkhwa.
- 9) The Secretary, Provincial Assembly, Khyber Pakhtunkhwa, Peshawar
- 10) The Registrar, Khyber Pakhtunkhwa Service Tribunal Peshawar.
- 11) The Secretary, Khyber Pakhtunkhwa Public Service Commission, Peshawar.

Subject: **RELEASE POLICY FOR FINANCIAL YEAR 2021-22**

Dear Sir,

I am directed to refer to the subject noted above and to state that budget allocated under Current & Development Expenditure, both Provincial and Local Government including merged areas are hereby released as per breakup given below: -

A) DEVELOPMENT EXPENDITURE:

TYPE OF SCHEMES	FUNDS RELEASE METHODOLOGY
1. Ongoing approved schemes	<ol style="list-style-type: none"> i) 100% funds allocated to ongoing schemes of a sector will be released at the start of the financial year. However, in case of fiscal constraints or any cash balance issues, Finance Department reserves the right to make adjustments as and when required. ii) Out of the released funds, the Administrative Departments will ensure adequate releases to the on-going schemes due for completion and to the schemes pertaining to snow bound areas (either due for completion or not) through intra sectoral re-appropriations.
2. New approved schemes	100% funds allocated to new schemes of each sector will be released on production of Administrative Approval (AA). Remaining allocations for such schemes will be released as and when demanded by the Administrative Department on production of utilization report and on case-to-case basis.

1. District wise complete breakup of the umbrella schemes shall be provided by the Department within one week after release of funds to enable Finance Department to punch it in SAP system.
2. No release shall be made in the name of individuals with respect to Umbrella schemes.
3. 100% release will be made for procurement of medicines and any other essential heads under schemes of Health Department on the request of the Department.
4. Development funds to schemes having designated accounts will be released subject to production of utilization report and bank statement of their accounts.
5. Intra-Sectoral re-appropriation approved by Administrative Departments to development schemes shall be punched in SAP system by Administrative Departments themselves and not by the Finance Department.
6. No re-appropriation shall be made against those schemes wherefrom funds are re-appropriated to other schemes, during current financial year.
7. No re-appropriation shall be made from the "High Impact Priority Projects".

(B) CURRENT EXPENDITURE – PROVINCIAL

S#	OBJECTS	FUNDS TO BE RELEASED
1.	• Salary* (except Honoraria which shall be released on case-to-case basis)	100%
2.	• Electricity • Sui Gas Charges • Advertisement Charges (Current side only) • Financial Assistance to the families of Government servants who die while in service	100%
3.	Rest/Others	75%
4.	Purchase of Physical Assets	75%
5.	Maintenance & Repair **	75%
6.	Wheat Subsidy	Release on need basis.
7.	Medical Teaching Institutions (MTIs)	25% each quarter; However, 4 th quarter release shall be subject to availability of financial resources.
8.	Funds at the disposal of Finance Department	Release on case-to-case basis through re-appropriation as per Guidelines contained in Finance Department's circular letter No. BO. I/FD/S-17/2014 - 15 dated 12/06/2015
9.	S.N.E (Fresh)	Authentication of Audit Copy by the Finance Department

NOTE:

- Medical Charges*:-** The funds released under object A01274-Medical Charges shall be utilized by the concerned sanctioning authorities only upto the limit of medical re-imbursement claims i.e Rs.30,000/- where verification / authentication by Director General, Health Services, Khyber Pakhtunkhwa is not required under the prevailing rules/policy instructions. The incurrence of expenditure against the remaining claims shall be authorized by Finance Department on case-to-case basis as usual subject to fulfillment of all codal formalities.
- Repair & Maintenance **:-** The funds allocated for civil works including Public Health Engineering & Irrigation, maintenance and repair of Roads, Highways, Bridges and Buildings, will be released on case to case basis with the approval of competent forum and issuance of Administrative Approval.
- Release of Withheld Budget:-** The withheld budget under Current Expenditure (Provincial) will be released in 2nd quarter of current financial year subject to availability of financial resources. The individual demands for release of balance funds shall be examined at the level of concerned Sections and decided by the competent authority based on justification(s) provided by the Administrative Department concerned."
- Grant in Aid:-** Grant in Aid will be released subject to the provision of bank statement by the concerned autonomous entity after unconditional release in 1st quarter.

(C) DEVELOPMENT & CURRENT EXPENDITURE – LOCAL GOVERNMENTS**I. DEVELOPMENT EXPENDITURE (LOCAL GOVERNMENT)**

Development share of District Development Funds shall be transferred to respective Local Governments on quarterly installment basis, which have not been provided development funds during financial year 2020-21. Such Districts, TMAs and VCs/NCs which have been provided development budget during last financial year (2020-21), shall be facilitated with funds subject to utilization of 60% development funds of last financial year.

II. CURRENT EXPENDITURE (LOCAL GOVERNMENT)

SR.#	GRANT	FUNDS TO BE TRANSFERRED
1.	Salary	On monthly installment basis subject to adjustment of balance available from previous month.
2.	Non-salary	On quarterly installment basis subject to availability of financial resources.

(D). GRANT TO LOCAL COUNCILS

SR.#	GRANT	FUNDS TO BE TRANSFERRED
1.	TMA	On monthly installment basis subject to availability of financial resources.
3.	Grant to VCs/NCs	100% share of the Grant on monthly installment basis subject to availability of financial resources.
4.	Comm. Board	On monthly installment basis subject to availability of financial resources.

(E). DEVELOPMENT AUTHORITIES

Grant in Aid shall be released to the concerned development authority on quarterly basis.

(F). URBAN IMMOVABLE PROPERTY TAX

UIPT shall be transferred to respective Development Authorities/TNAs on quarterly basis. During 1st quarter, the amount transferred may be based on provisional estimates. Any adjustments may be made to these amounts in the following quarter based upon actual collections.

Yours faithfully,

(SAEED AHMAD KHAN)
BUDGET OFFICER-I

Ends: No. and date even:

Copy forwarded for information and necessary action to the:

- 1) Accountant General, Khyber Pakhtunkhwa, Peshawar.
- 2) All Heads of Attached Departments in Khyber Pakhtunkhwa.
- 3) All Heads of Autonomous/Semi-Autonomous Bodies in Khyber Pakhtunkhwa.
- 4) Military Secretary to Governor, Khyber Pakhtunkhwa, Peshawar.
- 5) All Divisional Controller of Accounts / District Accounts Officer, Khyber Pakhtunkhwa
- 6) Budget Officer II-XI, Fund/Loan, PFC & NMAs, Finance Department.
- 7) Section Officer (Dev. I-IV), Finance Department.
- 8) Private Secretary to Minister for Finance, Khyber Pakhtunkhwa.
- 9) P.Ss to Finance Secretary/Special Secretary Finance/NMAs.
- 10) P.As to Addl: Finance Secretaries (Budget/PFC & Development).
- 11) P.A to Director, FMIU, Finance Department.
- 12) P.As to Deputy Secretaries (Budget/PAC/Development), Finance Department

BUDGET OFFICER-I

Annexure 6-CC:

Submission of revised schemes when cost exceeds beyond 15% permissible limit for original approved schemes

NATIONAL ECONOMIC COUNCIL SECRETARIAT CABINET DIVISION

Iqbal Mueen,
Secretary,
Executive Committee of the
National Economic Council

No.5/CF/75

Rawalpindi, the 16th July, 1975

My dear Secretary,

Executive Committee of the National Economic Council had repeatedly been pressing the observance of financial discipline in the matter of execution of schemes. In a recent case it was again noticed by ECNEC that expenditure continued to be incurred on a scheme even when its cost had exceeded the approved cost. Instructions have separately been issued under Cabinet Division circular d.o. letter No. 5/CF/75 dated 7th May, 1975 requiring the executing agencies to start preparing the revised scheme immediately when it was known that the cost of the scheme is going to rise beyond the permissible limit of 15%.

2. It is considered that no difficulty should be experienced in this regard, as PC-III forms (Quarterly progress report) are prepared in respect of all such schemes and columns 6 and 7 of the said form which indicate the percentages of physical completion and financial expenditure are relevant. The two percentages have close relationship. If the percentages of financial expenditure exceeds percentage of physical work by more than 15% it is enough indication to show that the cost of the project would go beyond the approved cost. As soon as this indication is visible the executing agency should immediately start work on revising the scheme without stopping the actual work. In exceptional cases where the revised scheme cannot be prepared in time recourse could be taken to obtaining anticipatory approval of the Chairman, Executing Committee of the National Economic Council following the procedure outlined in the Cabinet Division circular letter referred to in para 1 above.

3. A preliminary stage when the possibility of revision of cost becomes clear is when the project is to be implemented through a few major contracts and the bids received in response to tenders make it obvious that the sanctioned cost will be exceeded.

4. I would request that these instructions should be brought to the notice of all concerned with development projects including autonomous and semi-autonomous bodies under your administrative control.

Yours sincerely

-Sd/-
(IQBAL MUEEN)

Annexure 6-CD:

Question whether the limit of 15% for incurring expenditure in excess of the originally approved cost should be applicable to the successive revisions

**GOVERNMENT OF PAKISTAN
PLANNING & DEVELOPMENT DIVISION**

No. 20(1)DA/PC/79-Vol.XIV

Islamabad, the 22nd June, 1980

The Chairman,
Planning & Development Board,
Government of the Punjab,
Lahore (Mr. Saeed A. Qureshi)

The Additional Chief Secretary (Dev),
Planning & Development Department ,
Government of Sindh,
Karachi (Mr. R..A. Akhund)

The Additional Chief Secretary (Dev),
Planning & Development Department,
Government of NWFP,
Peshawar (Mr. Imtiaz A. Sahibzada)

The Additional Chief Secretary (Dev)
Planning & Development Department,
Government of Balochistan,
Quetta (Mr. Omar Khan Afridi)

Subject: **QUESTION WHETHER THE LIMIT OF 15% FOR INCURRING EXPENDITURE IN EXCESS OF THE ORIGINALLY APPROVED COST WITHOUT RE-SUBMITTING THE SCHEME TO THE APPROVING AUTHORITY SHOULD BE APPLICABLE TO THE SUCCESSIVE REVISIONS:**

Sir,

I am directed to say that the ECNEC at its meeting held on 29-12-1974 approved the following procedure for obtaining fresh approval of a development scheme in case its cost increased by more than 15% of the originally approved cost:-

“If the total estimated cost, as sanctioned increases by a margin of 15 per cent or more, or if any significant variation in the nature or scope of the project has been made, irrespective of whether or not it involves an increased outlay, the approval of the ECNEC/Competent authority shall be obtained in the same manner as in the case of the original scheme without delay”.

2. A question has been raised whether or not a development scheme whose expenditure exceeded 15% of the original cost, and therefore got duly approved by the ECNEC/Competent Authority in accordance with the above decision of the ECNEC, is required to be submitted again for fresh approval, in case its cost increased further but the increase remained less than 15% of the revised approved cost.

3. I am directed to clarify that the permission of 15% given by the ECNEC vide decision quoted in Para-I above is in respect of the original cost and not the revised cost of the scheme.
4. It is requested that the above clarification may be brought to the notice of all the Departments/Agencies under your control and no expenditure be allowed to be incurred over the revised approved cost unless further approved by the ECNEC/Competent authority.

-Sd/-
(S.A. Ghafoor)
Chief (D.A)

Annexure 6-D:

Planning Commission Guidelines on Calculating Pakistani Rupee (PKR) Equivalent of the Foreign Exchange Component (FEC) of Projects

GOVERNMENT OF PAKISTAN

PLANNING COMMISSION

MINISTRY OF PLANNING & DEVELOPMENT
(Office of Advisor (Dev. Budget))

No.4(1) PIP/PC/2013-14

Islamabad, October 24, 2013

SUBJECT: **CONVERSION OF FOREIGN EXCHANGE COMPONENT OF DEVELOPMENT PROJECTS IN PAK RUPEE**

The Executive Committee of the National Economic Council (ECNEC) in its meeting held on August 28, 2013, while considering various development projects, inter alia, decided that:

“The projects wherein foreign exchange component is involved; the summaries should invariably indicate the current exchange rate and the project cost should be calculated accordingly”.

2. In the subsequent ECNEC meeting held on September 13, 2013, Ministry of Planning & Development reported to the ECNEC the difficulties that may be faced owing to fluctuation in rate of exchange, almost on daily basis. The Chairman, ECNEC directed M/o Planning & Development to decide the issue in consultation with Finance Division.

3. The issue was discussed between Ministry of Planning & Development and Finance Division and the following procedure has been approved by the Chairman, ECNEC for conversion of foreign exchange component of development projects in Pak rupee:

*Where foreign aid/foreign exchange component of the cost of the project changes solely due to fluctuation in exchange rate, the cost (s) of foreign aid/foreign exchange component of project should be worked out on the basis of “Bank’s Floating Average Exchange Rate” * in the respective currency/currencies, reflected on the website of the State Bank of Pakistan, of the month preceding the one in which the PC-Is/PC-IIs were submitted to the Ministry of Planning and Development. However, at the time of consideration of project by the CDWP/ECNEC, the sponsors of the project would furnish modified item-wise cost of foreign aid/foreign exchange component based on the preceding month’s average State Bank’s Floating Exchange Rate to the Ministry of Planning & Development. In case of revised projects submitted for consideration of CDWP/ECNEC the same principle would apply but only for the yet unmet costs and expenditures that are likely to be impacted solely by the fluctuation in exchange rates.*

Manual For Development Projects Khyber Pakhtunkhwa 2022

4. Ministries/Divisions/Provincial Governments/Governments of AJ & K and Gilgit-Baltistan/FATA are requested to convey these instructions to all concerned for guidance and compliance.

5. However, instructions regarding “Approval of Schemes Revised on Account of Delinking Pakistan rupee from Dollar” contained in Cabinet Division O.M. No. 171/CF/84 dated June 27, 1984, would continue to remain in force where applicable (copy enclosed)

-Sd/-

(Muhammad Asif Sheikh)

Advisor (Dev. Budget)

1. All Secretaries/ Additional Secretaries/ (In charge) of Federal Ministries/Divisions
2. Chairman, NHA, PAEC & WAPDA
3. Chairman, Planning & Development Board Punjab/ Additional Chief Secretaries (Dev.) Sindh, Khyber Pakhtunkhwa, Balochistan, AJ&K, FATA/ Secretary P&D), Gilgit-Baltistan

* <http://sbp.org.pk/ecodata/IBF-Rates.pdf>

Annexure 6-E:

Approval of the Schemes Revised on Account of De-Linking of Pakistan Rupee from Dollar

**NATIONAL ECONOMIC COUNCIL SECRETARIAT
CABINET DIVISION**

No. 171/CF/84

Rawalpindi, the 27th June, 1984

OFFICE MEMORANDUM

SUBJECT: APPROVAL OF THE SCHEMES REVISED ON ACCOUNT OF DE-LINKING OF PAKISTAN RUPEE FROM DOLLAR.

The undersigned is directed to state that the Pak rupee now has no fixed parity to dollar or other currencies. A question has arisen whether any increase in the cost strictly on account of delinking of Pakistan rupee will require fresh approval of the projects by the ECNEC. The matter has been examined in consultation with the Planning and Development Division and the Ministry of Finance and it has been decided that it will not be necessary to obtain fresh approval for ongoing schemes if the cost goes up only because of the movement of the exchange rate. In such cases, the Sponsoring Authority shall intimate the revised cost due to de-linking, to the Cabinet Division, the Planning Division and the Finance Division. While indicating the revised cost the original rate at which the cost had been worked out and the prevailing rate at which the orders had been placed or were being placed would be specifically indicated.

2. It is requested that these instructions may kindly be brought to the notice of all concerned for guidance and compliance.

Sd/-
(K. M. Farooq)
Secretary
Executive Committee of the
National Economic Council

All Secretaries/Additional Secretaries Incharge of Divisions.

Annexure 6-F:

Extension in Implementation period of Development Projects.

570 12/19

**Government of Pakistan
Planning Commission
Ministry of Planning, Development and Reform**

No. 23(1-DDWP)/PIA-LPC/2017 Islamabad the 15th March, 2019

<p>Chairman, Planning & Development Board, Government of the Punjab, Lahore.</p> <p>Additional Chief Secretary (Dev), Planning & Development Department, Government of Khyber Pakhtunkhwa, Peshawar.</p> <p>Additional Chief Secretary (Dev) Planning & Development Department Government of AJ&K, Muzaffarabad</p>	<p>Chairman, Planning & Development Board, Government of Sindh, Karachi.</p> <p>Additional Chief Secretary (Dev), Planning & Development Department, Government of Balochistan, Quetta.</p> <p>Secretary Planning & Development Department Government of Gilgit Baltistan, Gilgit</p>
---	---


Subject: Extension in Implementation Period of Development Projects

I am directed to refer to this Ministry's letter No. 24(4)PIA-LPC/2016 dated 29th November, 2017, dated 21st September, 2016, 28th June, 2016 and 20(1-29)DA/PC/86 dated 15th April, 1989 on the above subject and to say that the policy guidelines were circulated for extension in execution period of development projects. However, requests for review and clarification have been sought regarding the forums. In partial modification in the existing procedure, it is clarified that:

- The Principal Accounting Officer of the sponsoring/ executing agency may grant time extension in execution period of the project ill closing of the financial year, two times in a project life, irrespective of approving fora.
- In case of further extension, the Provincial and Special Areas' Development Working Party will be empowered to grant time extension on the basis of reasons of delay in execution, irrespective of approving fora.
- In case of federally administered development projects, further extension in execution period will be granted by the Departmental Development Working Party of the respective Ministry/ Division on the basis of reasons of delay in execution, irrespective of approving fora.
- In case where there is no DDWP the cases for further time extension would be presented to the concerned Division/ Chairman office and a committee headed by the Federal Secretary/ Chairmen comprising representative from Planning Commission and Finance will review and grant time extension on the basis of reasons of delay in execution, irrespective of approving fora, if required.

2. All the above extensions will be subject to 'no change in scope and cost of the projects'. In case of foreign aided projects consent of the donor/ sponsor will be compulsory in coordination with EAD before processing of time extension case.


3. All the concerned are requested to take note of the above instructions issued with the approval of the Minister MPDR/ DCPC for compliance.


 (Mushfiq Ahmed Raja)
 Chief (PIA)

Copy for information to all Federal Secretaries/ Additional Secretaries (Incharge), Islamabad

Cc:

- All Members of Planning Commission
- All Chiefs/ Incharge of Technical Sections, Planning Commission
- Director to the Minister PDR/ Deputy Chairman, Planning Commission


 17/3/19
 DG MTS
 CAO

01.06.19/M-4 (12M) PC/19
 6102-3-81-4/1
 C/T-18-3-2019

Annexure 6-G:
Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules,
2014 (Amendment 2018)

GOVERNMENT OF THE KHYBER PAKHTUNKHWA

FINANCE DEPARTMENT

NOTIFICATION

Peshawar, Dated the 3rd February 2014

No. SO (FR)/FD/9-7/2010/Vol-II.--In exercise of the powers conferred by section 36 of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority Act, 2012 (Khyber Pakhtunkhwa Act No.XI of 2012), the Government of the Khyber Pakhtunkhwa is pleased to make the following rules, namely:

The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014.

CHAPTER 1

GENERAL PROVISIONS

Short title and commencement.-- (1) These rules may be called the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014.

(2) These shall come into force at once.

Definitions.-- (1) In these rules, unless there is anything repugnant in the subject or context,-

“Act” means the Khyber Pakhtunkhwa Public Procurement Regulatory Authority Act, 2012;

“bid” means a technical proposal or a financial proposal or a technical and financial proposal submitted as a result of request for quotations, tender notice, request for proposal as the case may be;

“bid security/ [deleted]¹ guarantee” means a written [guarantee](#) from a third party guarantor usually a bank [deleted]² submitted to a client by a contractor or bidder with a bid;

[Deleted]³

“contractor” means a person, a firm, a company or an organization undertaking supply of goods, works or non consulting services;

“emergency” shall refer to situation that poses an immediate risk of loss, or has caused loss, or has high probability of escalating to cause immediate danger to health, life, property or environment as covered under the National Disaster Management Act, 2010 (Act No. XXIV of 2010) and shall include natural calamities, disasters, accidents, war and breakdown of operational equipment, plant, machinery or engineering infrastructures, which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to health, life, property or the environment;

“grievance redressal mechanism” means the regulations/guidelines providing for grievance redressal process;

“non -consulting services” means the provision of independent expert advice of a quality at least equal to the applicable professional standards in relation to acquisition of goods, services other than consulting services and works;

“PEC” means Pakistan Engineering Council;

“professional engineering work” means providing professional advice and opinions, the making of measurements and layouts, the preparation of reports, computations, designs, drawings, plans, specifications and construction, inspection, and supervision of engineering works, in respect of:

¹ The word and slash “surety/” deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/ 17449-Vol-I dated 08.02.2018.

² Words “or an insurance company” deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2011/ Vol-II dated 11.08.2016.

³ Clause (d) “borrower” means procuring entity;” deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

railways, aerodromes, bridges, tunnels and roads;

dams, canals, rivers, drains, harbors, lighthouses;

works of an electrical, mechanical, hydraulic, communication, aeronautical, power engineering, geological or mining character;

water works, sewers, filtration, purification and incinerator works;

residential and non-residential buildings including foundations framework and electrical and mechanical systems thereof; and

structures accessory to engineering works and intended to house them;

“Province” means the Province of the Khyber Pakhtunkhwa;

“Public Fund” means--

Provincial Consolidated Fund;

foreign assistance;

all moneys standing in the Public Account; and

funds of enterprises wholly or partly owned or managed or controlled by Government;

“repeat order” means a fresh contract or order given directly to the same contractor or consultant without going into the normal procurement process, in accordance with the specified conditions and limits contained in these rules;

“request for proposal” means bidding document for soliciting technical and financial proposals for procurement of services;

“supplier” means a person, a firm, a company or an organization undertaking supply of goods, services or works;

“terms of reference” means defining and elaborating on the objectives and intended scope of services; [deleted]⁴

[“(p-i) “unsolicited proposal” means an unsolicited proposal as defined in the Khyber Pakhtunkhwa Public Private Partnership Act, 2014 (Khyber Pakhtunkhwa Act No. XX of 2014); and”.]⁵

“value for money” means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring entity’s requirements.

(2) Words, expressions and terms not specifically defined in these rules shall have the same meanings as attributed to them in relevant trade and industry practices.

Applicability of these rules.— (1) These rules shall be applicable to all public procurements.

(2) Under following circumstances deviation from the requirements of advertisement and response time under these rules is permissible:

(a) in cases of emergency as provided in the National Disaster Management Act, 2010 (Act No. XXIV of 2010), subject to the condition,--

⁴ After semi-colon, the word “and” deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/ 2017/17449-Vol-I dated 08.02.2018.

⁵ New clause “(p-i)” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/ 2017/17449-Vol-I dated 08.02.2018.

that all such procurements along with its emergent nature has to be recorded by the Procuring Officer and approved by the technical head of the procuring entity under intimation to the Principal Accounting Officer, Secretary at Provincial or Deputy Commissioner at District level;

that these have to be immediately intimated to the Accountant General Office or District Accounts Office, as the case may be;

that quantities in all such procurements shall be limited to the assessed requirement of emergency only; and

that these shall be used only for procurements upto maximum for three months, which may be extended for such a period that Government may deem fit, depending on the nature of emergency;

(b) the procurement of sensitive nature and related to National Security:

Provided that the direct sourcing of all such procurements shall be duly recorded; and

(c) the direct sourcing to a government organization for provision of works, goods or services under a cost plus or fixed contract provided that the Public Sector Organization shall not involve a private sector enterprise as a partner or in the form of a joint venture or a sub-contractor. The government organizations shall be totally government owned and controlled or semi-autonomous and autonomous agencies under the administrative control of Federal Government or Provincial Government.

Language.—All documentation related to public procurements of entities shall be in English or Urdu.

Code of ethics and integrity pact.— Procurement exceeding the prescribed limit shall be subject to an integrity pact, as specified by regulations/guidelines determined by Authority in consultation with procuring entities, between the procuring entity and the suppliers or contractors.

CHAPTER II

METHODS OF PROCUREMENT OF GOODS

["Open competitive bidding as principal method of procurement"];⁶ -- (1) Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 (rupees one hundred thousand).

(2) The following procedures shall be permissible for open [competitive bidding]⁷, namely:

single stage, one envelope procedure.-- this method should be used where cost is the only determining factor. Each bid shall comprise one single envelope containing financial proposal or offer and required information in accordance with the bid solicitation documents. This shall be the standard method of procurement of goods for simple and routine nature and where no technical innovation is involved;

single stage, two envelopes procedure.-- this method shall be used where bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation. Bid shall comprise a single package containing separate envelopes. Each envelope shall contain separately the financial proposal and technical proposal; [and]⁸

["(c) two stage two envelope bidding procedure.-The method shall be used for procurement where alternative technical proposals are possible, such as certain type of machinery or equipment or manufacturing plant."].⁹

In case of procurement of complex or specialized goods either of the two methods may be adopted,--

pre-qualification of prospective bidders and invitation of bids from the pre-qualified bidders; and

⁶ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁷ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁸ Added, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁹ New clause "(c)" added, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

through single envelope two stage method post-qualification-

in the first stage, each bid shall comprise of a single package containing envelope marked as technical proposal;

the technical proposals will be evaluated in accordance with the evaluation criteria set forth in the bid solicitation document. A list of qualified and unqualified bidders will be formulated at the end of first stage;

following approval of the results of first stage, financial proposals will be solicited from qualified bidders in the second stage. The bidders will be required to submit financial proposal in a single envelope or package clearly marked as financial proposal in bold and legible letters to avoid confusion; and

the lowest offer from the qualified bidder shall be accepted for award of the contract and will be the best evaluated bid.

[“6A. **Single bid in goods.**--- The single bid in goods may be considered if it meets the evaluation criteria expressed in advertisement or bid solicitation documents and is not in conflict with the Act, these rules, regulations or policy of Government, for the time being in force. The single bid shall be in conformity with best evaluated bid. The procuring entity shall make a decision with due diligence and in light of section 3 of the Act.”.]¹⁰

[Deleted]¹¹

Pre-qualification of suppliers.--(1) A procuring entity, in the first stage may pre-qualify bidders only in the following cases:

where total worth of contract exceeds Rs. 10 million; and

in cases of contracts for large and complex goods and related services, in which there are high costs of preparing detailed bids.

¹⁰ New Rule “6A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

¹¹ Rule 7 deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(2) The procuring entity may pre-qualify bidders by soliciting various details in accordance with sub-rule (1) of rule 8, and rule 36 of these rules.

(3) Pre-qualification of bidders shall be based entirely upon the capability, competence and resources of the bidders relevant to performance in the particular assignment, taking into account the following--

- (a) legal status along with proof of registration with one of the Federal or Provincial Registration Acts;
- (b) proof of being a taxpayer;
- (c) organizational profile, relevant experience, past performance, list of clients and references;
- (d) relevant experience and past performance;
- (e) existing capabilities with respect to human resource, personnel, computing and engineering equipment, machinery and plant, as may be the case;
- (f) financial position for the last three years including bank statements and audited reports by an external auditor;
- (g) proof of possessing appropriate managerial capability; and
- (h) any other factor that a procuring entity may deem relevant, depending on the nature and complexity of the contract but not inconsistent with these rules.

(4) [“The bid solicitation documents shall be issued to the qualified bidders.”.]¹²

¹² Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(5) For further process sub-rule (2) of rule 6 shall be followed.

Open [~~“competitive bidding”~~]¹³ post-qualification.--(1) If bidding is not limited to pre-qualified firms, the procuring entity shall engage itself in post qualifying the bidders, in case of contracts of complex nature and valuing Rs. 15 million or above.

(2) Procuring entity shall specify the requirement of post-qualification in the solicitation documents. Post-qualification may be undertaken in accordance with the provision of these rules, regardless of the bidders being pre-qualified.

(3) This shall be done prior to recommending contract award; the procurement committee shall determine whether the bidder whose bid has been determined to offer the best evaluated bid has the capability and resources to effectively carry out the contract offered in the bid.

(4) In case the procurement committee is not satisfied with qualification based on the evaluation criteria resulting is not post-qualifying the best evaluated bid, it shall proceed to make a similar determination for the bidder offering the next best evaluated bid and shall go on with all the qualified and responsive bidders in accordance with their ranking in being best evaluated, till the criteria is satisfied or till all such bids are rejected.

Alternate methods for procurement of goods.--- A procurement entity may use the following alternative methods for procurement of goods, namely:

procurement of goods upto Rs. 50,000/- may be undertaken by obtaining a single quotation through direct sourcing.

petty purchases between Rs. 50,000/- upto Rs. 100,000/- shall be procured through alternate method only if the following conditions are met, namely:

minimum of three quotations have been obtained:

Provided that if despite soliciting, less than three quotations are received it would be acceptable;

request for quotation is sent to prospective bidders, simultaneously, with full contents and same information, which is duly acknowledged to be received;

¹³ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

the closing time, date and address for submitting quotations has been clearly defined and adhered to;

the object of the procurement has standard specifications;

in case, amount pertaining to applicable tax is not added in the quotation, comparison of price is made after adding amount of applicable tax; and

during comparison, each item should be compared to the corresponding respective specification and bid evaluated to the corresponding total cost of the bid;

a procurement entity shall only engage in alternate method if the following conditions exist, namely:

repeat orders within a period of six months:

Provided that it does not exceed fifteen percent of the original contract value;

in case of procurement through government organizations, in accordance with provisions of rule-3(2)(c) of these rules;

where the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier or sole distributor:

Provided that the same are not available from alternative sources;

where the same goods are not available from alternative sources or only one contractor, manufacturer or supplier exists for the required procurement;

where a change of contractor or supplier would ensue the procuring entity to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance, this shall be done with proper justification and recording of such reasons, provided that the contract or contracts do not exceed three years in duration;

where the price of goods is fixed by Government;

where the motor vehicles or machinery is purchased from local original manufacturers or their authorized agents at manufacturer's price including transportation charges and other applicable taxes; and

in case of emergency as defined in these rules and procurement specified under sub-rule 3(2)(a) and 3(2)(b):

Provided that the procurement entity shall specify appropriate forums vested with necessary authority to declare an emergency;

a procuring entity may engage in negotiated tendering with one or more suppliers or contractors without prior publication of a procurement advertisement. This procedure shall be followed when--

- (i) the supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;
- (ii) for technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier; and

["(iii)"]¹⁴ for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the time limits laid down for open and limited bidding methods cannot be met. The circumstances invoked to justify extreme urgency must not be attributable to the procuring entity:

Provided that any procuring entity desirous of using negotiated tendering as a method of procurement shall record its reasons and justifications in writing for resorting to negotiated tendering and shall place the same on record.

Method of advertisement.---["(1) The procuring entity shall engage in open competitive bidding, if the cost of the object to be procured is more than the financial limit, which is applicable under rule 10. Purchases up to Rs. 2.5

¹⁴ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

million shall be posted on the procuring entity's website and Authority's website, respectively. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity.

(2) For all purchases, other than those being covered in rules 3, 10 and sub-rule (1) of rule 11 of these rules, shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively.”.]¹⁵

(3) A procuring entity utilizing electronic media shall ensure that the information posted on the website is complete for the purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids.

Bid security.---(1) The procuring entity may require the bidders to furnish bid security of up to two per cent in case of procurement of goods, if required.

(2) In cases, where procurement is of complex nature, bid security up to 5 percent can be applied.

(3) Bid security shall be kept sealed in the financial proposal. In case of two stage two envelopes the bidder shall, in addition, keep an affidavit in the technical proposal stating that a bid security amounting to 2,3,4 or 5 percent, as may be the case without indicating the figure in the letter, has been placed in the financial proposal or bid. Otherwise the technical proposal will be considered non-responsive and will be returned to the bidder after being examined by the procurement committee.

“Goods warranty.--Where possible, the procuring entity shall ask for a warranty from the supplier or contractor, as the case may be, for replacement or repair of the goods procured falling in the warranty period and in line with independently verifiable industry practices for that particular object of procurement.”.]¹⁶

CHAPTER III

PROCUREMENT OF WORKS AND

NON-CONSULTING SERVICES.

¹⁵ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

¹⁶ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

["Open competitive bidding as principal method of procurement.":]¹⁷

(1) Save as otherwise provided hereinafter and subject to the provisions of rule ["18"]¹⁸, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of ["works"]¹⁹ over the value of Rs. 100,000/ rupees one hundred thousand.

(2) the following procedures shall be adopted for open competitive bidding:

single stage – one envelope bidding,--the bid shall comprise of one envelope containing financial bid. All bids received shall be opened and evaluated in the manner prescribed in the bidding document. This shall be the default method of open competitive bidding;

single stage – two envelope bidding,--

this method shall apply to large and complex contracts;

bidders for this method shall be pre-qualified;

each bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the technical proposal and the financial proposal;

the envelopes shall be marked as technical proposal and financial proposal in bold and legible letters to avoid confusion;

the envelope marked as technical proposal shall contain:

the experience and past performance in the execution of similar contracts;

the capabilities with respect to personnel and construction equipments;

¹⁷ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

¹⁸ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

¹⁹ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

the financial status and capacity; and

any other information asked for by the procuring entity in the notice inviting tenders;

the second envelope marked as financial proposal shall contain the price quoted by the bidders and be retained in the custody of the procuring entity without being opened;

the procuring entity shall evaluate the technical proposal on the basis of criteria specified in the [“bid solicitation”]²⁰ documents without reference to the price and reject any proposal which does not conform to the specified requirements. During the technical evaluation, no amendment in the technical proposal shall be permitted. A list of technically qualified bidders shall be finalized in this manner;

after the evaluation and approval of the technical proposals the procuring entity, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposals found technically non-responsive shall be returned un-opened to the respective bidders; and

the bid found to be the lowest evaluated bid shall be accepted;

two stage - two envelope bidding,---this method shall be used for turnkey or large or complex contracts and ensures that all technical proposals conform to the same acceptable technical standards required by the procuring entity.

First stage:

the bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;

the envelopes shall be marked as financial proposal and technical proposal in bold and legible letters to avoid confusion;

²⁰ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

initially, only the envelope marked technical proposal shall be opened;

the envelope marked as financial proposal shall be retained in the custody of the procuring entity without being opened;

the technical proposal shall be discussed with the bidders with reference to the procuring entity's technical requirements;

those bidders willing to meet the requirements of the procuring entity shall be allowed to revise their technical proposals following these discussions; and

bidders not willing to conform their technical proposals to the revised requirements of the procuring entity shall be allowed to withdraw their respective bids without forfeiture of their bid security.

second stage:

after agreement between the procuring entity and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement;

the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the procuring entity:

Provided that in setting the date for the submission of the revised technical proposal and supplementary price proposal, a procuring entity shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal; and

the procuring entity shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted.

[“**14A. Single bid in works and non-consulting services.**---The single bid in works and non-consulting services may be considered if it meets the evaluation criteria expressed in advertisement or bid solicitation documents and is not in conflict with the Act, these rules, regulations or policy of Government, for the time being in force. The single bid shall be in conformity with best evaluated bid. The procuring entity shall make a decision with due diligence and in the light of section 3 of the Act.”.]²¹

[Deleted]²²

Pre-qualification of contractors.--(1) A procuring entity, in the first stage shall pre-qualify bidders for specific contracts in cases where [deleted]²³ a work irrespective of its worth is considered as complex.

(2) The procuring entity shall pre-qualify bidders by soliciting various details including but not limited to the following providing pass/fail thresholds, in accordance with the provisions of the Act and rules 17(1) and 34 of these rules.

legal status along with proof of registration with PEC and enlistment with the concerned provincial Government PE;

proof of valid or renewed relevant registration;

proof of being a taxpayer;

organizational profile, relevant experience, past performance, list of clients and references;

existing capabilities with respect to technical personnel, computing and engineering equipment, machinery and plant as may be the case;

financial position for the last three years including bank statements and audited reports by an external auditor;

proof of possessing appropriate managerial capability; and

²¹ New Rule “14A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

²² Deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

²³ Deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

any other factor that a procuring entity may deem relevant, and is duly included in the bid solicitation documents, depending on the nature and complexity of the contract but not inconsistent with the Act and these rules.

- (3) Bidding shall be limited to pre-qualified firms.
- (4) Qualified bidders shall be issued the ["bid solicitation documents"]²⁴.
- (5) For further process sub-rule (2) of rule ["14"]²⁵ shall be followed.

Open tendering post-qualification of contractors.--- (1) [deleted]²⁶ the procuring entity may choose to call for bids with the condition of post-qualification provided in the bidding documents.

(2) The post-qualification criteria provided in the bidding documents shall be based on the evaluation of technical and financial worth i.e. works executed, indicating value of works, list of technical and other staff, plant or equipment along with the make and financial capacity.

(3) Bidding documents shall be made available to all interested bidders.

(4) The qualification of the lowest evaluated responsive bidders shall be checked to ensure whether or not the bidder is qualified to perform the works.

(5) If the lowest evaluated responsive bidder is not found to be qualified on all the post-qualification criteria provided in the bidding documents, its bid shall be rejected.

(6) Credentials of the next lowest evaluated responsive bidders shall then be checked against all of the post-qualification criteria provided in the bidding documents, and the contract shall be awarded to the lowest evaluated responsive qualified bidder.

Alternate methods for procurement of works, and non-consulting services.--A procurement entity may use the following alternative methods for procurement, namely:

²⁴ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

²⁵ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

²⁶ Deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

petty purchases,-- procurement of upto Rs. 50,000/- may be undertaken by obtaining a single quotation through direct sourcing;

request for quotations,-- procurement from Rs. 50,000/- upto Rs. 100,000/- shall be procured through alternate method only if the following conditions are met, namely:

minimum of three quotations have been obtained, provided that if despite soliciting, less than three quotations are received it would be acceptable;

request for quotation is sent to prospective bidders, simultaneously, with full contents and same information, which is duly acknowledged to be received;

the closing time, date and address for submitting quotations has been clearly defined and adhered to;

the object of the procurement has standard specifications;

in case, amount pertaining to applicable tax is not added in the quotation, comparison of price is made after adding amount of applicable tax; and

during comparison, each item should be compared to the corresponding respective specification and bid evaluated to the corresponding total cost of the bid;

Direct contracting,-- a procurement agency shall only engage in alternate method if the following conditions exist, namely:

where civil works are to be contracted and are a natural extension of an earlier or ongoing job and it can be ascertained that the engagement of the same contractor will be more economical and will ensure compatibility of results in terms of quality of works subject to limitation of repeat or variation order;

in case of procurement through government organizations, in accordance with provisions of rule-3(2)(c) of these rules;

where a change of contractor or supplier would oblige the procuring entity to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance, this shall be done with proper justification and recording of such reasons, provided that the contract or contracts do not exceed three years in duration;

in case of emergency as defined in these rules and procurement specified under sub-rule 3(2)(a) and 3(2)(b), provided that the procurement entity shall specify appropriate forum vested with necessary authority to declare an emergency;

subject to the conditions of contract, a procuring entity may, ["issue"]²⁷ a variation order to a contractor to include works which were outside the original scope of works to ensure interests of Government and for reasons of economy, compatibility and efficiency provided that:

the original contract is still in force;

the procuring entity has satisfied itself for technical reasons that the placing of the variation order is cost effective;

the value of variation order is not more than fifteen percent of the original contract; and

(d) there may be more than one variation orders as long as the total value of all the variation orders remains within 15 percent of the original contract.

Method of advertisement.--["(1) The procuring entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 18 of these rules. Procurement from Rs. 100,000/- to Rs. 2.5 million shall be posted on the procuring entity's website and Authority's website. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity.

²⁷ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(2) For all procurement, other than those being covered by rules 3, 18 and sub-rule (1) of rule 19 of these rules, shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively.”.]²⁸

(3) A procuring entity utilizing electronic media shall ensure that the information posted on the website is complete for the purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids.

Bid security.--(1) The procuring entity [“shall”]²⁹ require the bidders to furnish bid security of two per cent in case of procurement of works, [deleted]³⁰.

(2) The bid security shall be kept sealed in the financial proposal. In case of single stage two envelopes, the bidder shall in addition, place an affidavit in the technical proposal stating that a bid security amounting to 2 percent without indicating the figure in the letter, has been placed in the financial proposal or bid. Otherwise the technical proposal will be considered non-responsive and will be returned to the bidder after being examined by the procurement committee.

(3) The bid security will be returned to unsuccessful bidders after signing of the contract with the successful bidder.

(4) The bid security of the successful bidder will be retained in case no performance guarantee is required, however such a condition shall be mentioned in the bidding document. [In case performance guarantee is required, the bid security of two percent (2%), as specified in sub-rule (1), of the successful bidder, shall not be returned. The successful bidder shall be required to deposit eight (8%), of the cost of the contract in the shape of an irrevocable bank guarantee.]³¹

Performance guarantee.-- The procuring entity may ask for a performance guarantee from the contractor, which shall not exceed 10 percent of the bid value, as would be specified in the standard bid solicitation documents or standard bidding document.

²⁸ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

²⁹ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

³⁰ Deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

³¹ Substituted by the Finance Department Notification No. SO (FR)/FD/9-7/2011/Vol-II dated 11.08.2016.

CHAPTER IV

PROCUREMENT OF CONSULTANCY SERVICES

Application of consultancy services rules.--These rules shall apply only to consulting services which are of an intellectual and advisory nature and differ from the other types of services directly connected with the procurement of goods and works in which the physical component of the activity is the main function and often involves equipment-intensive assignments.

Systems for selection of consultants.--The selection system shall be determined by the procuring entity prior to the commencement of the process of selection of prospective consultants. Procuring entity may utilize one of the following systems for selection of consultants, namely:

- (a) **quality based selection (QBS)**,-- this system will be used for highly specialized and complex assignments, where quality is the only factor taken into consideration;
- (b) **quality and cost based selection (QCBS)**,---this system will be used where high quality is the prime consideration while cost is a secondary consideration;
- (c) **least cost**,--- this system will only be used for assignments of standard or routine nature, where well established practices and standards exist;
- (d) **single source or direct selection**,---subject to approval by head of the procuring entity, a procuring entity may engage in single-source procurement-
 - (i) the goods, construction or services are available only from a particular contractor or supplier, or a particular contractor or supplier has exclusive rights in respect of the goods, construction or services, and no reasonable alternative or substitutes exists; or
 - (ii) the procuring entity having procured goods, equipment, technology or services from a contractor or supplier, determines that additional supplies must be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternative to the goods or services in question; or
 - (iii) in cases of emergency;
 - (iv) for very small assignments valuing upto Rs. 500,000/-; and

(v) where only one consultant is qualified or has experience of exceptional worth; and

(e) **fixed budget**-- this system shall be used only when the assignment is simple, can be precisely defined and when the budget is fixed. The request for proposals shall indicate the available budget. Proposals that exceed the indicated budget shall be rejected. The ranking shall be based only on evaluation of technical proposals of the qualified bidders.

[“23A. **Single bid in consultancy services.**---The single bid in consultancy services may be considered if it meets the evaluation criteria expressed in advertisement or bid solicitation documents and is not in conflict with the Act, these rules, regulations or policy of the Government for the time being in force. The single bid shall be in conformity with best evaluated bid. The procuring entity shall make a decision with due diligence and in the light of section 3 of the Act.”.]³²

Criteria for eligibility of consultants.--The procuring entity shall not hire a consultant for an assignment in which there is possibility of conflict of interest. If a consultant has been engaged by the procuring entity to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, consultant should not be hired for any assignment which by its nature, may be in conflict with another assignment of the consultant.

Expression of interest (EOI).-- [(1) A procuring entity may call for expression of interest which shall be advertised, giving to the bidders at least fifteen (15) days for national competition and thirty (30) days for international competition to submit their interest to provide consultancy services.”.]³³

(2) The expression of interest shall contain at least the following information:

(a) the name and address of procuring entity;

(b) an appropriate description of the assignment providing scope of the intellectual and professional services required;

(c) deadline and place of the submission of expression of interest; and

³² New Rule “23A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

³³ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(d) criteria for short-listing where required.

Criteria for short-listing of consultants.---["(1) Whenever short-listing is deemed necessary, the procuring entity shall pre-determine criteria for short-listing. Except for single source, there shall be minimum three (03) and maximum six (06) consultants, with highest ranking fair bids as defined under clause (c) of sub-section (1) of section 2 of the Act, in the short-list. However, if less than three candidates apply, their proposals may be considered on merit."; and]

(2) The procuring entity while short-listing consultants may take the following factors into consideration, namely:

qualification;

general experience; or

specific experience, particularly of the last five years; or

any other factor that a procuring entity may deem relevant, not inconsistent with these rules.

(3) All applicants shall be informed whether or not they have been short-listed.

["(4) The procuring entity may decide to include enlistment as a short-listing criteria in contracts less than rupees one hundred (100) million.".]³⁴

Request for proposals (RFP).---(1) ["when a procuring entity calls for expression of interest it"]³⁵ shall make available to all the short-listed consultants, together with the request for proposals, all information on the equal opportunity basis.

³⁴ New sub-rule "(4)" added, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

³⁵ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

[“(1A) A procuring entity may call for request for proposal which shall be advertised, giving to the bidders at least fifteen (15) days for national competition and thirty (30) days for international competition to submit their proposals to provide consultancy services.”; and]³⁶

[“(2) A procuring entity may call for request for proposal without calling expression of interest for seeking proposals from consultants whether shortlisted or enlisted or prequalified or not, which shall include the following, namely:

letter of invitation (LOI),---the letter of invitation shall mention the name and address of the procuring entity and shall state the intention of the procuring entity to enter into a contract for provision of consulting services;

instruction to consultants,---the instructions to consultants shall contain all necessary information that would help them prepare responsive proposals and shall bring as much transparency as possible to the selection system;

terms of reference (TOR),---the terms of reference shall unambiguously define the objectives, goals and scope of the assignment besides conditions of contract. Terms of reference shall list the services and surveys necessary to carry out the assignment and expected outputs. It shall also include the evaluation criteria;

evaluation criteria,---except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost;

type of contract,---the procuring entity, depending on the circumstances, may use one of the following types of contract, namely:

lump sum contract will be used mainly for assignments in which the content, duration of the services and the required output are unambiguously defined;

time based contract will be used when it is difficult to define the scope and the length of services;

hourly or daily rates will be used for small projects, especially when the assignment is for less than a month; and

³⁶ New sub-rule “(1A)” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

any other, based on combination of the above and including out of pocket expenses, where required; and

special provisions,---the procuring entity may specify any other requirement related to the assignment or contract etc, where required.”.]³⁷

(3) The procuring entity will invite the prospective consultants to submit their technical and financial proposals in separately sealed envelopes. The procuring entity shall give deadline for submission of proposals. Consultants shall be given adequate time for preparing their proposals which shall not be less than [two weeks]³⁸.

Selection process of individual consultants.---(1) Individual consultants may not be required to submit proposals, and shall be selected based on their qualifications for the assignment.

(2) Individual consultants shall be selected by comparing the qualifications of at least three consultants among those who have expressed interest in the assignment or have been approached directly by the procuring agency. Individual consultants considered for the comparison of qualifications shall meet the minimum relevant qualifications, and the one selected to be employed by the procuring agency shall be the best qualified and shall be fully capable of carrying out the assignment.

(3) An individual consultant may be selected on a single-source basis (with due justification) in exceptional cases; such as the following--

(a) for a task that is a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;

(b) in an emergency situation resulting from a natural disaster; and

(c) when the individual is the only consultant qualified for the assignment.

³⁷ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

³⁸ Substituted by KPPRA Notification No. KPPRA/M&E/Estt:/1-3/2015-16 dated Dec 15, 2015.

(4) For key assignments, interviews may be set up, and invited candidates should be paid travel and subsistence, as needed. Capability of the candidates should be evaluated.

Professional liability of consultants.--(1) The consultant selected and awarded a contract shall be liable for consequence of errors or omissions on its part. The extent of liability of the consultant should be incorporated in the contract and in no case should it be less than remunerations excluding the out of pocket expenses, nor should the liability exceed twice the remunerations.

(2) **The procuring entity may demand insurance on part of the consultant to cover its liability as stated above, and necessary costs shall be borne by the consultant which shall be re-imbursed by the procuring entity as out of pocket expenses by the consultant.**

(3) The consultant shall be held liable for all losses or damages and short comings in deliverance etc, suffered by the procuring entity as a result of mis-conduct or inadequate services in performing the consulting services.

CHAPTER V

MISCELLANEOUS PROVISIONS

Procurement planning.---Each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

Limitation on splitting or regrouping of proposed procurement.---A procuring entity shall announce all proposed annual procurements on the Authority's website and on their own website before the end of 31st July each year and shall proceed accordingly without any splitting or regrouping of the procurements so planned, unless the procuring entity is satisfied that-

- (a) block acquisition of goods, services or works shall unnecessarily hold up available resources;
- (b) technical reasons indicate that packaging shall improve manageability and quality; and
- (c) the impact of weather, geographical spread on certain procurement, particularly in case of works contract, shall affect its execution with regard to quality and delivery schedule.”.]³⁹

³⁹ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

[“31A. **Framework contract.**---(1) A procuring entity may procure goods, services or works through framework contract in order to ensure uniformity in the procurement.

(2) The procuring entity shall adopt any of the methods of procurement mentioned in these rules for purposes of entering into a framework contract.”.]⁴⁰

Procurement committees.-- (1) Each procuring entity shall constitute committees, in accordance with delegation of financial powers, separately for procurement of goods, works and services.

(2) The committees shall have a representative each from the accounts or finance or planning sections of the procuring entity apart from others.

(3) A technical member shall be inducted from the relevant line department of Government or hired in all procurements of works or in exceptional cases, provided that procurement is technical and complex in nature.

[“32A. **Enlistment.**---(1) Each Department of Government shall constitute a sub-committee, consisting of five members with the chairperson, not below the rank of BPS-19, for scrutinizing credentials, submitted to it by the prospective bidders, before referring to the Provincial Enlistment and Pre-registration Committee for enlistment or renewal, as the case may be.

(2) After scrutinizing, the sub-committee shall recommend to the Provincial Enlistment and Pre-registration Committee that the prospective bidder may be registered, renewed or rejected, as the case may be, and the Provincial Enlistment and Pre-registration Committee shall give its final decision of enlistment, registration and rejection, within five working days:

Provided that the sub-committee, while recommending the rejection of a prospective bidder to the Provincial Enlistment and Pre-registration Committee shall also record reasons for such rejection.

(3) Subject to the approval of Government, the sub-committee shall determine the applicable fee for registration or renewal, from time to time. However, the period of such enlistment and pre-registrations shall be decided by the Provincial Enlistment and Pre-registration Committee.

(4) The criteria for enlistment of prospective bidders shall be based on evaluation of technical and financial capabilities of the bidders, as may be determined by the sub-committee, so constituted.

⁴⁰ New Rule “31A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(5) The criteria and list of prospective bidders, so enlisted, shall be posted on the web sites of the Authority, Department of Government and Provincial Enlistment and Pre-registration Committee, as well as on a notice board placed in the respective procuring entity at an accessible site for public viewing.

(6) The process of enlistment shall be open throughout the year and any prospective bidder shall be allowed to apply for enlistment, with sub-committee without any hindrance.

(7) Bidding shall be limited to enlisted bidders only.

(8) Enlistment shall not be deemed as pre-qualification or post-qualification.”.]⁴¹

Bid solicitation documents.—[(“1) A procuring entity shall apply the standard bidding documents while preparing bid solicitation documents as are applicable and in accordance with the provision of the Act, these rules and regulations, for the time being in force.”; and]⁴²

(2) In case of procurement of works, solicitation documents shall contain technical specifications, drawings and designs, bill of quantities and estimated costs whatever applicable, evaluation criteria, expected commencement of contract and time period for completion, bid validity, securities demanded, payment schedule, general and special conditions of contract [deleted].⁴³

(3) In case of procurement of goods and services, including consulting services, the standard bidding document shall include scope of work and terms of reference, the evaluation criteria, the extent of bid validity, quantity, quality and specifications; qualification and experience of consultants, securities, approach and methodology, work plan and delivery schedule, pre-shipment inspection where applicable, schedule of payments and general and special conditions of the contract.

(4) Apart from the above, any other document or information or detail that the procuring entity may deem necessary, shall be included in the solicitation documents, unambiguously.

(5) Solicitation documents shall be made available to the bidders from the date of their issuance to the closing date on submission of required fee by the prospective bidder whether in person or, if so requested through an authorized request in writing. In case the request is made through courier, it shall accompany a bank draft in favor of the procuring entity including the cost of return delivery.

⁴¹ New Rule “32A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁴² Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁴³ Deleted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(6) In case where the procuring entity deem necessary may, keep a time period ending earlier than the closing date of tender or bid, for obtaining bid solicitation documents, provided that it is not less than the minimum response time provided in rule 34.

(7) In case of modification of solicitation documents by the procuring entity in accordance with section 23(9) of the Act, it shall do so by issuing an addendum or corrigendum and intimate the bidders publicly or individually, in case it has issued the solicitation documents, 5 days before the closing date. In case, the changes are substantial, the time for submission may be extended proportionately, by issuing timely intimation to all bidders.

Response time.---(1) The procuring entity may decide the response time for receipt of bids or proposals including proposals for pre-qualification from the date of publication of an advertisement or notice, keeping in view the contract's complexity, and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement ["on Authority's website or notice in the national newspaper whichever is later, as the case may be."]⁴⁴

(2) The response time shall be calculated from the date of first publication of the advertisement in a newspaper or posting on the ["Authority's web site, whichever is later, as the case may be."]⁴⁵

(3) In situations where publication of such advertisements or notices has occurred in both electronic and print media, the response time shall be calculated from the day of its first publication in the newspapers ["whichever is later"]⁴⁶.

Bid validity.---(1) Bidders shall be required to submit bids valid for a period specified in the bid documents which shall be sufficient to enable a procuring entity to complete the evaluation and comparison of bids and obtain all necessary approval so that a contract can be awarded within that period.

(2) A procuring entity shall complete evaluation of bids and award of contract within the initial period of bid validity. An extension of bid validity, if justified by exceptional circumstances, shall be required in writing from all bidders before the expiry date. Bidders consenting to extend their bid validity period shall also correspondingly extend the validity of their bid security.

(3) A bidder not agreeing to extend its bid validity period may do so without having his bid security, forfeited and in this case its bid will no longer be considered in the evaluation proceedings.

(4) The bid security shall be forfeited if a bidder withdraws his bid, within the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security.

Pre-qualification process.---(1) The procuring entity engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and

⁴⁴ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁴⁵ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁴⁶ Added, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required of contractors or consultants to demonstrate their respective qualifications and any other information that the procuring entity deems necessary for pre-qualification.

(2) The procuring entity shall provide a set of pre-qualification documents to any contractor or consultant, on request and subject to payment of document fee if applicable, which shall not exceed cost of printing and providing the documents.

(3) The procuring entity shall promptly notify each contractor or consultant submitting an application to pre-qualify whether or not it has been pre-qualified and shall make available to any person directly involved in the pre-qualification process, upon request, the names of all contractors or consultants who have been pre-qualified. Only contractors or consultants who have been pre-qualified shall be entitled to participate.

(4) The procuring entity shall communicate on request, to those contractors or consultants who have not been pre-qualified the reasons for not pre-qualifying them.

Submission of bids and bid opening.--(1) Bids shall be invited through a procuring officer of the procurement entity.

(2) A procuring entity shall require bidders to submit sealed written bids or in such other manner as may be prescribed in the solicitation documents. ["The procuring entity shall also specify the place for submission of such bids.".]⁴⁷

(3) The procuring entity shall issue the bidder with a receipt showing the date and time when the bid was received.

(4) No bids or tenders received after the prescribed time and date in the solicitation documents or in accordance with subsequent corrigendum, shall be entertained.

(5) The method for submission of bids shall be determined by the type, complexity and evaluation method of the procurement in accordance with these rules.

(6) All announcements pertaining to public procurement shall specify the last date for submission of bids as well as the public bid opening which shall be the same.

⁴⁷ Added, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

(7) The bids, technical or financial as the case may be, shall be opened at the prescribed time provided in the solicitation documents in the presence of the procurement committee and the bidders who choose to be present.

(8) The name of the bidder, bid modifications, discounts or withdrawals, presence of bid security or affidavit as the case may be and the total amount of each bid and any alternatives, if so permitted, shall be read out aloud and recorded, and a copy of the record shall be made available to any bidder on request.

(9) No bidder shall be allowed to withdraw his bid till award of the contract or till bid is valid, whichever is earlier.

(10) A procuring entity may ask bidder for clarification of the bid to assist in the evaluation. To avoid delays, the procuring entity may hold a pre-bid conference with the prospective bidders at least five working days before the last day for submission of bids if the procurement is of complex nature and high value.

[“37A. Registration with Khyber Pakhtunkhwa Revenue Authority.---All bidders are required to be registered with the Khyber Pakhtunkhwa Revenue Authority, established under the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), for works, consulting and non-consulting services as listed in Schedule-II of the Act *ibid*.

37B. Unsolicited proposal.---(1) In case of unsolicited proposal received for any engineering, procurement and construction project, the procuring entity shall technically and financially evaluate the proposal to ascertain its viability and after such process if the proposal is found viable, the procuring entity, with the approval of Government,-

(a) shall advertise the proposal for open competition without disclosing the name of the initiator of unsolicited proposal;

(b) shall conduct prequalification process;

(c) shall exempt the initiator of the unsolicited proposal from the prequalification;

(d) may award the contract to the initiator of the proposal, if no other bidder in response to the advertisement submits bid;

(e) shall give first right of refusal to the initiator, if he does not emerge as the lowest bidder, in case of bidding competition; and

(f) shall award five percent additional weightage to the initiator of the proposal from the combined score of technical and financial evaluation.

(2) Approval for the unsolicited proposal granted by Government, shall be published in the print media prior to the award of contract.”.]⁴⁸

Confidentiality.—The procuring entity shall keep all information regarding the bid evaluation confidential until the time of the announcement of the evaluation report in accordance with the requirements of rule 45 of these rules.

Bid evaluation.— (1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.

(2) For the purpose of comparison of bids quoted in different currencies, price shall be converted into a single currency specified in the bidding documents. The rate of exchange shall be the selling rate prevailing seven working days before the date of opening of the bids specified in the bidding documents, as notified by the state bank of Pakistan.

(3) A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that are in force at the time of issuance of notice for invitation of bids.

Discriminatory and difficult conditions.---Save as otherwise provided, no procuring entity shall introduce any condition, which discriminates between bidders or that is considered to be met with difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade, manufacturing, construction business or service to which that particular procurement is related.

“International competitive bidding”]⁴⁹.--- When, in the absence of domestic capacity, effective competition cannot be obtained unless special efforts are made to attract international competition, international competition may be solicited in accordance with the provisions of the Act complemented with the following provisions:

the tender documents shall be in English language;

the invitation to tender shall be in English language and shall be placed in a newspaper of sufficient circulation to attract foreign competition and may also be placed on international web pages famous for international bidding advertisement. In addition, a procuring entity may transmit such invitations to their embassies and trade representatives of potential supplier countries;

⁴⁸ New Rules “37A & 37B” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

⁴⁹ Substituted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

the time allowed for submission of tenders shall be sufficient for the invitation to reach bids, depending on the complexity and nature of procurement and for enabling them to prepare and submit bids but in no case less than thirty days;

technical specifications shall, to the extent compatible with national requirements, be based on international standards or standards widely used in international trade;

bidders shall be permitted to express their bids, as well as any bid and performance security documents to be presented by them in their respective home currencies or in a currency widely used in international trade and stated in the solicitation documents;

general and special conditions of contract shall be of a kind generally used in international trade; and

standard bidding documents (SBDs) for goods, works and services shall be used for international competitive bidding (ICB) as well.

Post bid negotiation---Procuring entity may negotiate with the highest ranked bidder regarding methodology, work plan, staffing and special conditions of the contract. In case of consulting services the procuring agency shall not permit substitution of key staff, unless both parties agree that undue delay in selection process makes such substitution unavoidable. Similarly, negotiations shall not seek changes in the rates quoted by the bidder. In case of failure of negotiations, the procuring agency may invite the second ranked bidder as per the evaluation report.

Disqualification of suppliers, contractors and consultants---The procuring entity shall disqualify a supplier or contractor or consultant if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete. However, the bidder may have right to appeal against the decision in accordance with section 35 of the Act and grievances redressal mechanism framed under the Act.

Blacklisting of suppliers, contractors and consultants---(1) The procuring entity shall specify a mechanism and manner to permanently or temporarily bar, from participating in their respective procurement proceedings, suppliers contractors and consultants who either consistently fail to provide satisfactory performances or are found to be indulging in corrupt or fraudulent practices or abandon the work prematurely resulting in loss to Government . Such barring action shall be duly publicized and communicated to the Authority, provided that any contractor or consultant who is to be blacklisted shall be accorded adequate opportunity of being heard in person.

(2) The bidder will have a right to complain to the administrative Secretary of the procuring entity or to file an appeal to the Authority in accordance with section 35 of the Act and regulations or guidelines to be framed under it.

[**Explanation**].---“Corrupt and fraudulent practices” means either one or any combination of the practices given below:

“coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

“collusive practice” means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring entity to establish prices at artificial, non-competitive levels for any wrongful gain; impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;

“corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain; and

“fraudulent practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

“obstructive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights provided for under these rules.”.]⁵⁰

Announcement of evaluation reports.---Procuring entities shall announce the results of technical bid evaluation in the form of a report before opening of the financial bids, to all bidders. The procuring entity shall also announce the final results of a bid evaluation giving justification for acceptance or rejection of bids at least ten days prior to the award of a contract and place the same on its and Authority website.

Approval of contract award.--(1) The procurement committee shall submit the bid evaluation report with its recommendations for award of contract, to the approving authority in accordance with the delegation of powers under the financial rules and the power of re-appropriation rules 2001, in an expeditious manner, so that the

⁵⁰ Explanation inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

award can be notified before expiry of the bid validity period, without having to seek extension, in conformity with the provisions of section 31 of the Act and these rules.

(2) All contract awards shall be made public through publication on Authority website.

Rejection of bids.---(1) The procuring entity may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. The procuring entity shall upon request communicate to any contractor or consultant who submitted a bid or proposal, the grounds for rejection of all bids or proposals.

(2) The procuring entity shall incur no liability, solely by virtue of its invoking sub-rule (1) towards contractors or consultants who have submitted bids or proposals.

(3) Notice of the rejection of all bids or proposals shall be given promptly to all contractors or consultants that submitted bids or proposals.

Re-bidding.---(1) If the procuring entity has rejected all bids under rule 47 it may call for a re-bidding.

(2) The procuring entity before invitation for re-bidding shall assess the reasons for rejection and may revise specifications, evaluation criteria or any other condition for bidders as it may deem necessary.

Payments.---All procuring agencies shall make prompt payments to contractors and consultants against their invoices or running bills within the time given in the conditions of the contract.

[“49A. Community participation in procurement.---Government may, in order to achieve certain specific social objects, call for the participation of the local community or philanthropic organizations to-

perform civil works and the delivery of non-consulting services;

increase the utilization of local know-how, goods, and materials; and

employ labor-intensive and other appropriate technologies, the procurement procedures, specifications, and contract packaging shall be suitably adapted to reflect these considerations; provided that these are acceptable to the Authority.”.]⁵¹

Entry into force of the procurement contract.--- A procurement contract shall come into force-

(a) where no formal signing of a contract is required, from the date the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted. Such notice of acceptance or purchase order shall be issued within 15 days thereof; or

(b) where the procuring entity requires signing of a written contract, from the date on which the signatures of both the procuring entity and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within 15 days after the letter of acceptance or award has been issued:

Provided that where the coming into force of a contract is contingent upon fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

Closing of contract.---(1) Except for defect liability or maintenance by the contractor or consultant, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of over all delivery certificate or taking over certificate which shall be issued within thirty days of final taking over of goods, or receiving the deliverables or completion of works enabling the contractor or consultant to submit final bill.

(2) In case of defect liability or maintenance period, defect liability certificate shall be issued within thirty days of the expiry of the said period enabling the contractor or consultant to submit the final bill. Except for unsettled claims, the bill shall be paid within the time given in the conditions of contract, which shall not exceed sixty days to close the contract.

(3) Relevant provision for closing of contract shall be a part of the bid solicitation document.

Record of procurement proceedings.---(1) All procuring entities shall maintain a record of their respective procurement proceedings along with all associated documentation.

(2) Such maintenance of record shall be subject to the regulations framed in this regard from time to time.

Public access and transparency.---As soon as a contract has been awarded, the procuring entity shall make all documents related to the evaluation of the bid and award of public contract:

⁵¹ New Rule “49A” inserted, Vide Finance Department Notification No. SO (FR)/FD/9-7/2017/17449-Vol-I dated 08.02.2018.

Provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring entity is convinced that such disclosure shall be against the public interest, it can withhold only such information from public disclosure subject to the prior approval of the administrative department.

Mis-procurement.--Any breach of these rules shall account to mis-procurement and the person responsible for such breach shall be liable to be proceeded under the relevant law.

Repeal.-- The Khyber Pakhtunkhwa Procurement of Goods, Works and Services Rules, 2003 is hereby repealed.

Annexure 6-H: Project Profile

Government of Khyber Pakhtunkhwa
Planning & Development Department

Project Profile

1	Name of the Project:	
2	Sector	
3	Location	
4	Sponsoring Department / Agency	
5	Executing Agency	
6	Name of Project Director	
7	Postal Address	
8	Phone	

Office

	Mobile			
9	Fax No.			
10	E-mail address			
11	Date of approval by	PDWP	CDWP	ECNEC
12	Decision of the PDWP			
13	Decision of the CDWP			
14	Decision of the ECNEC			
15	Objectives of the Project			
16	Commencement Date	As per PC-I	Actual	
17	Completion Date	As per PC-I	Expected	
(Million Rs.)				
18	Approved cost of the Project	Total	Local	FEC
(Million Rs.)				

19 Sources of financing

Source of Financing	Amount
---------------------	--------

20 Financial Phasing, Releases & Expenditure
(Million Rs.)

Year	Phasing as per approved PC-I (Latest)		ADP Allocations		Actual Amount Released		Actual Expenditure	
	Total	FEC	Total	FEC	Total	FEC	Total	FEC
Total								

21 Itemized cost as per approved PC-I and Expenditure

(Million Rs.)

S. No.	Major Items	PC-I Cost Estimates	Cumulative expenditure up to the end of last financial year

22 Physical scope of project as per approved PC-I and achievements **(In quantifiable terms)**

S. No.	Major Items	Unit	Physical Quantity	Cumulative achievements up to the end of last financial year

Annexure 6-J: Activity Chart

Government of Khyber Pakhtunkhwa

Planning & Development Department

ACTIVITY CHART

DEPARTMENT _____

PROJECT _____

ACTIVITY	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Recruitment												
Preparation of TORs of each position												
Approval of TORs												
Advertisement in the press												
Receipt of applications												
Development of Database												
Scrutiny of applications												
Constitution of recruitment committee												
Issuance of call letters for Test / Interview												
Test/interviews												
Selection												
Approval of competent authority												
Issuance of appointment letters												
Joining												
Any other activity (To be specified)												

Government of Khyber Pakhtunkhwa

Planning & Development Department

ACTIVITY CHART

DEPARTMENT -----

PROJECT -----

ACTIVITY	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Land Acquisition												
Selection of land												
Request for land acquisition												
Notification under section 4												
Preparation of details of land & owners												
Announcement of Award by land collector												
Payment to Revenue Department												
Notification under section 17												
Payment to land owners												
Transfer of land												
Possession of land												
Any other activity (To be specified)												

Government of Khyber Pakhtunkhwa

Planning & Development Department

ACTIVITY CHART

DEPARTMENT _____

PROJECT _____

ACTIVITY	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Consultancy												
Preparation of TOR of consultants												
Approval of TOR												
Advertisement in the Press												
Receipt / opening of bids												
Scrutiny of bids (Technical Evaluation)												
Opening of Financial bids												
Selection of Consultant												
Approval by competent authority												
Issuance of offer letter												
Agreement with consultant												
Joining of consultant												
Any other activity (To be specified)												

Manual For Development Projects Khyber Pakhtunkhwa 2022

Government of Khyber Pakhtunkhwa

Planning & Development Department

ACTIVITY CHART

DEPARTMENT -----

PROJECT -----

ACTIVITY	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Civil Works by C&W												
Letter to C&W Department												
Appointment of an Engineer												
Preparation of Line Plan												
Approval of Line plan												
Sub-soil investigations												
Preparation / Approval of Architectural Drawings												
Preparation of Structural Design												
Approval of Architectural and Structural Design												
Preparation of BOQs / tenders												
Floating of tenders												
Opening of tenders												
Scrutiny of tenders												
Approval of tenders												
Award of work												
Bid bond performance bond etc.												
Bid Bond, Performance Bond contractor mobilized												
Structural works												
Plaster works												
Wood/Electric works												
Utility connections												
Finishing works												
Any other activity (To be specified)												

Government of Khyber Pakhtunkhwa

Planning & Development Department

ACTIVITY CHART

DEPARTMENT -----

PROJECT -----

ACTIVITY	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Procurement of Equipment/Goods												
Constitution of Procurement Committee												
Preparation of list of equipment / goods												
Detailed specification of goods												
Approval of competent authority												
Preparation of Tenders												
Advertisement in the Press												
Receipt / Opening of Bids												
Technical Evaluation of Bids												
Financial Evaluation of Bids												
Approval of competent authority												
Placement of orders												
Pre-delivery inspection												
Delivery of equipment/goods												
Installation												
Operation												
Any other activity (To be specified)												

Annexure 6-K:**Work Plan**

Government of Khyber Pakhtunkhwa

Planning & Development Department

ANNUAL WORK PLAN FOR FY _____

ACTIVITY/ITEM OF WORK	UNIT	SCOPE OF WORK	CUMULATIVE PHYSICAL ACHIEVEMENTS UPTO THE END OF LAST FINANCIAL YEAR	QUARTERLY PHYSICAL TARGETS			
				JUL-SEP	OCT-DEC	JAN-MAR	APRIL-JUNE
1	2	3	4	5			

1. Activities / Items reproduced from the approved PC-I
2. Unit means, Unit of measurements i.e., Acres, Square Fit, Numbers, etc.
3. Scope of Work be re-produced from the approved PC-I. (If required, it can be further distributed into activities)
4. Cumulative Physical Achievement be provided against each item of work approved in the PC-I and undertaken by the Project.
5. Quarterly Physical Targets be correlated with the ADP Allocations and scope of work indicated at (3) above.

Annexure 6-L:**Cash Plan**

Government of Khyber Pakhtunkhwa

Planning & Development Department

CASH PLAN FOR FY _____

(Rs. in Million)

ACTIVITY/ITEM OF WORK	APPROVED COST	CUMULATIVE EXP. UPTO THE END OF LAST FINANCIAL YEAR	QUARTERLY FINANCIAL REQUIREMENTS BASED ON WORK PLAN									
			1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total	
			Total	FE C	Total	FE C	Total	FE C	Total	FE C	Total	FE C
1	2	3	4	5	6	7	8	9	10	11	12	13

1. Activity / Item of Work has to be reproduced in the same sequence as approved in the PC-I.
2. Financial Allocation for each item of work as approved in the PC-I be reproduced.
3. Actual Expenditure incurred up to the end of last financial year for each activity be provided.
4. Quarterly Financial Targets be fixed on the basis of ADP allocations for the current year and correlated with the physical targets of the quarter.

Annexure 7-A: Monitoring & Evaluation Report



Planning & Development Department
Directorate of M&E
Monitoring & Evaluation Report

Report Type

Monitoring

Service Delivery

Inquiry

General Complaint

CCMS Complaint

Evaluation

Part of Consolidated Report

Consolidated Evaluation Report

Special Directives

Title			
Project ID			
Reference			
Project Description / Objectives			
Source of Funding / Plan Provision	ADP / PSDP / Non-ADP / District ADP / Royalty / Other		
	Total Cost Compact) (Rs Million)	Date of Administrative Approval	Approving Forum
	Capital Revenue		
Revised Approval (compact) (If any)	Capital Revenue		

Financial Status (In case of Umbrella be considered for Compact Project)	Current Financial Year (CFY)			Progressive Expenditure (Total Exp)
	Allocation	Releases	Expenditure	
Sub Project Name				
Sub Project Cost / District Share	Cost & AA Date	Revised Cost with Dates	Progressive Expenditure	
Scope of Work				
	Sector	Sub Sector	<input type="radio"/> District <input type="radio"/> Division	
Report	<input type="radio"/> New	<input type="radio"/> Follow-up (#)		
Reporting Officer	Name			
	Designation			
	1. (one to Many)			
	2.			
	3.			
Contractor / Supplier	Contractor Name	Work Order Date	Completion Period	Description of Work
	1.			
	2.			
	3.			
Consultant	Consultant	Agreement Date	Completion	Description of Work

	Name	Period		
	1.			
	2.			
	3.			
Executing Staff (Current)	Name	Designation	Remarks	
Sponsoring Department				
Executing Department				
Date of Visit				
GPS Coordinates of Site(s)	Site Name	Latitude	Longitude	District Date
	1.			
	2.			
	3.			
Observation	Not Rectified			0
Status (In case of	Partially Rectified			5
Follow-up)	Rectified			10
Workmanship				Weightage
Quality	1. Extremely Poor			0
	2. Poor			2
	3. Fair			6
	4. Good			10
Implementation	1. Not Available			0
Schedule	2. Available			3
Pace of Physical Work:				Weightage
	1. Extremely Behind			-2
	2. 12 months Behind			-1
	3. 9 months Behind			0
	4. 6 months Behind			2
	5. 3 months Behind			5
	6. On Schedule			8
	7. Ahead of Schedule			10

Financial progress (%)					
Physical progress as observed at site (%)					
Impact of the Project / Activities (In case of Completed Project) Deleted	<ol style="list-style-type: none"> 1. Planned activities not conducted 2. Ineffective utilization of resources & low coverage of target population 3. Impractical approach adopted 4. Objectives partially achieved 5. Proper approach adopted 6. Effective utilization of resources & Target Population covered 7. Objectives achieved are measurable 8. Cost Effective with long term impact 				Weightage 0 2 3 4 5 7 8 10
Technical Sanction (If Applicable)	Not Issued	Issued	Amount (Rs. Million)	Date	Sanctioning Authority
	0	5			
Disputes and Litigations:	No / Yes (Type(s) of Dispute) (Text box in case of Yes)				

Procurement	Weightage
Plan & Procedure	<ol style="list-style-type: none"> 1. Tender Documents Not Provided 0 2. Advertisement not floated as per rules 1 3. Realistic bids not received / Tender Register Not maintained 2 4. Technical & Financial Bids improperly Evaluated 3 5. Comparative statement developed but not informative 6 6. Technical & Financial Bids properly Evaluated 8 7. Procurement made as per rules 10
Health and Safety consideration (If Applicable)	<ol style="list-style-type: none"> 1. Unaware 0 2. Partially aware but not followed 1 3. Inadequately aware and needs improvements 2 4. Proper Housekeeping / Warning boards / signs installed at site 3 5. Qualification / competency training of persons Doings specialized tasks or using equipment's 4 6. Compensation paid / Insurance available for onsite injuries or fatalities 5
Internal Monitoring by executing agency	<ol style="list-style-type: none"> 1. Not Monitored 0 2. Monitored but less effective 1 3. MIS available to collect data but field staff not available for monitoring 2 4. MIS and monitoring staff available 4 5. Effective monitoring reports developed on progress and outputs 5

Coordination among stakeholders	1. Weak coordination among all stakeholders 1 2. Weak coordination among few stakeholders 2 3. Fair coordination among few stakeholders 3 4. Fair coordination among all stakeholders 4 5. Satisfactory Working relationship 5
Duty Roaster / Site Register: (If Applicable)	1. Not Available 0 2. Available but not maintained 2 3. Available and maintained 3
Advance Payment:	1. >10% of Cost -10 2. >5 % and < 10% of Cost -5 3. < 5 % of Cost 0 4. No Advance Payment 10
Availability of Engineer with contractor at Site	1. Yes 5 2. No 0
Availability of Approved Drawings / Specs (If applicable)	1. Defective Design / Not Available -2 2. Partially Available 3 3. Available 5
Data Availability to Monitoring Officer	1. Not Provided 0 2. Partially provided 3 3. Provided 5
Supervision	1. Inefficient 0 2. Weak supervision 3 3. Average 6 4. Fair 8 5. Capable & Effective 10
Project Estimation	1. Poor Estimation 0 2. Inappropriate / Not as per site 1 3. New items incorporated during execution 2 4. PC-1 revised due to cost variation 3 5. Change of scope occurred but not Approved 4 6. Change of scope occurred & Approved 5 7. No new items incorporated during execution 7 8. Fair estimates prepared but cost overrun due to

	Inflation	8	
	9. No variation in quantities during execution	9	
	10. Proper activities Estimation with all requisite plans	10	
Project Feasibility / Site Feasibility	1. Feasibility document Not Provided / Not Feasible	0	
	2. Feasibility not fully satisfying the criteria	3	
	3. Feasibility conducted but not approved	5	
	4. Feasibility prepared and approved	10	
Project Sustainable	1. Not Sustainable	0	
	2. Sustainability measures not available	2	
	3. Sustainable with low impact (Economical, Environmental)	4	Financial and
	4. Few components of the projects are sustainable	6	
	5. Project is sustainable / O&M is covered	8	
	6. Sustainable with impact	10	
Physical condition of service facility	Extremely Poor	0	
	Poor	2	
	Fair	6	
	Good	8	
	Excellent	10	
Human Resource availability	1. Positions not filed	0	
	2. Positions partially filled	5	
	3. Positions Adequately filled	10	
Handling of Activities	1. Extremely Poor	0	
	2. Poor	2	
	3. Fair	6	
	4. Good	10	
Quality / Physical condition of Procured Items	1. Extremely Poor	0	
	2. Poor	2	
	3. Fair	6	
	4. Good	10	
Deviation from Scope of Work, If Any	1. Major	0	
	2. Minor	5	
	3. No	10	
Material Testing	1. Fake Test Provided	-5	
	2. Documents not Provided / Test Not Conducted	0	
	3. Partially conducted	5	
	4. Conducted	10	

Structural Defects	1. Severe	-5
	2. Major	-2
	3. Minor	0
	4. Nil	10
Fixing of Electrical , Sanitary , Gas & Pipes Fittings	1. Sub-Standard / Very Poor	-5
	2. Poor	0
	3. Fair	6
	4. Good	10

Any Other Issues / Findings:

Note: Any negative marking would be defined in detail in this section

Recommendations:**Pictures (With Comments)**

S.No	Issues / Irregularities / Defects	Action Required	By Whom with Designation	Time Frame

TOTAL WEIGHTAGE OF PRE-DEFINED INDICATORS	ACHIEVED WEIGHTAGE	CRITERIA FOR OBSERVATION TYPE	
		Critical	below 25%
		Major	within 25% to 50%
		Minor	within 51% to 75%
		Satisfactory	within 76% to 90%
		Outstanding	Above 90%
SCHEME BECOME		Automatically calculated from Average weightage of All indicators	

Annexure 8-A: Proforma for Developing Inventory of Development Projects

Government of Khyber Pakhtunkhwa
Planning & Development Department

PROFORMA FOR INVENTORY OF DEVELOPMENT PROJECTS

- Name of the project
- Date of approval of the project
- Date of commencement & closure
 - Commencement
 - Closure
- Details of Items/Assets procured/developed by the project

Name of Item/Asset	Specifications of Item/Asset	Date of purchase	Photograph of Item/Asset	Present condition	
				Working	Not working

Annexure 9-A:

Checklist for Four Point Scoring System

Checklist for Four Point Scoring System

1. Project Initiation, background/context analysis	
Checklist	Checkbox / Comments
✓ All data has been organized on the basis of sex/gender and age disaggregation.	
✓ The background/context analysis of the project examines the different situations, roles, needs of women and men and the impacts the project will have on these groups in terms of their rights, roles, needs and opportunities.	
✓ When describing the specific needs of girls, boys, women and men, the proposal highlights additional stakeholder information including differences based on ethnicity, religion, socio-economic status, ability, health status, location (rural/urban/slum), migration status etc	
✓ The background/context analysis describes the relevant and unique gender inequalities in the local context including discriminatory social rules and norms (e.g. child marriages, restrictive gender roles, gendered division of labor, factors affecting access to health/education etc.) and gender-based barriers and gaps (e.g. gender-based violence, absence of inheritance rights for girls, early/forced marriages, forced conversions, out-of-school children, internally displaced people etc.)	
✓ The background/context analysis explains how the different gender inequalities (as described above) will or will not have an impact on the fulfilment of project objectives, including in relation to equitable benefits and participation for girls, boys, women and men.	
2. Project goal, objectives and activities	
Checklist	Checkbox / Comments
✓ The gender is reflected in the overall project goal	
✓ The objectives of the project are gender-sensitive and gender-responsive.	

✓ All data has been organized on the basis of gender and age disaggregation.	
✓ The descriptions of project activities include specific measures to address the gender-based barriers or gaps identified in the need assessment.	
✓ Activities are designed to ensure girls, boys, women and men participate equitably, and have equitable access to project services and resources.	
3. Project Monitoring & Evaluation	
Checklist	Checkbox / Comments
✓ M&E methodology includes working in gender-safe spaces (e.g. conducting data collection separately with girls, boys, women, and men, and using female enumerators with female stakeholders and male enumerators with male stakeholders)	
✓ Targets have been strategically set to close gender gaps (e.g. disproportionate differences between sexes).	
✓ The MEAL framework explicitly includes ongoing gender analysis, enabling the identification of gender gaps (e.g. key differences between females and males) and information to appropriately address them.	
✓ All quantitative indicators (including baseline and targets) are disaggregated by sex whenever relevant.	
✓ All quantitative indicators (including baseline and targets) are disaggregated by age whenever relevant.	
✓ The results framework includes qualitative indicator(s) that track changes in knowledge, attitudes, perceptions and behaviors related to gender equality at the outcome level.	
✓ Results statements are included in the M&E plan that measure outcomes related to changes in gender equality (e.g. progress towards closing a gender gap or addressing a gender-based barrier).	
4. Technical and Financial Resources	
Checklist	Checkbox / Comments

✓ The budget included in the project proposal allocates financial resources for the full implementation of the project's gender-related activities.	
✓ The project includes budget line(s) dedicated to gender equality technical support during project implementation (e.g. Gender Advisor, Gender Specialist, Gender Analyst etc.)	
✓ The project includes budget line(s) dedicated to gender equality training and capacity strengthening for local staff, local partners, beneficiaries and/or key stakeholders.	
5.Project Sustainability	
Checklist	Checkbox / Comments
✓ The project explicitly identifies and addresses discriminatory social norms and institutions which reinforce gender inequalities (such as persisting gender stereotypes that prevent women, girls, men and/or boys from fully realizing their rights and their full potential). ³ This is clearly reflected throughout project activities and outcomes.	
✓ The project advocates for legislation and policies that promote gender equality (e.g. replacing laws that discriminate against females or males, or advocating for the inclusion of gender equality components in existing laws).	
✓ The project directly supports the creation of an enabling environment within which girls, boys, women and men can all fulfill their equal rights. This includes carrying out community mobilization to promote gender equality, as well as engaging female and male stakeholders at all levels, to positively transform attitudes and practices which reinforce gender inequalities. This is accomplished through working at multiple levels (individual, household, community, national, etc.) at the same time, targeting changes in knowledge, attitude and behavior explicitly related to gender equality, in order to create positive changes that will remain when the project ends.	

Interpreting the score

The total score will be the sum of all options that have been checked e.g. if you have selected all 22 options your score will be 22.

Your total Score	Gender marker score	Meaning	Action needed
18 – 22	3	The proposal is principally gender transformative	Congratulations! You have achieved the highest standard of gender equality considerations.
13 – 17	2	The proposal is significantly gender sensitive	You are meeting essential standards of gender equality considerations; however, improvement is still possible. Please consider ways to improve the quality of the project's design, and therefore the proposal's Gender Equality Marker score, by integrating the remaining components included in the above checklist.
6 – 12	1	The proposal limitedly targets gender equality	Please take necessary actions to improve the gender mainstreaming component of the proposal.
0 – 5	0	The proposal does not target gender equality and mainstreaming	Please take necessary actions to improve the gender mainstreaming component of the proposal.

Annexure 9-AA: Checklist Based on Types of Projects

1. Construction Projects

Checklist	Checkbox	Comments
a. The proposed construction is suited to the women's needs.		
b. The location has been selected after considering the access and physical mobility of females to such construction (which may include a school, college, health facility etc.)		
c. The rest rooms are suitable for women needs.		
d. The construction caters to child-care needs (in case of requirement).		
e. The planned fire exits are female friendly.		
f. The planned fire equipment is easily useable for women/persons with disabilities.		
g. The building has designated nursing/private areas.		
h. The building has an open space for collaboration of the occupants/users.		

2. Manufacturing Projects

Checklist	Checkbox	Comments
a. Women will be involved in formulation of the product.		
b. Women had been involved in the research for the product.		
c. The end product will impact women in a productive manner.		
d. The end product will decrease the labor of women in labor intensive-work/industry.		
e. The end product will help in improving the health, knowledge (education etc.) of women.		
f. The project envisages training for using the end product by women.		

3. Sector-specific Projects

Agriculture		
Checklist	Checkbox	Comments
a. The project/proposal takes into consideration the existing female role in agriculture.		
b. The project/program outcomes will positively impact the role, status, and participation of women in agriculture.		
c. Data is available for the instant project regarding economically active women in the sector/region.		
d. Gender and age disaggregated data will be updated as part of the program/project.		
e. The project takes into account cultural constraints and vulnerability of women.		

Aqaf and Hajj		
Checklist	Checkbox	Comments
a. Rehabilitation of minority worship place will supplement the female participation in accordance with the norms and values of the Province, and if allowed in such minority religion (applicable to relevant projects only).		
b. Travel, transportation and lodging, whichever is applicable, conform to the Islamic standards for women Hajjis (applicable only to the projects dealing with service provisions for the Hajj)		

Elementary and Secondary Education		
Checklist	Checkbox	Comments
a. Project/proposal considers mobility and physical access of girls to the institute.		
b. Female students will benefit equally from the project.		
c. Project outcomes include direct or indirect impact over social scripts concerning female education.		
d. Data is organized on the basis of gender and age disaggregation.		

Food		
Checklist	Checkbox	Comments
a. The project caters to nutritional needs of girl children.		
b. The project takes into consideration nutritional needs of pregnant and lactating women.		
c. The project includes food security for women in general and women of vulnerable groups in particular.		
d. The project considers access of women-headed households to food resources.		

Health		
Checklist	Checkbox	Comments
a. The project/proposal considers mobility and physical access of women to healthcare.		
b. The project includes construction/availability of separate health units for women.		
c. The project includes availability of female healthcare workers for women.		
d. The project objectives directly include improvement of women's health status and access to healthcare.		
e. The project has direct or indirect outcomes related to reproductive health of women.		
f. The project addresses antenatal care and maternal mortality rate directly or indirectly.		
g. The project considers prevalence of gender-based violence against women.		

Higher Education		
Checklist	Checkbox	Comments
a. The project/proposal considers mobility and physical access of girls to institute.		
b. The project/proposal education on harassment, gender-based violence and other gender specific discriminations.		
c. Female students will benefit equally from the project.		
d. Data has been organized on the basis of gender desegregation		

Home		
Checklist	Checkbox	Comments
a. The project considers safety, and security of women in internment centers and jails.		
b. The project endeavors to work to preserve mental and physical health of female inmates.		
c. The project/proposal provides for mechanism for reporting of harassment of the female inmates.		

Housing		
Checklist	Checkbox	Comments
a. The project accounts for the mobility of women/persons with disabilities to and within a housing building.		
b. Project outcomes include components that respond to the lodging and accommodation needs of working women living outside their place of residence.		

Industries		
Checklist	Checkbox	Comments
a. Projects caters to women's mobility and access to economic zones.		
b. Project includes components that cater to the needs of women working in cottage industries, including but not limited to access to marketplace, connections with local vendors/suppliers, and opportunities to exhibit work etc.		
c. Project includes components that respond to the needs of female entrepreneurs and female-owned startups.		
d. Availability of gender disaggregated data is ensured.		

Information		
Checklist	Checkbox	Comments
a. The project ensures that information and data on gender-based violence and harassment is widely propagated through print and electronic media.		
b. Project outcomes include circulation of material pertaining to social norms that perpetuate gender-based violence.		
c. Project objectives contain components that respond to women's right to privacy and secrecy, in order to ensure personal safety		

Labor		
Checklist	Checkbox	Comments
a. The project outcomes inform policy in relevance to women worker, particularly working in the informal economy.		
b. The project outcomes include policy recommendations relating to working mothers, including but not limited to pregnancy and maternity leave and availability of childcare at work.		
c. Project includes components concerning equal employment opportunity for women		
d. Project includes components pertaining to the precariousness of women's careers and availability of work for women and mothers re-entering workforce.		
e. The project takes into account the occupational safety of the female workers.		
f. The project takes into account the occupational health standards for the female workers.		
g. The project contains general appraisal on harassment against women and its reporting for the female workers and recipients of service.		

Law		
Checklist	Checkbox	Comments
a. Intended project outcomes will precipitate into a knowledge base for formulation of informed policy on women's rights in Khyber Pakhtunkhwa.		
b. Intended project outcomes contribute to capacity building and sensitization of personnel in specific reference to women's rights and gender equality.		
c. The project activities include advocacy for legislation related to women's rights, including GBV, property rights, healthcare rights, etc.		

Local Government		
Checklist	Checkbox	Comments
a. The project includes availability of gender segregated spaces ensuring socially prescribed pardah needs for women (e.g. in bus terminals).		
b. The project includes availability of recreational spaces for women.		

Relief, Rehabilitation and Settlement		
Checklist	Checkbox	Comments
a. The project outcomes contain components that respond to the gender dimension of disaster mitigation strategies, including women's mobility to and within disaster management camps.		
b. Project outcomes include capacity building and training of women to deal with disaster scenarios.		
c. The project provides for gender-sensitive relief and rehabilitation in case of both natural and man-made disasters, with special reference to vulnerable groups of women.		
d. Project has direct or indirect connection to the effects of climate change of women's lives.		
e. Gender and age disaggregated data is available/will be collected.		

Roads		
Checklist	Checkbox	Comments
a. Project objectives include the provision of safe roads and highways for women, including the availability of helplines that respond to security needs of women.		
b. Project outcomes include availability of gender segregated waiting areas on public highways.		

Sports, Tourism		
Checklist	Checkbox	Comments
a. Project outcomes include the availability of female-friendly sports facilities, e.g., grounds and gyms		
b. Project includes preferential availability of secure and segregated lodging facilities for female tourists		

Science Technology and IT		
Checklist	Checkbox	Comments
a. Project directly or indirectly creates job opportunities for women in the fields of science and technology		
b. Project outcomes include technological solutions for women's issues, such as mobile apps for safety and mobility		

Transport		
Checklist	Checkbox	Comments
a. Project has implications in connection to women's mobility to work, healthcare, and market, including availability of appropriate, affordable, and easy-access means of transport.		
b. Project includes direct or indirect connection to livelihood opportunities for women in the transport industry, including taxi/rickshaw/ridesharing.		

Annexure 9-B: Flowchart of Public Private Partnership (PPP)

Flowchart of Public Private Partnership (PPP)



Annexure 9-C:

Various PPP Models

Various Public Private Partnership (PPP) Models

Operations (Service) Contract Model

Under operations (service) contract the public partner contracts with a private partner to carry out one or more specified tasks or services for a relatively short period, typically less than 7 years. The public partner remains the primary provider of the infrastructure service and contracts out only portions of its operation to the private partner. The private partner must perform the service at the agreed cost and must typically meet performance standards set by the public partner. The government pays the private partner a predetermined fee for the service, which may be based on a one-time fee, unit cost, or other basis. Therefore, the contractor's profit increases if it can reduce its operating costs, while meeting required service standards. The private partner typically does not interact with the consumers. The government is responsible for funding any capital investments required to expand or improve the system.

Management Contract Model

A management contract expands the services to be contracted out to include some or all of the management and operation of the public service (i.e., utility, hospital, port authority, etc.). Although ultimate obligation for service provision remains in the public partner, daily management control and authority is assigned to the private partner. In most cases, the private partner provides working capital but no financing for investment. The private contractor is paid a predetermined rate for labor and other anticipated operating costs. To provide an incentive for performance improvement, the contractor is paid an additional amount for achieving prespecified targets. Alternatively, the management contractor can be paid a share of profits. The public partner retains the obligation for major capital investment, particularly those related to expand or substantially improve the system. The contract can specify discrete activities to be funded by the private sector. The private partner interacts with the customers, and the public sector is responsible for setting tariffs. A management contract typically, however, will upgrade the financial and management systems of a company and decisions concerning service levels and priorities may be made on a more commercial basis.

It should be noted that services contracts, management contracts, and O&M contracts have to be long term to be called PPPs as significant risk transfers to the private party for a considerable period of project's life. Short term contracts wherein risk transfer is minimal do not fit the definition of PPPs.

Lease Model

Under a lease contract, the private partner is responsible for the service in its entirety and undertakes obligations relating to quality and service standards. Except for new and replacement investments, which remain the responsibility of the public partner, the private partner provides the service at his expense and risk. The duration of the leasing contract is typically for 15 years and may be renewed for up to 30 years. Responsibility for service provision is transferred from the public sector to the private sector and the financial risk for operation and

maintenance is borne entirely by the private partner. In particular, the private partner is responsible for losses and for recovering the bills from the consumers. Leases do not involve any sale of assets to the private partner. Under this arrangement, the initial establishment of the system is financed by the public partner and contracted to a private partner for operation and maintenance. Part of the tariff is transferred to the public partner to service loans raised to finance extensions of the system.

Affirmage Contract Model

Under Affirmage contracts the private partner is responsible for operating and maintaining the utility but not for financing the investment. The private partner retains the operator fee out of the receipts and pays to the public partner an additional surcharge from customers to go towards investments that the awarding authority makes/has made in the infrastructure. The private partner tends to bear greater operating risk and tends to employ the staff directly. In the case of affirmage the private partner is assured of its fee (assuming that the receipts are sufficient to cover it) and it is the authority that takes the risk on the rest of the receipts collected from customers covering its investment commitments. The public partner in each case remains responsible for financing and managing investment in the assets – which is supposed to come, at least in part, from the rental payment/surcharge. In some Affirmage arrangements the private partner designs and manages the investment program.

Supply, Operate, Transfer (SOT) Model

This model is suitable for providing such services where machinery has to be supplied in the beginning. For instance, in a project entailing development of a diagnostic facility, the machinery shall be procured first before commencement of the service. In such case, the private partner shall be transferred the risk of procurement of required machinery.

Rehabilitate, Operate, Transfer (ROT) Model

Under this model the private partner is transferred the risk of rehabilitating the existing asset as the rehabilitation is sometimes absolutely necessary to achieve the intended level of efficiency or to increase capacity. Rehabilitation could involve updating or replacement of equipment or technology within an infrastructure facility such as power plant or wastewater plant.

Build, Own, Operate (BOO) Model

Under this arrangement the private party brings or constructs its own assets to develop a project and only obtains operating rights and benefits under the PPP agreement. In a **BOO** the developer constructs and operates the facility without transferring ownership to the public sector. Therefore, the Government may opt for project development in BOO mode, where the infrastructure being developed is portable and may be dismantled upon end of the contract; or in such situations where government intends to offer a service only for a limited period of time and does not intend to retain the asset once the project term is ended (e.g. power generation projects) or where the market is liberalized and the Private Partner may provide the services to the market directly (for e.g. merchant power).

Build, Operate, Transfer (BOT) and Build, Operate, Own, Transfer (BOOT) Models

Under the BOT and BOOT approach, the private party designs and constructs the assets to the specifications agreed to by the contracting authority and it operates the assets for the period specified in the contract before transferring the asset back to the contracting authority at the end of the contractual period. Importantly, the private partner during the period of operations the private partner can recover their investment and operational costs through charging for the services. Either the public partner can agree to purchase a minimum level of output produced by the facility, sufficient to allow the operator to recover its investments and costs during operation. Alternatively, there may be a capacity charge and a consumption charge, thus sharing the demand risk between the public and private partners. At the end of the contract, the public partner assumes ownership but can then opt to assume operating responsibility, contract the operation responsibility to the existing private partner or award a new contract to a new private partner.

The distinction between BOT and BOOTs lies in relation to who finances the project and the ownership of the assets during the contractual period. In a BOT structure a significant part of the financing is provided by the contracting authority, who would also retain legal ownership of the facility. However, in a BOOT the financing is arranged by the private partner, and they would obtain the legal ownership for the period of the contract. In both cases the asset would be transferred back to the authority at the end of the contract, however, in BOOT, such transfers can include provisions for a residual payment to be made to the private partner.

Projects such as waste water treatment plants, water distribution and metering projects, solid waste management projects, electricity transmission and distribution projects, hospitals and education facilities, mass transit and urban transport projects are some examples of projects that are developed under a BOT/BOOT structure.

Design, Build, Finance, Maintain (DBFM) and Design, Build, Finance, Operate, Maintain (DBFOM) Models

Both of these variations are generally the most common type of PPPs that are developed globally. Under the DBFOM delivery model, responsibility for designing, building, financing, operating, and maintaining the asset are bundled together and transferred to the private partner. There is then a trigger for determining at what stage the assets are to be transferred back to government and this can occur at any time between completion of the construction period and the end or termination of the PPP agreement. A DBFM delivery model is similar to the DBFOM model, the only distinction being that the private partner is not required to carry out the operations of the asset but is only responsible for the maintenance and purely technical support services. An example of a DBFM is a hospital project where the private partner would construct the hospital and maintain the building, facilities and equipment, but the hospital would be run and administered (i.e., operated) by the public sector entity.

All DBFOM projects are either partially or wholly financed by a combination of equity and/or debt and secured by the private partner. The Private Partner would then charge for the provision of provision of the public assets and services through either user charging, government charging or a combination of these options.

Joint Venture Model

Joint venture allows joint ownership of the project company – the enterprise that is owning and operating a particular project. The government entity divests shares to the private partner or to the company that is formed to operate a utility or facility. The extent to which the shares are divested to private sector depends on the government's wish to retain some degree of control of the utility. The JV as a whole is responsible to dispense the service and to collect bills, raise finances etc. Therefore, the shareholding structure of the company exactly defines the amount of risk transfer. One advantage of forming a JV is that the contracting authority can retain some control of the company. Also, since a joint board takes the decisions, high level of transparency is ensured. From the government's perspective, another advantage is in terms of profit sharing: the government shall be entitled to get share of profit in accordance with its share in the JV. However, share in the JV might create certain issues. The private partner and the lender would want complete control over the project to ensure smooth functioning which might not be acceptable to the government. Also, having equity share in the company would undermine the risk transfer proposition. The private party may also contract out services on inflated rates thereby minimizing the divisible profit.

Any other Variant as approved by the Committee

PPP delivery models have continued to evolve over time where different jurisdictions have looked to package different combinations of functions to the private partner in order to address specific technical, legal, commercial, financial or socio/economic risks. In the context of KP there may be a need to adopt or develop variant PPP models to address specific local risk issues. Contracting Authorities should discuss with the PPP Unit in order in relation to need to address such potential issues so that, where required a new bespoke PPP solution can be developed and approved by the Committee for development and implementation. For example, if the private partner is paid for achieving certain milestones during construction and is incentivized for performance thereof during operations and maintenance phase, the agreement can be conceptually declared as a PPP, such a model has been recently applied in some markets under the term 'Hybrid Annuity PPP Model'.

Annexure 9-D:

PC-I SDG Checklist Proforma

PC-1 SDG Checklist Proforma

Goal	Priority	Primary (select 1)	Secondary focus (select one/more) with %age contribution	Indicator	Data source to track the indicator
Alignment of PC-1 with SDGs and Provincial SDGs Framework					
1: No Poverty	High Priority targets: <u>1.2 (Reduce poverty)</u> , <u>1.3 (Social Protection)</u> , <u>1.a (Financial Resource Mobilization)</u> & <u>1.b (Policy Framework)</u>				
	Medium Priority Targets: <u>1.4 (Resource Ownership)</u>				
	Any SDG target/s not Prioritized				
2: End Hunger	High Priority Targets: <u>2.1: Food Accessibility (Nutrition)</u> , <u>2.3 Agriculture Productivity (Food Availability)</u> , <u>2.4 (Sustainable Food Production)</u> , <u>2.5 (Genetic Conservation)</u> & <u>2.a: Financial Resource Mobilization</u>				
	Medium Priority Targets: <u>2.2 (End malnourishment)</u>				
	Any SDG target/s not Prioritized				
3: Good Health	High Priority Targets: <u>3.1 (Maternal Mortality Rate)</u> & <u>3.c (Health Financing)</u>				
	Medium Priority Targets: <u>3.2 (Neonatal Mortality)</u> , <u>3.3 (End HIV, TB, Malaria, HBV, NTD)</u> , <u>3.5 (Substance Abuse)</u> , <u>3.7 (Sexual & reproductive health)</u> , <u>3.8 (Universal Health Coverage)</u> , <u>3.9 (death due to hazardous chemical, & air, water and soil pollution)</u> , <u>3.b (Research and vaccine and medicines)</u>				
	Low Priority: <u>3.4 (Non-Communicable Diseases)</u> , <u>3.6 (road accidents)</u> , <u>3.a (implementation of WHOFC on Tobacco Control)</u>				
	Any SDG target/s not Prioritized				
4: Quality Education	High Priority Targets: <u>4.1: (Education for all)</u> , <u>4.5 (Gender Parity)</u>				
	Medium Priority Targets: <u>4.2 (Early Childhood Development)</u> , <u>4.3 (Vocational and tertiary Education)</u> , <u>4.4 (ICT)</u> , <u>4.6 (Proficiency)</u> , <u>4.7 (Edu for sustainable Development)</u> , <u>4.a (Upgradation of Edu facilities)</u> & <u>4.c (Teacher training)</u>				
	Any SDG target/s not Prioritized				
5: Gender Equality	High Priority Targets: <u>5.1 (End Discrimination)</u> , <u>5.2 (Eliminate violence)</u> , <u>5.3 (Eliminate harmful practices)</u> , <u>5.6 (Access Sexual/reproductive health)</u> & <u>5.b (Enabling Technology)</u>				
	Medium Priority Targets: <u>5.4 (Domestic Work)</u> , <u>5.5 (Women Participation)</u> , <u>5.a (Reforms for women empowerment)</u>				



Sustainable Development Goals

Goal	Priority	Primary (select 1)	Secondary focus (select one/more) with %age contribution	Indicator	Data source to track the indicator
	Any SDG target/s not Prioritized				
6: Clean Water & Sanitation	High Priority Targets: 6.3 (Water Quality), 6.5 (Integrated Water Management), 6.6 (Water ecosystem), 6.b (Participatory management)				
	Medium Priority Targets: 6.1 (Improved drinking water), 6.2 (Access to Sanitation), 6.4 (Water use efficiency), 6.a (International Cap and capacity building)				
	Any SDG target/s not Prioritized				
	Any SDG target/s not Prioritized				
7: Affordable & clean energy	High Priority Targets: 7.2 (Share of Renewable Energy)				
	Medium Priority Targets: 7.1 (Access to affordable and clean energy)				
	Any SDG target/s not Prioritized				
8: Decent work and economic growth	High Priority Targets: 8.6 (Youth Employment), 8.7 (Child Labor), 8.9 (Tourism and Jobs), 8.10 (Access to financial resources)				
	Medium Priority Targets: 8.3 (enterprise development)				
	Low Priority: 8.5 (Women employment), 8.8 (Labor rights)				
	Any SDG target/s not Prioritized				
9: Industries, innovation and infrastructure	High Priority Targets: 9.1 (Reliable and sustainable infrastructure for Development), 9.2 (Industrialization and employment), 9.3 (Access to financial services by Small industries and enterprises), 9.c (Access to ICT)				
	Medium Priority Targets: 9.5 (Enhance research and Technological capacities of industries), 9.a (Enhanced Financial, Technological and technical support)				
	Any SDG target/s not Prioritized				
	Any SDG target/s not Prioritized				
10: Reduced inequalities	High Priority Targets: 10.1 (Income Growth of bottom 40%), 10.2 (Empowerment of marginalized groups), 10.3 (Equal opportunities and reduce inequalities), 10.4 (Fiscal Policies for equality)				
	Medium Priority Targets: 10.b (ODA, FDI and other financial flows), 10.c (Reduce transaction costs of migrant remittances)				
	Any SDG target/s not Prioritized				
	Any SDG target/s not Prioritized				



Sustainable Development Goals

Goal	Priority	Primary (select 1)	Secondary focus (select one/more) with %age contribution	Indicator	Data source to track the indicator
11: Sustainable Cities and Communities	High Priority Targets: <u>11.4 (Protection of cultural & natural heritage)</u> , <u>11.6 (Reduce urban solid waste and air pollution)</u> , <u>11.b (Disaster Risk Reduction)</u>				
	Medium Priority Targets: <u>11.1 (Slum upgradation and safe housing)</u> , <u>11.2 (Safe, affordable, accessible and sustainable transport)</u> , <u>11.3 (Sustainable Urbanization)</u> , <u>11.7 (Provide safe, inclusive and accessible, green and public spaces, in particular for women and children)</u>				
	Low Priority: <u>11.a (Urban planning)</u>				
	Any SDG target/s not Prioritized				
12: Responsible Consumption	High Priority Targets: <u>12.4 (hazardous waste management)</u> , <u>12.5 (reduce waste generation)</u> , <u>12.b (Sustainable tourism, job creation and local culture)</u>				
	Any SDG target/s not Prioritized				
13: Climate Action	High Priority Targets: <u>13.1 (Adaptation to disaster)</u> , <u>13.2 (Integration of Climate Change into policies and plans)</u> , <u>13.3 (Awareness and Outreach)</u>				
	Any SDG target/s not Prioritized				
14: Life Below Water	High Priority Targets: <u>14.4 (Regulate unregulated fishing practices)</u>				
15: Life on Land	High Priority Targets: <u>15.1 (Conservation of forest and protected areas)</u> , <u>15.2 (Sustainable Forest Management)</u> , <u>15.4 (Conservation of mountain ecosystem)</u> , <u>15.5 (Prevent habitat degradation and species loss)</u> , <u>15.7 (End Illegal poaching)</u> , <u>15.9 (Progress towards Aichi Biodiversity Target 2)</u> , <u>15.a (ODA and public expenditures on conservation)</u>				
	Medium Priority Targets: <u>15.3 (Land degradation)</u>				
	Any SDG target/s not Prioritized				
16: Peace & Justice	High Priority Targets: <u>16.3 (Rule of law)</u> , <u>16.4 (Reduce illicit financial and arms flows; and organized)</u> , <u>16.5 (Reduce Corruption)</u> , <u>16.6 (Develop effective and transparent institutions)</u> , <u>16.7 (Inclusive and participatory decision making)</u> , <u>16.9 (Legal identity for all, birth registration)</u>				
	Medium Priority Targets: <u>16.2 (End child trafficking and abuse)</u> , <u>16.10 (Access to information and protect freedom)</u>				




Sustainable Development Goals

Goal	Priority	Primary (select 1)	Secondary focus (select one/more) with %age contribution	Indicator	Data source to track the indicator
17: Partnership for SDGs	Low Priority: 16.1 (reduce all forms of violence)				
	Any SDG target/s not Prioritized				
	High Priority Targets: 17.1 (Domestic Resource Mobilization), 17.3 (Mobilize additional resources i.e. FDI), 17.4 (Debt financing, Debt Relief and Debt restructuring), 17.6 (Cooperation on and access to science, technology and innovation and enhance knowledge sharing), 17.8 (Internet Access), 17.17 (PPP), 17.19 (Improve Statistical Capacities)				
	Medium Priority Targets: 17.9 (capacity-building to support national plans to implement all the Sustainable Development Goals)				
	Any SDG target/s not Prioritized				

Appendix-A:

Minutes of Provincial Development Working Party (PDWP)



Government of Khyber Pakhtunkhwa
Planning and Development Department
Civil Secretariat Peshawar
(Coordination Section)
Phone No. 091-9211137 Email: Coordination318@gmail.com NO.C/COORD/P&D/Planning Manual/2021-22
Dated: 11th April, 2022

To

1. The Secretaries to Government of Khyber Pakhtunkhwa,
 - I. Finance Department.
 - II. Environment Department.
 - III. Communication & Works (C&W) Department.
 - IV. LGE&RD Department.
2. The Director General PCNA, P&D Department.


SUBJECT: MINUTES OF PDWP MEETING DATED APRIL 4, 2022.

I am directed to enclose herewith minutes of the subject meeting held on 4th April, 2022 under the Chairmanship of Additional Chief Secretary in P&D Department, for further necessary action/compliance, please.


(MUKHTAR AHMAD)
ASSISTANT CHIEF (COORD)

Copy for information to:

- 1- PS to Additional Chief Secretary, P&D Department.
- 2- PS to Secretary, P&D Department.
- 3- PA to Chief Economist, P&D Department.


ASSISTANT CHIEF (COORD)

MINUTES OF PDWP MEETING DATED APRIL 4, 2022

Meeting of the PDWP was held on 04-04-2022 under the chairmanship of the Additional Chief Secretary, Government of Khyber Pakhtunkhwa. The special agenda item, pertaining to the approval of Manual for Development Projects was considered. The meeting was attended by members of the PDWP. List of participants is at Annex-A.

After recitation of the Holy Quran and a welcome note by the Chair, the Secretary, P&DD apprised the forum about the background and process involved in preparation and finalization of the Manual. He stated that procedures and guidelines, pertaining to development planning stagger exist to facilitate the state functionaries and planners in the management of development projects. However, to streamline the process, referencing and capacity building of professionals involved in project management, a need was felt to develop a comprehensive Manual for Development Projects, Khyber Pakhtunkhwa to address the challenges faced by the planners and implementers.

The Secretary, P&DD informed that the preparation of the Manual was initiated with the support of the Governance and Policy Project Khyber Pakhtunkhwa by hiring consultants/ experts on the subject matter. He stated that the Manual was prepared and finalized through a consultative process. The P&D Department constituted and notified a Technical Committee (TC) on July 13, 2021, comprising representatives of P&DD and selected Line Departments/Planning Cells. A number of meetings of the Technical Committee were held to scrutinize, vet and to make additions & deletions in the document. The Technical Committee after detailed reviews recommended the Manual for its approval by a competent forum. The Secretary further informed that the manual was also shared with the Additional Chief Secretary, Special Secretary Finance and Senior officers of the PPS cadre and their suggestions & inputs were incorporated in the final manual being presented to the PDWP for consideration and approval.

The Secretary, P&DD highlighted salient features of the Manual for Development Projects and informed that it is first of its kind initiative in the development history of Khyber Pakhtunkhwa and will be a live document which will be updated periodically to enhance its usefulness. He shared that the document contains information and detail guidelines relating to



planning machinery, project identification, preparation, appraisal, implementation, procurement, monitoring, evaluation, completion and emerging initiatives. The document is supported with relevant rules, regulations, procedures, decisions, directives notified by the development forums from time to time along with checklists to ensure access to the required information and appraisal of schemes.

The Secretary also apprised the PDWP that presentation of the Manual to the forum for approval has been based on the approval analogy of the Federal Government "Manual for Development Projects", was considered and approved by CDWP in the Planning Commission of Pakistan in its meeting held on November 19, 2021 while adaptation of the manual was notified vide a Notification No. 7(239) E&R/PD & SI/21 dated December 29, 2021.

The Chair appreciated the initiative and its preparation through consultative process. Members of the forum discussed the contents of the Manual threadbarely and suggested a comprehensive capacity building plan for the planners and implementers of Khyber Pakhtunkhwa for its fruitful utilization. The forum appreciated the preparation of the subject Manual. The chair directed for dissemination of the Manual after approval and comprehensive training of the stakeholders and periodic updation of the Manual.

DECISIONS:

1. PDWP approved the "Manual for Development Projects-Khyber Pakhtunkhwa 2022".
2. P&D Department, with the support of Governance and Policy Project (GPP-KP), will arrange trainings for the capacity enhancement of the officers of the P&DD, Line Departments and District Development Offices dealing with the Public Sector Development Initiatives / Projects.
3. The Manual for Development Projects shall be updated periodically.
4. Coordination Section, P&D Department, will be the custodian of the "Manual for Development Projects-Khyber Pakhtunkhwa 2022".



List of Participant

PDWP Meeting Dated 04/04/2022

S.No	Name	Designation
1.	Mr, Shahab Ali Shah	Additional Chief Secretary (Chair)
2.	Mr. Shah Mehmood Khan	Secretary P&DD
3.	Engr. Ejaz Hussain Ansari	Secretary C&W
4.	Mr. Hassan Abid	Additional Secretary Finance
5.	Mr. Muhammad Asif	Special Secretary LG&RDD
6.	Mr. Muhammad Ali Asghar	Chief Economist P&DD
7.	Mr. Syed Zahir Ali Shah	DG PCNA
8.	Mr. Samiullah Khan	Director EPA



PLANNING & DEVELOPMENT DEPARTMENT

MANUAL FOR DEVELOPMENT PROJECTS

KHYBER PAKHTUNKHWA
APRIL, 2022

Sponsored by:



Governance & Policy Project
Khyber Pakhtunkhwa
MDTF World Bank

Governance & Policy Project (MDTF World Bank) Planning & Development Department, Government of Khyber Pakhtunkhwa



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