



**MANUAL
FOR
DEVELOPMENT PROJECTS**
(Revised 2019)

**IDENTIFICATION, PREPARATION, APPRAISAL, APPROVAL,
IMPLEMENTATION, MONITORING AND EVALUATION**

**MINISTRY OF PLANNING, DEVELOPMENT AND REFORM
GOVERNMENT OF PAKISTAN
ISLAMABAD**

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Abbreviations and Acronyms

ADP	Annual Development Programme
AMCs	Asset Management Companies
APCC	Annual Plan Coordination Committee
CCI	Council of Common Interests
CDWP	Central Development Working Party
CCP	Competition Commission of Pakistan
FDI	Foreign Direct Investment
FEG	Framework for Economic Growth
FRDL	Fiscal Responsibility and Debt Limitation
GCI	General Cognitive Index
GDP	Gross Domestic Product
GNP	Gross National Product
GPI	Gender Parity Index
ICT	Information and Communication Technology/Islamabad Capital Territory
IMF	International Monetary Fund
M/o PD&R	Ministry of Planning, Development and Reform
MoIPC	Ministry of Inter-Provincial Coordination
MDGs	Millennium Development Goals
NDA	Net Domestic Assets
NEC	National Economic Council
NHSR&C	Ministry of National Health Services, Regulations and Coordination
PCRET	Pakistan Council for Renewable Energy Technologies
PCRWR	Pakistan Council of Research in Water Resources
PDHS	Pakistan Demographic and Health Survey
PNAC	Pakistan National Accreditation Council
PFMA	Public Finances Management Act 2019
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
SDGs	Sustainable Development Goals
SROs	Statutory Regulatory Orders
STPF	Strategic Trade Policy Framework
TDS	Tariff Differential Subsidy

Drafting Committee

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3.	Rai Nasir Ali Khan	Joint Chief Economist (Macro)	Member
4.	Muhammad Salim Khattak	Chief (Economic Appraisal)	Member
5.	Mr. Javed Sikandar	Chief (Governance)	Member
6.	Mr. Shaokat Ali Anwer Randhawa	Joint Economic Adviser, Finance Division	Member
7.	Mr. Asif Khan	Deputy Chief (PIA Section)	Member
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Foreword

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, including project identification, appraisal, approval, monitoring, closing and evaluation of development projects and other standard activities involved in the project management. Besides providing guidance to the project sponsoring and implementing agencies, the document gives an authentic compilation of Government instructions on various aspects of development project directors, consultants and other project officials, sanctioning powers of various project approving forums etc. Project formulation forms have also been revised specially to include impact of climate change, disaster risk management and to encourage involvement of private sector in project financing.

Every effort has been made to compile and present all the latest instructions involved in project management for providing a better understanding of project implementation and supervision for achieving planned objectives, resolving problems as they arise during implementation stage and revision of projects as a result of changed circumstances encountered during implementation necessitating change in the cost and scope of the project.

It is expected that the manual which has been revised after almost 20 years, would help the project authorities and executing agencies to achieve efficiency and economy through proper utilization of resources to ensure output and outcome. All the officials of the Planning Commission involved in preparation of this Manual deserve appreciation for accomplishing this task in particular the efforts of drafting committee constituted for this purpose.

Zafar Hasan
Secretary

November, 2019

Chapter-1

PLANNING MACHINERY AT FEDERAL LEVEL

Planning Commission of Pakistan is an apex body and a think tank for the government in the fields of economic planning and development. This has been evolved through different phases. The chronology of evolution of the planning machinery at the federal level has been elaborated below.

Development Board

1.2 Despite grave economic and financial problems, which beset the Government of Pakistan soon after the independence, a Development Board was established in 1948 in Economic Affairs Division to deal with the economic development of the country. A number of projects were outlined for putting the country on the development path, and to provide necessary infrastructure. In 1950, a Six-Year Development Plan was formulated and embodied in the Colombo Plan for cooperative economic development in South and South East Asia. This was essentially an outline plan and delineated only a broad pattern of development.

National Planning Board

1.3 To prepare a comprehensive national plan of development, the Government of Pakistan established the Planning Board on July 18, 1953 comprising three members under the chairmanship of the then Governor State Bank of Pakistan Mr Zahid Hussain. (Annex-1)

Box 1

The Terms of Reference (ToRs) of the Development Board were to

- i. review the development taken place since the independence,
- ii. assess the sources-material and human, which can be made available for development during the next five years beginning from April 1954,
- iii. prepare a national plan of development based on the fullest possible utilisation of these resources for implementation in a period of five years from the 1st of April 1954 as a step towards the attainment of the economic and social objectives of the government's policy,
- iv. make proposals regarding the administrative machinery best suited to assure the successful implementation of the plan, and
- v. make any other recommendations, which in the opinion of the Board will contribute towards the successful implementation of the plan.

1.4 Planning Board was assisted by advisors and consultants. It was given the mandate to draft a plan and finalize it by the end of 1954. The Board accordingly prepared and submitted a Five Year Plan, which was approved by the National Economic Council.

1.5 In order to assist the progress towards the objectives stated in Section 28 and 29 of the Constitution of Pakistan (1956), a permanent Planning Board was established on April 20, 1957 (Annex-2). The Board consisted of a Chairman and at least two members one of whom was designated as Deputy Chairman. The Prime Minister was agreed to assume the charge of the office of the Chairman of the Board. Mr Said Hassan was appointed as Deputy Chairman of the Planning Board with effect from April 17, 1957.

Box 2

Functions of Planning Board:

- i. To prepare future Five Year Plans of economic and social development.
- ii. To make additions and alterations in the existing Five Year Plan consistent with the changing economic conditions of the country.
- iii. To tender such technical advice and offer such comments on financial matters bearing on the development plans as may be requested by the Ministries of Government.
- iv. To stimulate and, where necessary, to initiate the preparation of schemes required to achieve national objectives in the economic and social fields.
- v. To examine development schemes, programmes and proposals with a view to their inclusion in the plan of development.
- vi. To maintain a continuous and constant review of the progress of development, the benefits realized, and the difficulties experienced.
- vii. To maintain a continuous review of the economic conditions of the country so far as these have a bearing on the development plans.
- viii. To submit such periodic reports as the Government may desire from time to time.
- ix. To encourage the improvement and expansion of research (in particular economic research), statistics, surveys, and investigations and evaluation needed to support effective planning and development in the country.
- x. Generally, to advise the government on economic policies and problems in various fields so far as these have a bearing on the development plans

Above functions were assigned vide Resolution No. 2(24)-PG/53 dated July 18, 1953 (Annex 1)

Planning Commission

1.6 The National Planning Board, established in 1957, was re-designated as the Planning Commission on October 23, 1958 (Annex-3). The Government of Pakistan described its economic and social objectives, and defined functions vide Cabinet's Resolution of June 3, 1959 (Annex-4). However, the government had noticed that the economic administration suffered in Pakistan due to the reason that the status of the Planning Commission was not sufficiently high since its Chairman did not have the powers given to the head of a planning body in several other countries. The lack of effective coordination was also observed between the Planning Commission and the economic

ministries for the planning and implementation. The government, therefore, decided to overcome it by elevating the status of the Planning Commission. The President was pleased to accept the Chairmanship of the Commission.

1.7 The Planning Commission was reconstituted on August 5, 1961 with the following composition (Annex-5).

- | | |
|---------------------------------------------------------------------------------------|------------|
| 1. The President of Pakistan | (Chairman) |
| 2. Deputy Chairman <i>(with ex-officio status of a Minister without Cabinet rank)</i> | |
| 3. The Secretary Incharge of the planning in the Planning Division | (Member) |
| 4. The Secretary Incharge of progressing in the Planning Division | (Member) |
| 5. A representative from the East Pakistan | (Member) |
| 6. A representative from the West Pakistan | (Member) |

1.8 For effective coordination, planning and implementation, the Project Division in President's Secretariat was abolished and its functions were amalgamated with those of the Planning Commission. The Commission, as a whole, was granted the status of a Division in the President's Secretariat. The non-technical sections of the Division, that is, Coordination, Development Authorization, Administration etc., whose work was similar in nature to that performed in other ministries, were reorganised on the pattern of the Section Officers scheme in the Central Secretariat.

1.9 The composition of the Planning Commission was changed on March 24, 1983 (Annex-6) as under:

- | | |
|------------------------------------------------|---------------------|
| 1. Minister for Finance and Economic Affairs | Chairman ex-officio |
| 2. Deputy Chairman Planning Commission | Member |
| 3. Secretary Planning and Development Division | Member ex-officio |
| 4. Secretary Economic Affairs Division | Member ex-officio |
| 5. Secretary Finance Division | Member ex-officio |
| 6. Mr. Manzoor Ahmed Sheikh | Member |
| 7. Chief Economist P&D Division | Member |
| 8. Mr. M.I.K Khalil | Member ex-officio |
| Additional Secretary P&D Division | |

1.10 The Commission was revamped on April 20, 2006 (Annex-7) to ensure its effective role as an apex planning and coordination body of the country. The Prime Minister of Pakistan was pleased to accept the Chairmanship of the Planning Commission. The Deputy Chairman was made functional head of the Planning Commission and the organizational structure was strengthened by inducting at least nine members, that is, Secretary Planning and Development Division (designated as Member Coordination), Chief Economist,

Director Pakistan Institute of Development Economics (PIDE), Members Implementation and Monitoring, Social Sector, Infrastructure, Energy, Food and Agriculture, and Science & Technology as full-time members.

Box 3

Functions of Planning Commission:

- i. In consultation with the Central and Provincial Governments and other appropriate agencies to
 - a. prepare a national plan at periodic interval for the economic and social development of the country,
 - b. make assessments from time to time of the human and material resources of the country, and
 - c. prepare the annual development programme within the framework of the national plan and, on a determination of priorities, to propose the allocation of resources.
- ii. To stimulate and where necessary initiate the preparation of development programmes and projects; to examine and advise on all such programmes and projects with a view to deciding whether these conform to national objectives and, in general, whether these contemplate the most efficient use of national resources.
- iii. To recommend such adjustments in the national plan as may be necessary in view of the changing economic situation.
- iv. To co-ordinate the examination of development programmes and projects in consultation with the appropriate authorities and to secure the approval of the Central Government to acceptable programme and projects.
- v. To advise on the nature of the machinery for securing the efficient execution of the national plan.
- vi. To watch and evaluate the progress of implementation of the development programme.
- vii. To advise on important economic policies and problems in various fields.
- viii. To undertake and promote economic research and to initiate surveys and investigations needed to support effective planning and development.

Above functions were assigned vide Cabinet Resolution No.Coord(1)-8/29/59.III dated June 3, 1959 (Annex 4)

1.11 The Commission was further restructured on October 30, 2013 to enable it to effectively plan for 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 Planning Commission was moved to a new paradigm of '*Participatory and Collaborative Planning*' involving the parliament, ministries, divisions, provinces, special areas, private sector, academia, civil society and diaspora, to play the role of a facilitator and stewardship as well as an integrator in the areas of economic policy and reforms in the post-devolution scenario (Annex-8). Accordingly, Ministry of Planning and Development was also renamed as Ministry of Planning, Development & Reform.

Functions under Schedule-II of Rules of Business 1973

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

1.12 The Commission also discharges the following functions as given in Cabinet's Resolution of 2013:

- 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 mobilisation, an institutional framework and efficient public investment;
- iv. Promoting and developing the role of the private sector as an engine of growth by co-opting it as a partner in the development process through the institutionalised effective consultative process;
- v. Promoting and coordinating reform and innovation in the government in partnership with the relevant ministries, divisions and organisations;
- vi. Promoting and developing social capital for development with the stakeholders (SDGs, poverty alleviation, social harmony);
- vii. Promoting and coordinating economic and infrastructure initiatives towards developing the regional economic integration;
- viii. Monitoring Pakistan's economic competitiveness and developing strategies for its enhancement with the relevant ministries, divisions and organisation;
- ix. Promoting development discourse in the country towards participatory and collaborative planning and development;
- x. Studying trends and evaluate the impact of globalisation and develop appropriate national responses in coordination with the relevant ministries, divisions and organisations;
- xi. Studying and evaluating the impact of new technologies on the development, and develop an appropriate national response in coordination with the relevant ministries, divisions and organisations;

- xii. Facilitating capacity-building of agencies involved in the development, and
- xiii. Any other function assigned by the Prime Minister;

1.13 The Prime Minister is the Chairman of the Planning Commission, which apart from the Deputy Chairman, comprises the following 12 members:

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

1.14 To harmonize and improve the coordination and synergy among the top hierarchy of the Planning Commission, the Cabinet Division has assigned the role to the Federal Minister for PD&R. Accordingly, the Deputy Chairman, Planning Commission reports to the Minister for Planning, Development & Reform in the following areas: (Annex-9)

- 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.

1.15 An Advisory Committee under the Deputy Chairman Planning Commission comprising the 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 Planning and Development bodies, experts, academicians and private sector representatives as its members assists the Planning Commission in plan and policy formulation. The Advisory Committee holds quarterly meetings. The Planning, Development and Reform Division is the secretariat of the Committee. Its composition is at (Annex-10).

1.15 Meeting of the Planning Commission is held under the Chairmanship of the Prime Minister on a bi-annual basis to monitor the progress of economic policies and for future guidance. The Secretary Planning, Development and Reform Division/Member Coordination has been assigned the role of the Principal Accounting Officer of the Planning Commission. The PD&R Division acts as the secretariat of the Planning Commission.

1.16 An organogram of the restructured Planning Commission, along with the names of all Deputy Chairmen in a chronological order, is annexed as (Annex-11).

Chapter - 2

PROJECT APPROVING FORUMS AT FEDERAL LEVEL

The following are the competent approving forums of the economic policies and development projects before their execution.

National Economic Council (NEC)

2.2 Article 156 of the 1973 Constitution states that the President shall constitute a National Economic Council consisting of the following members: (Annex-12)

- i. the Prime Minister, who shall be the Chairman of the Council;
- ii. the Chief Ministers and one member from each Province to be nominated by the Chief Minister; and
- iii. four other members as the Prime Minister may nominate from time to time

2.3 The National Economic Council reviews the overall economic condition of the country and advises the federal government and the provincial governments to formulate plans in respect of the financial, commercial, social and economic policies, and in formulating such plans to ensure balanced development and regional equity, be guided by the Principles of Policy set out in Chapter 2 of Part-II of the Constitution of 1973.

2.4 The meetings of the Council are summoned by the Chairman or on a requisition made by 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 *Majlis-e-Shoora* (Parliament), and submits its Annual Report to each House – the Senate and the National Assembly – of the Parliament.

Executive Committee of the NEC

2.5 The Council has delegated its powers to the Executive Committee of NEC (ECNEC) for smooth conduct of the government business. The charter of the ECNEC is as under:

- i. To sanction development schemes (both in public and private sectors) pending their submission to the National Economic Council
- ii. To allow moderate changes in the plan and sectoral re-adjustments within the over-all plan allocation
- iii. To supervise the implementation of the economic policies laid down by the Cabinet and the National Economic Council
- iv. Cases for the grant of protection of indigenous industry
- v. Cases involving the grant of licences for exploration or exploitation of oil and other mineral resources or extension in the area of operation

- vi. Reports asked for by the Committee in pursuance of its earlier decisions
- vii. Any other matter referred to the Committee by the Prime Minister, the National Economic Council, the CCI or the Cabinet or raised by a member in the Committee with the permission of the Chairman

The composition of the ECNEC changes from time-to-time. The current membership of the ECNEC is given at (Annex-13).

Central Development Working Party

2.6 The Central Development Working Party (CDWP) is responsible for the scrutiny and approval of the development projects. The composition of the CDWP is at (Annex-14). The Prime Minister of Pakistan in his capacity as chairman NEC has authorised CDWP to approve development schemes costing upto Rs. 10,000 million. Beyond this cost, the CDWP recommends the projects to the ECNEC for consideration and approval. The revised sanctioning powers of the CDWP and the DDWP has been notified on September 23, 2019 (Annex-15). The Deputy Chairman Planning Commission (DCPC), Secretary PD&R Division (if DCPC is not in place) chairs the CDWP meeting, while its members include Chairman P&D Boards, Additional Chief Secretaries (Development) of the provinces, ACS (AJ&K), Secretary Planning & Development (Gilgit-Baltistan), Finance Division, EAD, Chairman Pakistan Council of Science and Technology, Climate Change Division, relevant federal administrative ministry, and sponsor of the development projects.

2.7 The members of the CDWP from the Ministry of PD&R are Secretary, Chief Economist, Members Planning Commission (Infrastructure, Governance, Social Sector, Private Sector, Development Communication, Implementation and Monitoring, Energy, Food Security, Science and Technology), Additional Secretary, Joint Chief Economists (Operations and Macro), Advisor (DB), Chiefs (PIP, PIA, PP&H, EA) and Chiefs of the Technical Section concerned.

Departmental Development Working Party

2.8 The sanctioning power of the Departmental Development Working Party (DDWP) to approve PC-I or PC-II of a project is up to Rs. 2,000 million provided foreign aid/ foreign exchange is less than 25 per cent of the total cost of the project. The DDWP is chaired by the Secretary of the federal ministry concerned or PAO (further delegation of powers is not permitted). DDWP at federal level is headed by the Secretary/PAO and among its members Chief of concerned technical section M/o PD&R and JS (development), Finance Division are to personally attend while other members include the concerned CFAO and the representative of the appraisal wing of Ministry of Planning, Development and Reform. Representative of EPA, NESPAK, PEC are members of DDWP by invitation. In case of schemes involving foreign aid representative of EAD and the representative of the provincial government if the projects impact the neighbouring province are also members of the DDWP by invitation. (Annex-16)

Functions of Federal Level DDWP

2.9 Following are the functions of the DDWP at Federal level: (Annex-17)

- i) Review all development schemes and ensure that the scheme has been prepared on sound lines and that the necessary economic, financial and technical scrutiny has been carried out
- ii) Circulate PC-I at least 30 days in advance to all the members for giving them ample time to examine the scheme in accordance with the priorities of the Ministry / Division
- iii) Only those projects are to be considered for approval which help in achieving plan objectives and SDGs goals (Social Sector projects)
- iv) Ensure that project staff salary and recruitment are in line with prevailing Government rules
- v) Purchase of vehicles in development projects should be in line with Finance Division's instructions issued from time to time. Likewise project's overheads such as contingency, administration should be in line with prevalent rules / instructions
- vi) Cabinet's decision on construction of residential accommodation vide case No 4/6/95 dated March 13, 1995 should be strictly adhered to
- vii) DDWP is competent to approve only first revision of the project(s) within its approving limit. For subsequent revisions, the revised PC-I should be submitted to CDWP for consideration
- viii) List of approved projects alongwith minutes are to be Forwarded to Ministry of Planning, Development and Reform for record
- ix) Enhancement of sanctioning powers of DDWP is in respect of new projects and not applicable on presently on-going projects*

** This power has been subsequently withdrawn*

Procedure for approval of Schemes by Federal Level DDWP

2.10 The procedure for approval of projects at federal level DDWP is: (Annex-18)

- i) Meetings of the DDWP should ordinarily be held once in two months or whenever considered necessary in accordance with a schedule to be circulated at least 10 days in advance

- ii) The PC-I/II should reach the concerned offices including Ministry of Planning, Development and Reform (5copies each) and Ministry of Finance (2 copies) 30 days in advance for proper scrutiny
- iii) Since the powers of Federal level DDWP has been enhanced substantially, it would be mandatory for Chief Ministry of Planning, Development and Reform and JS (Dev.) Finance Division to personally attend the meeting. No meeting will be held without their participation.
- iv) In case of serious reservations by the Ministry of Planning, Development and Reform and Finance Divisions' members and the issue is not reconcilable, the following committee which shall meet fortnightly may consider and decide whether the project should be resubmitted to the DDWP or be placed before the CDWP for consideration:
 - i. Deputy Chairman, Planning Commission Chairman
 - ii. Secretary MoPDR or his representative Member
not below the rank of BPS 21 Officer
 - iii. Secretary, Finance or his representative Member
not below the rank of BPS 21 Officer
 - iv. Secretary, concerned Ministry Member
 - v. Concerned Chief MoPDR Member / Secretary
- v) The DDWP secretariat should circulate the working papers 10 days in advance to its members especially MoPDR and Finance Division for formulizing respective views along with agenda of the meeting
- vi) Minutes of each meeting should be recorded by the Secretariat of the DDWP and circulated within 5 working days to all the members including those who attended the meeting
- vii) Every effort should be made to clear a scheme at one meeting. Where this is not possible, the scheme should be considered at successive meetings of the DDWP, until it is disposed off
- viii) The processing time from submission of scheme till approval should not be more than 45 working days
- ix) DDWP of any department may request the above committee to place the project before CDWP for consideration / approval. The committee would take the final decision in this regard
- x) The Secretariat of DDWP should submit a list of all schemes processed indicating their status (approved, recommended, pending etc.) to MoPDR on monthly basis
- xi) If the cost component of the project includes 25% or more foreign aid / foreign exchange, the case would be submitted to the CDWP

Developmental Working Party (DWP – autonomous organisations)

2.11 The autonomous organisations, whether commercial or non-commercial having a board with any name, are competent to sanction their development schemes with 100 per cent self-financing with no government guarantee and involving less than 25 per cent foreign exchange/ foreign assistance (Annex-19), subject to the following:

- i. The DWP should be constituted by each organisation and notified to consider and approve their self-financed projects.
- ii. The DWP should be headed by the Chairman or head of the organisation and, among others, should include representatives, not below the rank of Joint Secretary, of the PD&R Division, Finance Division, and ministry or division concerned.
- iii. The quorum of the DWP will be incomplete without the presence of either representative of the Finance Division or the PD&R Division. In case either of these Divisions does not agree to the project proposal or any aspect thereof, the case will be referred to the CDWP for consideration.
- iv. The decision of the DWP will be subject to the endorsement of the Board of the organisation.

Chapter - 3

PLANNING MACHINERY AT PROVINCIAL AND SPECIAL AREAS LEVEL

Planning and Development Boards or Departments

These are the planning bodies at the provincial level, and the Planning & Development (P&D) activities of all nation-building departments and agencies are coordinated by these boards or departments. In the Punjab and Sindh, the planning and development activities are being undertaken by the Planning and Development Boards, while in Balochistan, Khyber Pakhtunkhwa, Azad Jammu and Kashmir, Gilgit-Baltistan, the P&D Departments are responsible for the planning and development in their respective areas. The P&D Board in the Punjab and Sindh is headed by the Chairman and assisted by members, while the P&D Departments in Khyber Pakhtunkhwa, Balochistan and Special Areas are headed by their respective Additional Chief Secretaries (Development).

3.2 As per the NEC decision of May 24, 2012 (Annex-20), the PDWP(s) in Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan are competent to approve development projects costing up to Rs. 10,000 million, provided that no external funding is involved.

3.3 The provincial setup of Planning Machinery is given below:

PUNJAB

Planning and Development Board

3.4 The P&D Board in the Punjab is headed by the Chairman and assisted by Chief Economist, Secretary P&D Department, Joint Chief Economists, Members, Senior Chiefs and Chief of sections for disposal of the assigned tasks. The Board comprises Economic, Technical and other sections, each of which is headed by a senior chief or chief. The Economic Sections deal with the matters related to the formulation of the development plans and policies, Appraisal and Monitoring & Evaluation of the development schemes and coordination with the federal government on different economic and policy issues. The Technical Sections appraise projects from a technical viewpoint. The Board also coordinates with the finance department regarding formulation and determination of the size of the provincial ADP and approval of the development schemes.

Provincial Development Working Party

3.5 The Provincial Development Working Party (PDWP) is the highest body at the provincial level to approve the provincial development projects. The composition of the PDWP is as under:

1. Chairman P&D Board	Chairman
2. Secretary P&D Department	Secretary/Member
3. Secretary Finance	Member

- | | |
|------------------------------------------------|--------|
| 4. Secretary Environmental Protection | Member |
| 5. Secretary Department concerned | Member |
| 6. Chief Economist P&D Board | Member |
| 7. Director Punjab Economic Research Institute | Member |
| 8. All Members of the P&D Board | Member |
| 9. Director General M&E of the P&D Board | Member |
| 10. Any co-opted member | |

Departmental Development Sub-Committees

3.6 The Departmental Development Sub-Committees (DDSCs) are authorized to approve the projects costing up to Rs 200 million at the departmental level. The composition of the DDSC is as under:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|
| i. Administrative secretary concerned | Chairman |
| ii. Representative from the P&D Board not below the rank of Chief | Member |
| iii. Representative from the finance department not below the rank of Additional Secretary | Member |
| iv. Director (Works) Communication and Works Department (<i>If building component is involved and technical advice is needed.</i>) | Member |

3.7 The DDSC is not competent to approve schemes involving FEC (aid/loan). Such schemes are placed before PDWP for the consideration and approval.

SINDH

Planning and Development Board

3.8 P&D Department was established in Sindh on July 1, 1970, to formulate development policies, plans and projects. The P&D Department was transformed into the P&D Board on January 13, 2017 which is headed by Chairman and is assisted by the Secretary, P&D Board, Chief Economist and Members (Energy and Infrastructure, Social Sector, Services, and Natural Resources etc.). The Board is divided into different sections, each of which is headed by a senior chief or chief.

Provincial Development Working Party

3.9 The provincial development working party (PDWP) is the highest body at the provincial level to approve development projects. The Government of Sindh on July 14, 2017 (Annex-21) reconstituted the PDWP as under:

- | | |
|-------------------------------------------|----------|
| i. Chairman P&D Board | Chairman |
| ii. Secretary, Finance Department | Member |
| iii. Secretary (Planning) P&D | Member |
| iv. Administrative secretary (concerned) | Member |
| v. Member Energy and Infrastructure (P&D) | Member |

vi.	Member (Services) P&D	Member
vii.	Chief Economist P&D	Member
viii.	Sr. Chief/Chief of Section (concerned) P&D	Member/Secretary

3.10 A Technical Committee under Secretary, Planning Development and Special Initiatives Department has also been constituted for scrutiny of development schemes before placing them on the agenda of the PDWP.

Departmental Development Working Party

3.11 The Departmental Development Working Party (DDWP) is responsible to approve the projects costing up to Rs. 60 million. The composition of the DDWP is as under:

i.	Administrative Secretary concerned	Chairman
ii.	Representative from P&D Department not below the rank of Chief/Deputy Secretary	Member
iii.	Representative from Finance Department not below the rank of Deputy Secretary	Member

BALUCHISTAN

Planning and Development Department

3.12 Under the Rules of Business, the Planning and Development Department is entrusted with the expanded domain for the formulation of socio-economic development policies and procedures in accordance with national and provincial priorities and resource availability. P&D Department has a pivotal role in implementing, monitoring and evaluating the development projects through the respective executing agencies and departments. In view of the enhanced size of the ADP, the priority sectors have been identified and grouped after in-depth analysis and pursuant to defined criteria and indicators including Vision 2025, Baluchistan Development Need Assessment (BDNA), Baluchistan Comprehensive Development Strategies (BCDS), Sustainable Development Goals (SDGs), Multidimensional Poverty, Gender and Development Matrix, equity etc.

3.13 The P&D Department is a prime body at the provincial level responsible for the formulation of socio-economic development plans and policies. The P&D Department is headed by the Additional Chief Secretary (Development) and assisted by eleven Sections *i.e.* Programming, Communication and Transport, Water and Power, Education and Local Government, Agriculture, Food and Fisheries, Health and Social Welfare, Natural Resources, Development Packages, Development Authorities, Forest, Livestock, Foreign Aid and Information Technology. These sections are headed by Chiefs and are responsible to look into development matters concerning different sectors, sub-sectors and other development packages.

Approval process of development schemes

3.14 The PC-I or PC-II of development schemes are prepared on Planning Commission's proforma and submitted to the relevant forum for approval.

Provincial Development Working Party

3.15 The composition of Provincial Development Working Party (PDWP) is as under:

- | | |
|-----------------------------------------------------------|------------------|
| i. Additional Chief Secretary (Dev) | Chairman |
| ii. Secretary, Finance Department | Member |
| iii. Secretary of the Concerned Administrative Department | Member |
| iv. Concerned Joint Chief Economist (P&D Department) | Member |
| v. Chief of Section P&D Department | Member/Secretary |
| vi. Any Co-opted Member(s) | |

3.16 The PDWP is the highest body at the provincial level to approve the development projects. The PDWP, if it feels necessary, can consider any scheme even below its powers, referred to it by the DSC or DDWP or any department or agency. The PDWP also considers approval of schemes below its powers which do not fall solely within the jurisdiction of any particular Department but pertain to the whole of Balochistan. Balochistan specific scheme reflected in the federal PSDP and proposed to be executed by the provincial department or agency, is first approved by the PDWP and then submitted to the Planning Commission for further processing and approval. The schemes sanctioned by the PDWP should be in line with the objectives of the national, provincial or sectoral plans.

Departmental Development Sub-Committees

- | | |
|--------------------------------------------|------------------|
| i. Secretary department (concerned) | Chairman |
| ii. A representative of Finance Department | Member |
| iii. A representative of P & D Department | Member |
| iv. Any co-opted member (s) | Member |
| v. Head of Section/Wing concerned | Member/Secretary |

3.17 The Departmental Development Sub-committee (DDSC) is empowered to recommend and approve schemes/projects costing up to Rs 100 million relating to the provincial ADP; whereas, the technical members of the relevant or respective departments constituting the DDSCs are assigned to provide appropriate necessary technical input to enable the DDSCs to timely consider and dispose of the cases referred to it in a befitting manner.

Khyber Pakhtunkhwa

Approval process of development schemes

3.18 The Planning and Development Department being a major policy decision-making department in the province is responsible to formulate sectoral policies, priorities for projects according to the available resources, implement and monitor overall development plans of the province.

Provincial Development Working Party

3.19 The Provincial Development Working Party (PDWP) is competent to approve provincial developmental schemes. The composition of PDWP is as under:

i.	Additional Chief Secretary	Chairman
ii.	Secretary, Finance Department	Member
iii.	Secretary, Environment Department	Member
iv.	Secretary, Concerned Department	Member
v.	Secretary, C&W Department	Co-opted Member
vi.	Secretary, LG&RD Department	Co-opted Member

Departmental Development Working Party

3.20 The DDWP is chaired by the administrative secretary concerned and is competent to approve the project costing upto Rs 60 million. It comprises of two permanent members, one each from Finance and P&D Department. The composition is as under:

i.	Secretary department concerned	Chairman
ii.	Secretary P&D Department	Member
iii.	Secretary Finance Department	Member
iv.	Secretary LG&RD Department	Member
v.	Secretary Environment Department	Member
vi.	Secretary C&W Department	Member

Special Areas Governments

3.21 The development fora of Special Areas, along with their limits, to sanction and approve projects are given below. (Annexure-22)

(Rs Million)			
Areas	Forum	Headed by	limit
Azad Jammu and Kashmir	AKDWP	ACS (Dev)	400
	AK CDC	Prime Minister AJ&K	1,000
Gilgit-Baltistan	GB DDWP	Chief Secretary GB	400
	GB DWP	Chief Minister GB	1,000

3.22 The enhanced sanctioning powers of these development fora are for the locally funded projects. In cases where foreign assistance is more than 25 per cent of the total cost of the project, the approving forum will be CDWP/ECNEC, irrespective of the cost of the project.

3.23 In AJ&K all posts included in the approved PC-I from the competent forum are treated as sanctioned as per the procedure of submitting schemes before approving fora Annex-23).

Chapter - 4

PROJECT PLANNING AND MANAGEMENT

The projects are unique in their output, having a definite starting and ending point; hence temporary in nature, and are carried out to manifest an organisation's strategic objectives. These temporary and unique endeavours are playing a vital role in today's modern organisations, both public and private alike. There is a growing interest in how these projects are managed within the public sector in Pakistan.

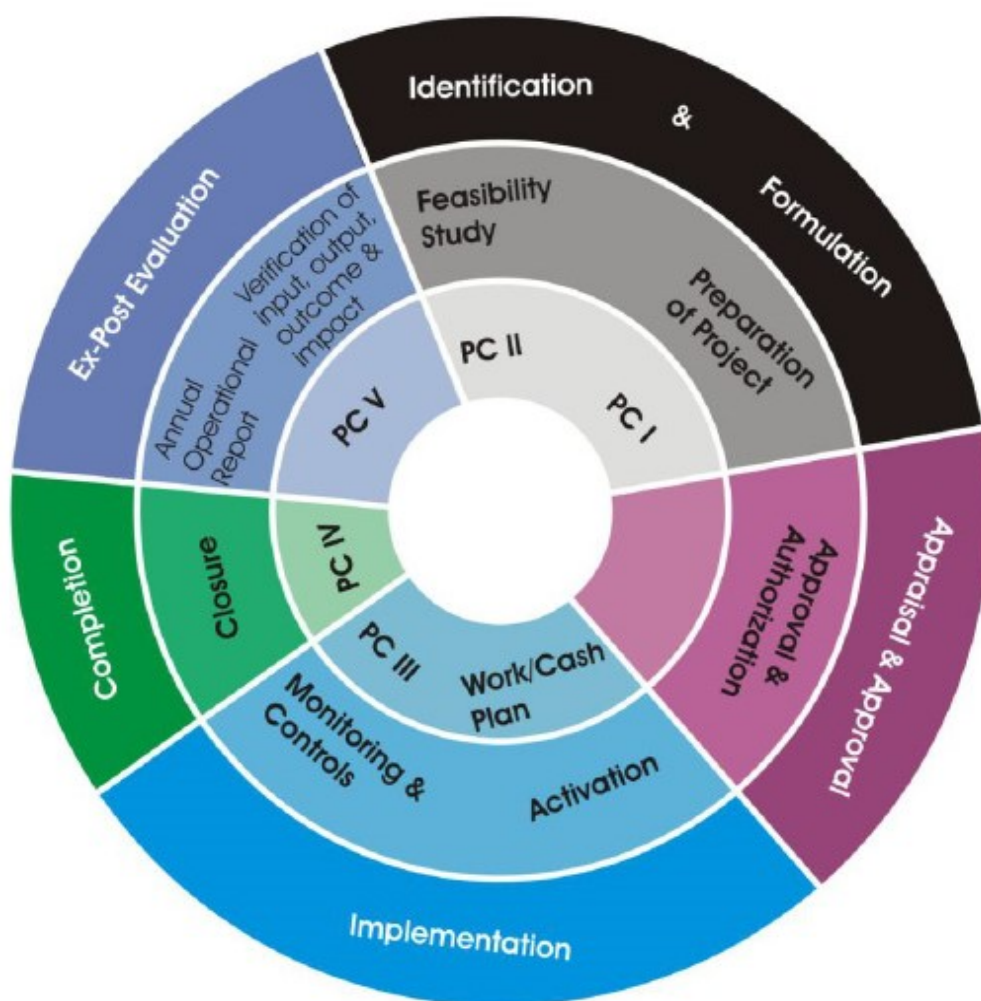
4.2 A project is a notion, a speculative imagining of a proposal deemed fit for a prospective undertaking. It may be defined as a proposal for investment to achieve certain objectives. J. Price Gittinger in his book '*Economic Analysis of Agricultural Projects*' maintains that "all we can say in general about a project is that it is an activity on which we will spend money in expectation of returns and which logically seems to lend itself to planning, financing and implementation as a unit". The project is measurable both in its major costs and returns. Normally it will have some geographical location or at least a clearly defined area of geographic concentration. It has a relatively well-defined time sequence of investment and production activities. It should have a partially or wholly independent administrative structure and set of accounts. Every project has a beginning, a middle period during which activities move the project towards completion, and lastly, an ending. Thus from the standpoint of economics, a project is the minimum investment which is economically and technically feasible. The projects can be "core projects" of national infrastructure requiring complex planning, design and implementation procedures and that of "sectoral projects" which are undertaken by specific sectors, Ministries and Divisions. (as given in Public Finance Management Act attached as Appendix-11)

4.3 The project management is the art of managing the project, and its deliverables with a view to producing finished products or services. The management includes: identifying requirements, establishing clear and achievable objectives, balancing the competing demands from different stakeholders and ensuring that a commonality of purpose is achieved. It is clear that unless there is a structured and scientific approach to the practice of management, organisations will find themselves adrift in the ocean called 'organisational development', and hence will be unable to meet the myriad challenges that the modern era throws at them. Without a scientific approach to the task of managing projects and achieving objectives, it will be very difficult for the organisations to successfully execute the projects within the scheduled time, scope, quality and deliver the required result. In other words, there has to be a framework and a defined way of doing things to ensure structured project management.

Project Management Life Cycle

4.4 The public sector projects are broken down into phases so that the extra control can be applied to effectively manage the processes. These phases are further divided into subsets for easy management, control, and planning. The Project Management Life Cycle refers to a series of activities, which are necessary to fulfill project goals or objectives. The public sector projects in Pakistan vary in size and complexity, but, no matter how large or small, all projects can be mapped to the following life cycle structure based on the processes of the public sector in Pakistan.

4.5 In this approach of project management, a group of inter-related activities are planned and then executed in a certain sequence to create and provide a unique service or output within a specific time frame and cost. The Project Management Life Cycle has five distinct phases, that is, (i) Identification and formulation, (ii) Appraisal and approval, (iii) Implementation and monitoring, (iv) Completion and closure, and (v) Ex-post evaluation. The second ring indicates the activities at each phase, while the central ring shows planning documents required being submitted/prepared at each stage.



International Associations of Project Management

4.6 By the end of the 1960s, there was an increased understanding to recognise project management as a separate discipline. This recognition led to the creation of the two major professional bodies in the field of project management. The International Project Management Association (IPMA) was founded in Europe in 1965. The vision behind the IPMA was to promote project management and to lead the research in the development of the profession. In 1969, the Project Management Institute (PMI) in the United States was formed to serve the interests of the project management industry. The premise of the PMI is that the tools and techniques of project management are common, and they can be used across different industries.

International Standards of Project Management

4.7 The role of standards for project management profession has been an important issue for many years. A variety of benefits have been identified, which can be accrued from standardisation. General benefits, which apply to both technological and professional standardisation, include encouragement of technological innovation, guaranteeing marketplace, competition and convenience. In 1981, the PMI Board of Directors had authorised the development of a Body of Knowledge (BOK), containing standards and guidelines of practice, which can be widely used throughout the profession. This initiative has resulted in the publication of '*A Guide to the Project Management Body of Knowledge*', commonly referred to as a PMBOK in 1996. On the other hand, the IPMA developed the ICB: IPMA (IPMA Competency Baseline) in 1998.

4.8 The major standards, related to the project management, are as follows;

- i. Project Management Body of Knowledge (PMBOK) by PMI
- ii. Association for Project Management (APM) BOK by UK APM
- iii. Project in Controlled Environments (PRINCE2) by Office of Government Commerce United Kingdom
- iv. Project and Program Management for Enterprise Innovation (P2M) by the Engineering Advancement Association of Japan (ENAA)

Chapter - 5

PROJECT IDENTIFICATION, LINKAGES AND FINANCING

Project identification

The project identification is the first step in the strategic planning process. Projects in various sectors are proposed and prepared by the ministries or departments concerned. In developed countries, there are special organisations which are employed on a permanent basis in the field for surveys and necessary investigations required for formulation of feasible projects. These external agencies, engaged for the purpose, prepare complete project documents including cost estimates and financial and economic analyses of such projects enabling the governments in appropriate evaluation of their potential and fixation of their priorities in a particular sector. In less developed or developing countries, unfortunately, there are no such organisations. In Pakistan, projects are normally identified by the line ministries, divisions, public sector corporations, NGOs, pressure groups and by executive's directives.

Strategic planning

5.2 This planning helps prioritise regional restoration efforts, allows for widespread support, and may focus on available funding for projects which meet larger spatial and temporal goals and objectives. Identification of projects in different sectors of the economy plays a vital role in the overall development and progress of a country. It has both backward and forward linkages with the issues faced in the past and potential future challenges of a country. The very rationale of the projects to be undertaken should be clearly mentioned and supported by well-designed development programmes, which must be consistent with short, medium and long-term perspective plans of the country. Otherwise, proper utilisation of limited development resources and public money cannot be materialised in its true letter and spirit.

Project strategic linkages

5.3 The vision statements, long-term perspective, five-year plans, annual plans and the Public Sector Development Programmes (PSDP) are interdependent documents and identification of a development project must have certain strategic linkages with the long-term plans or the vision.

Vision

5.4 Pakistan's first ever vision was Vision 2010 which was approved by the NEC in 1998. Later on, the Vision 2030 was launched in 2005. But after the 18th constitutional amendment, there was a need to develop a new vision to address the devolution. Therefore, the NEC approved the Vision 2025 in the year 2014, which has been developed

through wider consultations with all the stakeholders and it is a shared vision by all definitions.

5.5 The Vision 2025 rests on seven pillars identified as the key drivers of growth, which will transform Pakistan into a vibrant and prosperous nation by 2025. The pillars are: (i) *People First*: Developing Social and Human Capital and empowering women, (ii) *Growth*: Sustained, indigenous and inclusive growth, (iii) *Governance*: Democratic governance: institutional reform and modernisation of the public sector, (iv) *Security*: Energy, water and food security, (v) *Entrepreneurship*: Private sector and entrepreneurship-led growth, (vi) *Knowledge economy*: Developing a competitive knowledge economy through value addition, and (vii) *Connectivity*: Modernising transportation infrastructure and regional connectivity.

5.6 The 11th Five-Year Plan (2013-18 – first medium term plan of Vision 2025) defines the Vision 2025 as follows:

“The Vision aims to serve as an aspirational document visualising the destination of balanced human, social, and economic progress throughout Pakistan. It emphasises revival of growth, strengthening of the country’s development foundation and enabling it to reach the status of an upper middle-income country by 2025.”

Plan priorities and plan documents

5.7 The development plans are prepared after thorough scrutiny and judicious selection of the most important projects by the Planning Commission of the Government of Pakistan, charged with the responsibility of giving the final shape to these plans. The order of priority assigned to each project depends on its viability and impact on the national economic growth, social and balanced regional development, generation of greater resources and revenues, and overall government policy. All such potentially promising projects are identified and included in the national development plan, subject to expected resource availability. These selected projects find a place in the plan priorities and picked from the whole lot of projects. Such projects have their relevance within the perspective plan's spanning long periods and aim at the steady evolution of the economy towards self-sufficiency with the characteristic of a prosperous and progressive nation. On these aspirations of a self-reliant free nation, the projects are identified in plan documents.

Five Year Plan

5.8 A single year is too short period to accomplish sustainable progress. A five-year plan, on the contrary, has the advantage of reasonable time frame for manoeuvring and achievement of solid results. A five-year plan is a general statement of objectives and targets relating to the economy as a whole and its various component sectors. It is not an authorising document in the sense that it does not authorise expenditure to the relevant operating agencies. It provides a broad framework for socio-economic development. The preparation and approval of five-year plans started in 1957, which came to a halt with the abortive 4th Five Year Plan (1970-75). It was resumed with the 5th Five Year Plan (1978-83)

and continued until 1998. During the period 2005 to 2010, the Medium Term Development Framework (MTDF) was prepared. The 11th Five Year Plan (2013-18) ended on June 30, 2018. A chronology of the launching of the five-year plans is placed at (Annex-24).

5.9 All projects approved for implementation are included in the Annual Development Plan / Public Sector Development Programme (PSDP) subject to resource availability. The projects prepared in each sector and presented by a provincial government for financing are adjudged individually and collectively. The selection and acceptance depends, among other factors, on the general constraints over the country's capacity and position of the exchequer, which may permit only such projects that give quick returns, alleviate poverty, eradicate social evils, promote exports, curtail imports and provide a springboard for the faster development of science and technology.

Annual Plan

5.10 The principal instrument for adjusting the five-year plan to current realities is the annual plan, which has proved a dependable method for translating plan objectives into an operational programme. In other words, it is regarded as the implementation of the five-year plan. The annual plan includes an evaluation of the past performance, a presentation of the main targets, an assessment of the resource position for the year, an outline of the investment programme in the public and private sectors and a broad outline of the economic policies, which may be necessary to achieve the targets envisaged in the plan.

Development Programme outlay

5.11 The Public Sector Development Programme (PSDP) and the Annual Development Programme(s) for a particular fiscal year is the basic document describing financial allocations for each project to be executed by the federal and provincial governments. The objectives and targets, according to the traditional and standard planning process, are rendered in the form of the implementable projects.

Modes of financing

5.12 Identification, appraisal and approval of projects and programmes call for their financing to take the practical shape and existence as envisioned. The financing of the development projects in infrastructure, social and other sectors requires huge public investment every year. In Pakistan, this investment is mainly provided through the PSDP at the federal level, and through the Annual Development Programme (ADP) at the provincial level. However, in the recent years, endeavours are underway to integrate the private sector into the development process through emerging instruments like a public-private partnership (PPP) and Special Purpose Vehicles (SPVs) for the first time in the year 2018-19.

Public Sector Development Programme

5.13 The PSDP is an annual financial outlay in the form of a document that lists all the public sector projects and programmes with the specific allocations made for each fiscal year. In other words, it is that portion of the country's annual budget which deals with development expenditure. The PSDP document consists of all necessary information pertaining to the projects and programmes including the total cost, foreign loan component, forum date of approval, expenditure incurred up to the end of preceding fiscal year and allocation, in terms of both rupee and foreign aid component, for the respective fiscal year. These individual details are, however, listed for only federally-funded projects and programmes. The estimated levels of the ADPs of provinces are included in the summary of the PSDP and details thereof are compiled in individual ADPs of the respective province.

5.14 The fiscal year of Pakistan starts with effect from July 1 of every year and ends on June 30 of the next calendar year. The process of budget preparation, including the PSDP, starts well before the commencement of a fiscal year. In December each year, the Ministry of Finance conveys approximate ceiling of development spending for upcoming fiscal year to the Ministry of Planning, Development & Reform (PD&R). The M/o PD&R then issues a budget call letter to the line ministries and executing agencies informing them of their respective Indicative Budget Ceilings (IBCs) commensurate with requirements, capacity to utilise, and prevailing national priorities and available fiscal space. The budget call letter includes a time schedule and standard proforma along with guidelines on the preparation of the PSDP and selection of projects. The heads of Technical Sections concerned of the M/o PD&R are constantly taken on board during this process.

5.15 The development projects and their allocation proposed by the ministries or divisions are discussed by the high-powered Priorities Committee, jointly chaired by the secretaries of Finance, Economic Affairs and Planning, Development & Reform divisions. Based on the recommendations of the Committee, draft PSDP is then placed before the Annual Plan Coordination Committee (APCC), chaired by the Deputy Chairman Planning Commission or Minister PD&R and comprises, among others, finance ministers of provinces, AJ&K, Gilgit-Baltistan. After approval by the National Economic Council, the PSDP is then finally approved by the National Assembly along with the Finance Bill.

5.16 While safeguarding the overall objectives, the PSDP is prepared in such a manner that priorities and requirements of the four provinces, as well as special areas of AJ&K, and GB are guaranteed. For the formulation of PSDP, the executing agencies are provided with guidance to allocate and demand funds keeping in view the development objectives.

Public-Private Partnership

5.17 Given the resource constraints faced by the government for financing huge development portfolio, it has become imperative that potential and capability of the private sector is tapped into the core national socio-economic process. Indeed, specific policies, framework, laws and regulations are to be in place for confidence-building of the private sector for venturing into this arena offering vast opportunities albeit with certain risks and apprehensions. The successive governments have been trying to make progress

in this direction step-by-step without remarkable success due to unviability of law. However, the Public Private Partnership Authority Act 2017 has been passed by the National Assembly in March, 2017 and Public Private Partnership Authority (PPPA) has been established for carrying out the purposes and objectives of this Act. Further details on PPP mode of development financing and the fund established to facilitate it can be obtained from the web site of PPPA.

Viability Gap Fund

5.18 To encourage the private sector investment, the financing of the viability gap is considered as an option defined as direct contribution over and above the public share in the financing of the project on agreed terms of financing. A Viability Gap Fund (VGF) will be established, which shall be managed, controlled and administered by the Authority in the prescribed manner. The VGF has been defined in the Act as ‘a Fund to be established by the Board to provide project support to an implementing agency for those projects for which a feasibility study has found to be economically or socially justified, but are not financially viable because of lack of affordability’. The VGF shall be established by an amount specified by the Board within the Public Private Partnership Authority Fund. Besides the above given salient features, the Act describes all administrative, financial and disciplinary details in its six chapters, containing clauses and sub-clauses.

Authorization of PSDP funds

5.19 The M/o PD&R has been entrusted with the responsibility to authorise release of development funds to the PSDP-funded projects with effect from July 1, 2010. For this purpose, comprehensive guidelines are prepared in consultation with all the stakeholders, ministries, divisions, including the Finance Division, Accountant General Pakistan Revenue Islamabad, Provincial and Area Governments which are issued from time to time by the Finance Division (Annex-25). Accordingly, 20% of annual allocation is released for 1st and 2nd quarter each while 30% of allocation is released for 3rd and 4th Quarter each. All payments are made through the pre-audit system of the AGPR or through Assignment Account. Proforma for “ways and means” is at (Annex-26) and for “supplementary grant” is at (Annex-27)

5.20 The Executive Committee of the National Economic Council (ECNEC) in its meeting held on 2nd October, 2019 has simplified the procedure for authorization of release of PSDP funds to ensure timely availability to the executing agencies/project authorities without originating demand by the concerned ministry (Annex-28). Ministry of Planning, Development and Reform authorizes release of project-wise funds (rupee component) allocated in PSDP of the respective year to the approved projects during the first week of each quarter without demand by the PAO. The Ministry/Division concerned then releases funds to the approved projects after fulfilling the prerequisites of the Ministry of Planning, Development & Reform and other relevant rules.

5.21 After this, the Ministry/Division approaches Finance Division for endorsement of sanction. On receipt of sanction letter duly endorsed by the Finance Division, Ministry of Planning, Development and Reform punches the released amount of the projects in the SAP system of AGPR. For the new approved projects, the first tranche of funds is released within one week on receipt of administrative approval from the Ministry/Division. Ministries/Divisions are not authorized to release additional funds to any project over and above the allocated amount in PSDP of the respective year through internal adjustment. All re-appropriations should be referred to Ministry of Planning, Development & Reform as per procedure and rules. All Ministries/Divisions are responsible for updating PMES System of each project by 10th of the following month.

5.24 The obligation of authorising the release of funds by the M/o PD&R is only to the extent of rupee component of the PSDP. The foreign exchange component is directly disbursed to the recipient projects and programmes by the donors through Economic Affairs Division. In order to maintain transparency and provide user-friendly information to researchers, academia and the general public, release data in respect of each project is uploaded weekly on the official website of the M/o PD&R <http://www.pc.gov.pk>

PSDP review meetings

5.24 At the end of each quarter of the ongoing fiscal year, a review meeting of the PSDP is held. The meeting is chaired by the Deputy Chairman Planning Commission/Minister PD&R and in their absence by the Secretary PD&R Division. In the review meetings, implementation status of the previous review meetings is reviewed along with the last quarter physical and financial progress. For each ministry or executing agency, project-wise progress is analysed. The necessary adjustments in the allocation of funds are allowed according to the pace of work and utilization where necessary with a view to steering optimal and efficient utilisation of the development funds. The project authorities are required to implement the decision of the review meetings.

Chapter - 6

PROJECT PREPARATION

The development policy of the government of Pakistan is to efficiently utilise natural and economic resources of the country for the socio-economic welfare of the people. This objective may be achieved only when development projects are planned and executed with vigilant management. A project usually brings change resulting in benefits of a target group. Projects involve a group of inter-related activities, which are planned and then executed in a certain sequence to create and provide a unique service or output within a specific time frame. The GoP's Project Management Life Cycle has five distinct phases, that is, (i) Identification and preparation, (ii) Appraisal and approval, (iii) Implementation, execution and monitoring, (iv) Completion or closure, and (v) Ex-post evaluation.

Document format for project preparation

6.2 The development projects are prepared on the approved format, that is, PC-I proforma. Five PC proforma (PC-I, PC-II, PC-III, PC-IV and PV-V) along with proforma for summary for the ECNEC and working paper for the CDWP, for new projects and revised projects, have been updated and prepared, and are attached as Appendix-1 to this manual. After preparation of PC-I or PC-II, the Principal Accounting Officer has to sign the PC-I or PC-II, certifying that "the project proposal has been prepared on the basis of instructions provided by the Planning Commission for the preparation of PC-I. Thereafter, the PC-I or PC-II is to be submitted to the relevant forum for approval and authorisation. The PC-I proforma can be downloaded from Planning Commission's website, www.pc.gov.pk.

Key components of the PC-I and PC-II

6.3 The PC-I is the basic project document, and preparation of the project on the PC-I proforma is the pivotal phase of the project cycle. The sponsoring agency should be given or give itself adequate time to prepare it. The time taken in the examination of a project will be in an inverse proportion to the time taken in its preparation. A hurriedly prepared project, on the contrary, will run a difficult course throughout the project period and be afflicted with time and cost overrun and may ultimately prove to be counter-productive. It is extremely important that information against various columns of the PC-I or PC-II proforma has been provided carefully. The key components of the PC-I and PC-II are discussed in the following paragraphs.

Feasibility study

6.4 The PC-I should be supported with a feasibility study, survey and investigation and market survey report. For undertaking any such feasibility, a proper request on the PC-II Proforma is to be submitted for approval to the competent forum depending upon the cost of PC-II. Allocation of funds is made on request subject to availability. It is mandatory

that all infrastructure projects (or having infrastructure component) costing Rs 500 million or above should be based on a professional feasibility study. In case of projects costing less than Rs 500 million, it should be based on an in-house feasibility study with detailed technical or reference design and bill of quantities etc. (Annex-29). The feasibility should be proper and based on current data. Any study older than three years is not accepted by the Planning Commission (Annex-30). As per the directions of the Public Accounts Committee (PAC) all projects costing Rs 50 million to Rs 500 million should be based on feasibility studies prepared by the professionals hired by the ministries, divisions, departments or executing agencies for respective Project Management Units or Planning Cells, etc. (Annex-31). This facility can be availed by the ministries or divisions. For the megaprojects, where huge amount for feasibility studies is involved, a separate proposal on PC-II proforma is to be submitted for approval. Based on the data and findings of the feasibility study, PC-I is prepared and submitted for approval by the competent forum. For feasibility study and appointment of Project Director at the initial stage of project, separate provision is provided in the PSDP.

Linking projects to resources

6.5 The M/o PD&R conveys tentative sectoral allocations based on resource availability to the ministries or divisions well before the preparation of PSDP. At the time of approval of the projects, the availability of the resources in the Plan and PSDP should be looked into very carefully. The NEC on June 10, 2013 directed that availability of funds must be ensured by the ECNEC and CDWP, while approving the development projects/ schemes (Annex-32).

Objective and purpose

6.6 A project has specific predetermined objectives to be achieved within a specific time and cost. While preparing a project, the objectives of the project should be clearly spelled out and be aligned with the goals and targets of the Five Year Plan. Besides, its relationship with other projects of the same sector and sub-sectors its own contribution in quantifiable terms should be highlighted. The objectives should be in accordance with the output, outcome and goals of the project.

Location, area and population coverage

6.7 A proper location analysis is required to be undertaken to select a suitable location for the project. In selecting the location of the project, population to be served by the project with income and social characteristics should have to be kept in view. Similarly, the economic characteristics of the area, that is, present facilities and availability of inputs and regional development needs should have to be taken into consideration. It should include the following:

- i. Place and administrative district where the project is located.
- ii. Map of the project area with GIS/GPS coordinates.
- iii. Reasons for selection of location.
- iv. The availability of land needs to be assured.

- v. In case of mega projects, and water sector projects, preferably separate PC-I for land acquisition should be prepared.
- vi. In case of building projects, map along with elevation from an architecture of repute should be attached with the PC-I.

Project description

6.8 The description of the project should provide information pertaining to its physical features and technical aspects. It should include its justification and rationale, in addition to a brief account of the work done in the past, the feasibility study undertaken and government instructions and policies on the subject. The project description is indeed a synopsis of the entire project and has to be given in a manner that the appraising and sanctioning authority is enabled to appraise broad aspects without going into minute details. It is also to be stated whether the output would be used for import substitution or export promotion or meeting the increased domestic demand or a combination of these. The technology to be adopted and the source of supply of machinery and equipment should also be mentioned. The machinery & equipment may preferably be procured locally, if available without compromising the quality in order to support and strengthen local industry.

Project scope

6.9 The sponsoring agency should ensure that the project scope includes only the requirement of the project necessary to achieve the envisaged objectives. While giving the scope of the project, the sponsors should indicate in quantitative terms the proposed facilities which would become available from its implementation. Information is also required to be given in respect of the following:

- i. Demand for output, with its basis
- ii. The existing position regarding (a) capacity (b) actual supply of output
- iii. The gap that the project is going to fill between the supply and demand.

6.10 All proposals for procurement of machinery and equipment by the government departments or agencies should be accompanied by an inventory of the existing strength of machinery. For example, whenever a provision of a new vehicle is made in the development project, the ministry, department or agency concerned should furnish as a supporting document, a full inventory of the existing vehicles both on the development and recurring side, along with their date of purchase, to justify the purchase of new vehicles.

Change in project scope

6.11 The physical and financial scope of a project, as determined and defined in the project document (PC-I), is appraised and scrutinised by the agencies concerned before submitting it for approval of the CDWP or ECNEC. Once approved, the executing agency is

required to implement the project in accordance with the PC-I provisions. It has no authority to change and modify any approved parameter of the project on its own. If the sponsoring agency feels that the project could not be implemented in accordance with the approved parameters, a revised PC-I be submitted for approval of the competent forum immediately. No expenditure may be undertaken beyond the approved scope and cost of the project, and if done, it would be considered as illegitimate expenditure.

Cost estimates

6.12 The cost estimates of a project have to be prepared with care to avoid cost revisions. Besides, the cost to the development budget has to be distinguished from the cost to the revenue budget. The concept and definition of development expenditure are explained in the Planning Commission's paper F.M. I. (Annexure-33). The cost of foreign exchange component of projects should be worked out on the basis of '*Banks Floating Average Exchange Rate*' in the respective currency reflected on the website of the State Bank of Pakistan of the month preceding the one in which the PC-I and PC-II were submitted to the Ministry of Planning Development and Reform (Annex-34).

However, the following guidelines generally apply to all:

- i. The local and foreign exchange costs have to be shown separately.
- ii. The cost of imported items available in the local market should be reflected in the local component and not in the foreign exchange component.
- iii. An item-wise break-down of the total cost has to be given.
- iv. Unit cost be separately given in the appropriate column of PC-I.
- v. In case of a revised project, the reasons for increase in respect of each item as originally estimated have to be furnished. Similarly increase due to revision in the scope of the project is to be given separately with PC-I.
- vi. Cost estimates should also be based on present market surveys and pre-tender quotations. The schedule of rates used in estimating the project cost should be regularly updated by taking into account the market rates, instead of allowing across-the-board premium on the schedule of rates.

Revised cost estimates

6.13 The ECNEC from time-to-time directed that authorities concerned should keep an effective check on increase in the approved cost. The executing agencies should start preparing the revised scheme immediately when it is known that cost of the scheme is going to rise beyond the permissible limit of 15 per cent and this increase in cost may not be taken for granted after the tender stage (Annex-35). This permissible limit of 15% can only be availed if it is thought that with this increase in cost the project can be completed. In that case, revised PC-I is not required. However, as per the direction of the ECNEC, if the project cannot be completed with a 15 per cent increase in the cost, the executing agency should immediately prepare the revised PC-I and submit for approval of the competent forum. It may be noted that 15 per cent permissible limit is allowed only in respect of

original approved cost and not for revised 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 the scope of the project has been made, irrespective of whether or not it involves an increased outlay, the approval of ECNEC or competent forum shall be obtained in the same manner as in the case of the original scheme without delay. In the exceptional cases where the revised PC-I cannot be prepared in time, the anticipatory approval of the Chairman, ECNEC may be obtained (Annex-36). However, the increase in the cost due to Depreciation of Pakistani Rupee from Dollar will not need the fresh approval of the CDWP or ECNEC. The sponsoring agency shall, however, intimate the revised cost due to the depreciation of Pakistani currency to the Cabinet, M/o PD&R and Finance Division well in time as given in Annex-34)

Financial phasing

6.14 The financial phasing of a project is to be given for each fiscal year related to the physical work proposed to be undertaken, keeping in view the implementation of similar projects in the past. It should be as realistic as possible. Funds utilization capacity of executing agency should be kept in view while determining financial phasing of the project.

Physical scheduling of activities

6.15 The scheduling of activities and the availability of physical facilities are interlinked with the completion period. The availability of physical facilities e.g., (i) access road, (ii) power supply, (iii) water, gas, telephone and other utilities, (iv) education facilities, (v) housing etc., have to be ensured. The sponsoring agency has also to indicate separately what facilities would be available from the project itself and to what extent these would be available from the public utilities. The scope of work to be carried out should be looked into thoroughly to facilitate physical and financial phasing as well as supervision.

Period of implementation

6.16 Time calculated for completion of the project should be realistic. The following factors will have to be taken into consideration to firm up the implementation period:

- i. Total sectoral allocation made in the Five Year Plan
- ii. Expected allocations in the PSDP, keeping in view the past experience
- iii. Time to be taken in preparing the detailed design(s), the invitation of tenders and award of contract(s)
- iv. Availability of land; time taken in its acquisition
- v. Time to be taken in the land development keeping in view its topography and construction of an access road
- vi. Availability of professional and technical manpower
- vii. Availability of materials, supplies and equipment
- viii. The implementation based on the Bar Charts/ Project Evaluation and Review Techniques (PERT)/ Critical Path Method (CPM) essentially should be part of

every project document.

Extension in the period of execution

6.17 In the procedure prescribed by the Cabinet Division for approval of the development projects, there is no mention of the extension in the execution period, neither there is any embargo. Now it has been decided that two extensions in the execution period of development projects may be granted by the Principal Accounting Officer, that is, competent authority of the federal ministries, divisions, provincial governments and Special Areas concerned and, thereafter, the case should be referred to the CDWP for approval of further extension in the execution period of the project (Annex-37).

Appointment of consultants for project preparation, detailed designing and tender documents

6.18 The fundamental policy of the government is to ensure that a development project is prepared with the utmost care and skill in accordance with the requisite economic, financial and technical standards, keeping in view the objectives and targets laid down in the Five Year Plan. In case local expertise is not available, foreign experts or consultants can be employed to prepare projects which are technically and economically viable. Efforts are going on to develop local consultancy but, in the case of sophisticated projects involving new technology, foreign consultants have to be appointed. Most of our large projects are foreign-aided and engaging foreign consultants is made part of the aid. However, the government, in order to give preference to the local consultants, has decided that "The Pakistani consultants and engineers be given full opportunity and they should be the first to be hired for projects for consultancies in Pakistan before hiring any foreigners. The decision of the Economic Coordination Committee of Cabinet (ECC) for a minimum of 30 per cent award of consultancy contract to local consultants may be strictly enforced" (Prime Minister's Order dated 7th November 1993).

6.19 In the TORs of consultants, whether local or foreign, when appointed for the preparation of a project, it is to be made incumbent, that in addition to the scope, technical viability of the project etc., they have also to provide the implementation schedule supported by a Bar Chart, CPM, PERT, etc.

Quality Assurance

6.20 Development project proposals which exceed in their total cost thresholds to be defined by the Planning Commission are subject to quality assurance. Such quality assurance has to be undertaken by an individual/body which is independent of the sector/Ministry/Division that has initiated the preparation of the development project proposal in terms of the provisions of PFM Act 2019. (relevant chapter is attached as Appendix-II)

Project benefits

6.21 The economic aspects of a proposed project, sector or programme contribute significantly to the development of the economy through the backward and forward linkages. The economic benefits of the projects can be enhanced production, employment, and increase in the value of output due to quality improvement or otherwise. The benefits could be affected because of change in the location of the project, the time of sale or change in the grade. Moreover, the benefits could accrue owing to a reduction in cost or gains from a mechanization of the process, from reducing the distribution cost and or by avoiding the losses. In social sector projects, the benefits could accrue by increasing the earning capacity of the institutions. In certain projects like those of transport, benefits could accrue because of a saving in time, savings in vehicle operation cost, accident reduction and on account of new development activity. The projects have also some intangible benefits like better income distribution, national integration, national defence or just a better life for any segment of the population like the rural population, especially of the far-flung and backward areas, which also need to be reflected, if any.

Inter-agency coordination and stakeholder consultation

6.22 With a view to avoiding duplication of efforts and in order to ensure effective implementation of the proposed project, it is highly desirable that all the relevant data has been obtained and the agencies concerned consulted. For example, in respect of a health scheme, information about public and private sector institutions in the area, their staff, equipment and the number of persons served by them have to be obtained and reflected in the project. With the same end in view, data about the population of the area and the economic characteristics of the persons who are being provided service, as well as data about morbidity and incidence of epidemics during the last five years or so, have to be obtained.

6.23 Inter-agency coordination is also necessary for the availability of utilities, such as water and power supply, education facilities and housing. For example, before an industrial scheme sponsored by the Production Division, it is necessary that the clearance of the concerned agency is obtained for the availability of water supply and other utilities. As decided by the NEC in its meeting held on July 4, 1988, the project document should clearly indicate the level of coordination with the other agencies to facilitate project implementation.

Management structure

6.24 The project management structure needs to be elaborated in detail in the relevant column of the PC-I. In case, a separate PMU is required to be established, the staff requirement with full justification, mode of appointment, salary package, detailed ToRs of each position with qualification required should be provided along with the details of requirement of accommodation, office equipment and vehicles may be provided with cost and justification.

Chapter - 7

PROJECT APPRAISAL

The project appraisal is one of the crucial stages and phases in the project planning and management cycle. The primary purpose of the project appraisal is to facilitate the decision-maker to arrive at a better-informed decision on the proposed project or investment. Projects are ad-hoc resource consuming activities and are expected to generate enough resources in realisation of their objectives.

Role of appraisal in project planning process

7.2 The project analysis and appraisal encompasses the broader process of project planning, which focuses on new discrete activities involving substantial investment of resources. It consists of a set of procedures and techniques that can be applied; first in the decision making process whether to invest or not and second, in the implementing and operationalizing of a new activity on a sustainable basis. If a project is well formulated and thoroughly appraised, it would be sustainable and subsequently, the targets and goals could be achieved.

7.3 An organisational and legal basis has to be defined for undertaking the investment and managing the operations. The estimates of project benefits and costs, analysed and defined in more detail during appraisal, provide a crucial insight about the viability of the project. The project analysis should extend beyond the basic economic characteristics to include assessment of the financial viability, leading to a detailed financing plan and the distribution of benefits and costs between different project segments and stakeholders. The comparisons of costs and benefits will also have to be repeated from the viewpoint of different participants and stakeholders, for example, from the point of view of the project owners and its beneficiaries and from the investment as a whole. A proper analysis will cause the project to be redesigned so that it is less likely to fail. The project appraisal ensures to:

- i. develop and formulate potential projects precisely and concisely
- ii. stop bad projects or white elephants
- iii. prevent good projects from being destroyed
- iv. determine if components of projects are consistent and “optimally” designed
- v. assess the sources and magnitude of the risks, and
- vi. determine how to reduce risks and efficiently share risks.

Concept of project appraisal

7.4 Money can either be spent (consumed) or saved for investment. If money is spent now, it will not grow over time. So, investment involves the sacrifice of today's consumption to gain extra consumption in future. Hence, the investment decision is about foregoing consumption today in order to gain extra consumption in future. Therefore, to determine whether an investment project is worthwhile we must be able to compare the value foregone today with the expected value to be generated in future. The development projects are investment activities, and such investment is justified if sufficient returns (benefits) of the projects are realised.

7.5 Discounting recognises the time value of money. The process of discounting applies to give weight to the resources (costs and benefits) in different years to convert them to a common basis. The weight applied in different years is known as the discount factor and it depends upon a chosen rate of discount which measures the fall in the value of the net benefits over time.

Discount Rate

7.6 To get a real time value of costs and benefits and to have a fair comparison different discount techniques are used. The Discount Rate is defined as the rate at which the value of the numeraire (saving and investment) falls over time. The time value of money is specified as the DR (which is effectively the same as an interest rate) of the cost of capital. It is used as a common yardstick for discounting the project financial or resource statement as money spent or received at different times cannot be compared directly.

7.7 **The real rate of discount = $(1+i)/(1+p)$** where 'i' is the nominal rate of interest and 'p' is the annual average rate of increase in price. The first approximation might be the public long-term borrowing rate minus the rate of inflation. In general, the real rate will rarely be less than 10 per cent or greater than 20 per cent. However, 15 per cent is generally thought as the minimum target for most public-sector projects, though in case of certain long-gestation projects (forestry) a lower discount rate may be appropriate. The World Bank uses 12 per cent Discount Rate in economic evaluation of projects. This figure is not necessarily the precise reflection of opportunity cost of capital in the borrower countries; instead, it can be viewed as a rationing device for the World Bank funds.

7.8 **Economic viability** of the project is invariably judged at 12 percent DR or opportunity cost of capital. However, in case of financial analysis, the actual rate of interest, that is, the rate at which capital is obtained is used. For the government-funded projects, the Discount Rate fixed by the Budget Wing of the Finance Division for the development loans and advances on yearly basis is used. The provisional rate of mark up, fixed by the Finance Division, for the fiscal year (2017-18) is 6.54 per cent. In case, the project is funded by more than one source, the financial analysis is carried out on the Weighted Average Cost of Capital (WACC) for each project. If the project is financed through foreign grants, the financial analysis is undertaken at zero DR. However, the economic analysis is undertaken at 12 per cent Discount Rate. The Discount Factor is just

the opposite of the compound factor $(1+r)^t$ where 'r' is the Discount Rate and 't' is time in years. So the Discount Factor = $1 / (1+r)^t$.

7.9 Typically, investments require cooperation between a number of participants – owners, operators, lenders, workers, or producers, government and even output users. An analysis beginning from basic project description and statements can be carried out from the point of view of each participant, recording their particular costs and benefits. A pre-condition for a successful and productive project is that all participants should share the additional resources the project is going to produce, at a sufficient level to enhance their participation.

7.10 The final decision on whether to proceed with a project depends on a range of factors. An essential component of the decision is a comparison of a particular project with alternative investments. It is not sufficient that project benefits should exceed project costs; they must do so by more than other feasible investments. The project analysis techniques must incorporate this comparative element so that an appropriate decision can be taken.

RISK ASSESSMENT

7.11 Risk assessment is an important part of the project planning and management cycle. It is a condition which can effect project objectives when occurs. Risk assessment involves understanding potential problems that might occur in the project and how they might impede project success. Risks can be negative and positive, examples of negative risks include delays in completing work as scheduled, increases in estimated costs, supply shortages, litigation, strikes, etc. Positive risks include completing work sooner and/or cheaper than planned, collaboration to produce better products, good publicity, etc. Risk identification is the process of understanding what potential events or conditions might impede or enhance a particular project. This is an ongoing process throughout the project lifecycle as things progress and change. Risks that are not identified cannot be managed therefore risk identification is imperative.

RISK ASSESSMENT AND MANAGEMENT PLANNING

7.12. Risk assessment and management planning involves the following:

- i. **Methodology:** How will risk management be performed on the project? What tools and data sources are available and applicable?
- ii. **Roles and Responsibilities:** Who are the individuals responsible for implementing specific tasks and providing deliverables related to risk management?
- iii. **Budget and Schedule:** What are the estimated costs and schedules for performing risk-related activities?

- iv. **Risk Categories:** What are the main categories of risks that should be addressed on the project? Is there a risk breakdown structure for the project?
- v. **Risk Probability and Impact:** How will the probabilities and impacts of risk items be assessed? What scoring and interpretation methods will be used for the qualitative and quantitative analysis of risks?
- vi. **Risk Documentation:** What reporting formats and processes that will be used for risk management activities?

7.13 In terms of the provisions of Public Finance Management Act 2019, Risk assessment of all development project proposals, in excess of a threshold size prescribed by the Planning Commission, is required to be undertaken.

Chapter - 8

PROJECT APPROVAL

At present, 45 hard copies of the PC-I and PC-II, duly signed by the Principal Accounting Officer or Chairman P&D Board or ACS (Development) are required to be sent by the sponsoring agencies for circulation to the members of CDWP, i.e. the provincial governments, the federal ministries, the PD&R Division and other members of the CDWP for simultaneous examination. As soon as the PC-I or PC-II is received by a member of the CDWP, PDWP or DDWP, its examination is conducted as per guidelines of the ECNEC, approved in its meeting held on April 24, 2000, a summary of which was circulated on December 10, 2013 (Annex-38). It provides three weeks for the preliminary examination, two weeks for response from the sponsors and one week for holding the pre-CDWP meeting to sort out issues with the sponsoring agencies.

8.2 The PD&R Division has to ensure that the PC-I has been prepared correctly and according to the prescribed procedure. In case, the PC-I is found sketchy and deficient, it is returned to the sponsors by PD&R Division, if considered necessary, make a consolidated enquiry from the sponsors with respect to deficiencies in the proforma and seek clarification or additional information in the pre-CDWP meeting.

Technical approval

8.3 All development project proposals are subject to a technical approval process. Technical approval is only granted to projects which are compliant with the standards and procedures set by the Planning Commission. Findings and recommendations of the independent quality assurance reports, cost & benefit analysis and risk assessment, where required are also taken into account by the approving fora while considering the development project proposals.

Procedure for meetings of various forums

8.4 The PD&R Division is the Secretariat of the CDWP. The meetings of the CDWP are normally held every month or as and when required. The ECNEC, however, generally meets once in six weeks or as and when required. The agencies representing in the CDWP should circulate their comments to each other well before the CDWP meeting so that the discussions are useful and schemes are cleared expeditiously.

8.5 The minutes of the CDWP meetings are recorded and circulated to all members and other agencies concerned. The agencies represented on the CDWP should, however, be expected to take action required by them without waiting for the minutes. The decisions of ECNEC in respect of the public sector development projects are unclassified unless especially made classified by the Cabinet Division.

Pre-CDWP meeting

8.6 With a view to avoid lengthy discussion on the detailed comments of various agencies represented in the CDWP, the pre-CDWP meetings are held to resolve the outstanding issues in respect of the federal schemes under the respective Member or Senior Chief or Chief of the Planning Commission. Representation from the sponsors below Grade-20 Officer or equivalent is not normally accepted (Annex-39).

Anticipatory approval

8.7 The Chairman ECNEC has powers to allow execution of a scheme in anticipation of its formal approval by the ECNEC. The request for anticipatory approval has to be submitted to the chairman ECNEC through Cabinet Division on the prescribed proforma for the on-going and new schemes (Annex-40). The request for anticipatory approval should be signed by the Secretary/ PAO of the Division concerned in the case of the federal schemes, and by the Chairman P&D Department or ACS (Development) in case of the provincial schemes accordingly.

8.8 The ECNEC decided that the Chairman ECNEC may dispose of any case or scheme in his discretion pending the formal submission of the summary to the Committee provided that in such cases the particular scheme would be processed through the normal channels and submitted to the ECNEC after completing all the formalities within six months with further provision that the total period of the anticipatory approval should not exceed 12 months in any case. Furthermore, the anticipatory approval and sanction for incurring expenditure shall in no case be allowed beyond the end of each fiscal year, that is, June 30. On the expiry of the date for which anticipatory approval has been granted, the case will have to be processed afresh in the same manner as mentioned above, if a further extension is required. It may be noted that the grant of anticipatory approval falls in the category of "extraordinary jurisdiction" and this power cannot be re-delegated both for reasons of uniformity of treatment and to maintain financial discipline and control. Therefore, all cases of the anticipatory approval, irrespective of the cost involved, have to be submitted only to the Chairman ECNEC for approval.

Issuance of authorisation

8.9 The project approval communicated by the Planning Commission through an authorisation letter is followed by administrative approval and sanction for incurring expenditure. The administrative approval is issued by the concerned federal ministry in respect of the federally-sponsored projects, while for the provincial projects, the approval is issued by the provincial department concerned. The administrative approval is a kind of general sanction of the scheme in which the total cost, foreign exchange component and any other riders imposed by the approving body are incorporated. This sanction is distinct from the sanction for incurring expenditure on the scheme which is to be issued on yearly basis restricted to the budget provision. The implementation period should also be mentioned in the Administrative approval.

Concept Clearance of foreign aided projects for negotiations

8.10 The abstract from the Manual for Development Projects (1997) is reproduced as under:

“In many cases of the Concept Clearance, it has been noticed that the proposals for seeking foreign assistance were sent by sponsoring agencies for approval of the Concept Clearance Committee without proper examination and sufficient details. It was accordingly decided in a meeting of the CDWP and CCC held on the March 29, 1995 that in future:

- i. All concept clearance proposals costing Rs 10 million and above must accompany a feasibility study prepared departmentally.
- ii. No proposal for foreign assistance will be considered for the purchase of vehicles, air conditioners and other consumer durables, produced in the country.

8.11 After careful study of the whole procedure, the following guidelines are framed:

- i. It should be a normal practice to submit projects on the PC-I/PC-II for approval of the CDWP. However, only those projects should be sponsored for concept clearance where a strong indication is available from the multilateral agencies or donors for making available necessary funding, and a formal request for donor financing cannot wait for the preparation of the PC-I/PC-II.
- ii. The proposals should be accompanied by an adequate information regarding the basic concept of the project, and cost details and breakdown with the departmental feasibility if the cost of the project is Rs10 million and above.
- iii. Donor assistance should not be sought for the purchase of vehicles, air conditioners and other consumer durable goods produced in the country. Similarly, projects should not be sponsored for outright import of road making or earth moving machinery and drilling rigs etc., by the government departments or agencies without a project design fully justifying the additional acquisition after taking into account inventory of the existing machinery of all public sector departments or agencies. Efforts should always be made for pooling available resources rather than resorting to fresh imports under new projects.
- iv. Following the concept clearance of the project, if the project design is altered by donor agencies at any subsequent stage, the Planning, Development & Reform Division should be consulted and clearance obtained by the executing agency before proceeding ahead with negotiation.
- v. It should be ensured that the matching local currency funds would be available in the PSDP and ADP to absorb the aid being sought.

8.12 Instances have come to the notice that the executing agencies negotiate and finalise foreign aid (loans and grants) much beyond the scope and size allowed under the concept clearance. In case the loan/grants negotiated are finalised over and above the size and scope of concept clearance, the proposal should be re-submitted for approval of the competent authority. Further, no aid-agreement would be finalised and signed till the PC-I/PC-II has been approved or at least anticipatory approval of the competent authority has been obtained with respect to scope and cost. Concept Clearance can be allowed in case of urgency for exploring donor financing for specific projects, but a memorandum of understanding cannot be signed by the Economic Affairs Division before approval of the PC-I/PC-II. Further, it may be ensured that the PC-I/PC-II is submitted within three months of the approval of the Concept Clearance. (Annex-41). Further, the Concept Clearance proposal of only those projects should be processed which fall under the economic framework, i.e. five-year plan or annual plans and there is urgency due to limited time for PC-I/PC-II preparation or approval.

8.13 The Govt. of Pakistan receives foreign assistance from multilateral sources (World Bank and Asian Development Bank) and bilateral sources in two forms i.e. project financing through bilateral and multilateral and programme loans only from multilateral sources. In case of project financing, PC-I is approved by the relevant competent forum development funds are made available to finance these projects through PSDP or ADP in case of provincial projects. Programme loans are not brought under umbrella of PC-I as the financial assistance so provided is for budgetary support and balance of payment.

8.14 The International Finance Institutions (IFIs), especially the World Bank recently introduced hybrid financing instruments which combine elements of both a project and a programme. These new instruments include Programme for Results (PforR), development policy credits (DPCs) and financial Intermediation Programme (FIPs). These financial instruments are designed mainly to target policy and institutional reforms, while the part of financing also goes as Technical Assistance. These instruments mainly contain indicator based disbursements for budgetary support while only a small portion is allocated for expenditure base activities. It was noted that if the condition of PC-I is also required on PforR, FIPs and DPCs, it can significantly delay disbursement of critically needed funds from International Financial Institutions (IFIs).

8.15 To address the above issue, NEC approved the following guidelines: (Annex-42)

- i. The relevant Executing Agencies shall obtain concept clearance of the proposed program(s) from the Concept Clearance Committee housed in Planning, Development & Reform Division and communicate the same to EAD.
- ii. On receipt of Concept Clearance, EAD will formally request the Development Partner for seeking funding support.
- iii. The Development Partner will prepare Program Appraisal Documents in consultation with the sponsoring and executing agencies and then share it with EAD for negotiations.

- iv. Before initiating loan negotiations, EAD will seek clearance of the program loan agreement from the Ministry of Law and Justice from legal point of view and the Finance Division.
- v. Loan negotiations shall be conducted with the development partner after approval of Finance Minister. EAD, Finance Division, PD&R Division, Law and Justice Division and relevant 'sponsoring agency and executing agency will participate in negotiations.
- vi. The EAD may, on completion of negotiations, move a summary for approval of Finance Minister/Chairman ECNEC, before signing the program loan agreement.
- vii. For TA parts of the PforR and FIPs, these shall subsequently follow PC-I by respective Executing Agencies before release of funds into assignment account/project account.

Chapter - 9

PROJECT EXECUTION AND IMPLEMENTATION

The role of sponsoring, executing and implementing agencies

The sponsors secure funding for projects from the development budget and choose an implementing agency. There can be more than one partner sponsoring the project. In that case, they act as co-sponsors with a shared responsibility for securing funds for the project.

9.2 The implementing agency is the entity charged with the responsibility of successful completion of the project's components including completion of all studies; preparation of plans, specifications, and estimates; the acquisition of land, rights-of-way etc.; procurement of goods and services; construction; project management; engineering, including surveys and inspection, etc. There could be a different implementing agency for each component of a project. To ensure clear lines of responsibility, only one agency can be the implementing agency for a single component. This agency is responsible for ensuring the adequacy of its products through a quality control and quality assurance procedure.

Appointment and role of the Project Director

9.3 The activation of the project is achieved through the appointment of a Project Director. The ECNEC on May 6, 2011 decided that an independent Project Director should be appointed only for projects, which are approved by the ECNEC. For projects below this limit, if an independent project director is required to be appointed by the sponsors, approval of the CDWP would need to be taken by providing proper justification. The guidelines governing the appointments of independent Project Director are given at (Annex-43 & 44).

Procedure and process of appointment of the Project Director

9.4 The following process should be adopted for appointment of the Project Director:

- i. Appointment of an independent Project Director is mandatory for projects costing Rs. 3,000 million and above (projects approved by the ECNEC). As such provision for the post of a Project Director should invariably be included in the project PC-I costing Rs. 3,000 million and above.
- ii. If an independent Project Director is required to be appointed for projects costing below Rs. 3,000 million, such cases should be separately submitted for approval of the CDWP by providing proper justification.
- iii. The expense of Project Director would be met from the project account.
- iv. The Project Director should not be transferred during the currency of the project.

- v. The sponsoring or executing agency will try, as far as possible, to appoint an independent Project Director for the project. In case it is not possible, the PD may be appointed from the available in-house officers and in that case, reasons for transferring the services of such officer internally to the project may be spelt out and detail justification may be given.

Mode of appointment

9.5 Mode of appointment of a Project Director will be as follows:

- i. A Project Director shall be appointed on contract basis initially for a period of two years, extendable on yearly basis subject to satisfactory performance.
- ii. The appointment will be made in a transparent manner through open merit by advertisement.
- iii. Engagement of retired officer(s) as a Project Director shall require prior permission of the Establishment Division/Administrative Ministry in case of the retired civilian officers; Defence Division in case of the retired Defence Officers; and Law, Justice and Human Rights Division/Supreme Court/High Courts in case of the retired officers from judiciary.
- iv. While making an offer of appointment, the following will be provided in the contract or agreement:
 - Statement of objectives of the assignment
 - Responsibilities of the Project Director stating particulars of the outputs required from him
 - Responsibilities of the client indicating the types of inputs to be provided to the Project Director
 - Duration of the contract indicating completion dates or termination of the contract
 - Financial provisions reflecting manner of payment of remuneration, etc.
 - General provisions regarding matters like earlier termination of the contract by either party
 - Mode of periodic performance appraisal of the Project Director.

Qualification and experience requirement

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

- i. The educational qualification of the Project Director will be broad-based, that is, B.Sc. Engineering or MBA /MPA, MBBS/MPH, Master or BS (4 years) degree in Economics or another relevant field from HEC recognised institutions, depending upon the nature of the project. Minimum Five years' experience in the project management or implementation. Have the basic knowledge of project management fundamentals, particularly the government of Pakistan project planning and management processes and procedures.

- ii. Maximum age of sixty-three (63) years on the date of appointment.

Terms of Reference or specific tasks to be accomplished by the Project Director

9.7 The details of the outputs required from a Project Director should be clearly spelt out, which inter alia may include the following:

- i. In order to exercise a strong check on time and cost overruns, he or she would carry out monitoring of the inputs, processes and outputs of the project.
- ii. Ensure that proper procedure for reviewing and responding to progress reports is established and followed. The plan from the outset indicating how, what and when to monitor and evaluate
- iii. Responsible to submit periodic review or progress and other reports in the manner and format as prescribed. In reports, suggest actions for the decision-making
- iv. Work more closely with the external partners or stakeholders as well as with the project staff
- v. Develop and use indicators to focus on results as well as implementation
- vi. Custodian of all project documents responsible to prepare and submit the project completion report (PC-IV)
- vii. The Project Director would be made accountable for any lapses under the jurisdiction of his administrative, functional and financial powers
- viii. As a team leader, he or she is under obligation to an account for all actions, steps and decisions taken during the project execution
- ix. Responsible to supervise project activities and try his or her best to resolve day-to-day problems faced in implementation independently within the administrative and financial powers delegated to him. If necessary, he or she may seek help from the federal ministry, division or provincial government concerned for resolving the issue or problem
- x. It is advisable to setup headquarter of the Project Director as close as possible to the site of work, preferably at the site, to ensure his availability for on-spot decision making on unforeseen issues and other ancillary matters.

Selection and appointment committee

9.8 Terms of reference of selection and appointment committee will be as follows:

- i. A committee headed by the secretary of the sponsoring ministry or division concerned and including a representative of the PD&R (Chief or Head of the section concerned), Finance (Development Wing) and Establishment Divisions.
- ii. In case of project financed by the federal and provincial governments on 50:50 cost-sharing basis, the Chairman P&D Board or ACS (Development) of the respective province, AJ&K and GB would chair the committee with representatives of the Planning, Finance and Establishment Divisions.

- iii. In case of disagreement between members of the committee, the matter will be referred to the Deputy Chairman, Planning Commission for final decision.
- iv. Secretary of the ministry or division concerned may approve the appointment of a Project Director whose salary package is equivalent or up to the maximum of MP-III. The cases of appointment of an independent Project Director carrying emolument beyond MP-III shall be submitted for approval of the Prime Minister of Pakistan.

Project Management Unit

9.9 The requirements of project management in public sector is increasingly becoming challenging. Managing a project is a complex activity, particularly when it involves many people working over long period of time and many different stakeholders. This increasing complexity requires management practices and tools, which assure an efficient use of resources. In this context, a Project Management Unit (PMU) can be of a great value. An effective PMU will then be provided with infrastructure, resources, processes, and tools necessary for an effective project management by leveraging standards, allocating resources, and establishing communication channels. There is no need of framing recruitment rules for the hiring of project staff as the guidelines for the appointment of project staff is given at (Annex-45). The standard pay package for the project staff directly recruited for development projects is at (Annex-46).

Contract award and contract management

9.10 A contract is a legal form of communication agreed between two parties for further execution of works. A contract enforces owners of project to define their requirements, organise and arrange their resources, and make a commitment to their projects. It defines the work and the owner's delegation of responsibilities to the various parties (contractors) to complete the work in his behalf at a specific cost and within a specific time. It inherently defines the nature and extent of risks to various parties. It defines the transfer of financial incentives to complete the work. The agreement is designed to formalise the contract. It brings together all the other contract documents by reference to them and is a legal instrument verifying the contract.

Contracts during different phases of projects

9.11 The contracts are used during all phases of projects. In the first phase, which is the feasibility phase, contracts are formed between an 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 firm. A good contract management creates client and customer satisfaction as well as consolidate the long-term win-win relationship among all parties involved. The contract law and its management is a core activity of any project. Contracts not only bind the parties to legal obligations and framework, they are also instrumental in risk minimisation or elimination.

9.12 The procurement, contract award and contract management go hand-in-hand. The procurement in government is governed by the Public Procurement Regularity Authority (PPRA) and its rules, Public Procurement Rules, 2004 and “The Procurement of Consultancy Services Regulation 2010”, which apply to all procurements of goods, services and works made by all procuring agencies of the federal government whether within or outside Pakistan. For infrastructure and engineering works contracts samples, guidelines and standard forms are provided by the Pakistan Engineering Council. For international bidding FIDC documents are usually used for reference.

9.13 For further guidance, the PPRA Rules 2004 and PEC website can be consulted.

Chapter - 10

PROJECT MONITORING

Role in the project cycle

The first three stages of the project cycle (identification, preparation & appraisal and approval), precede the actual project implementation stage. Once the implementation stage is reached, the "monitoring activity" assumes great importance, which is followed by the final stage, that is, project completion or post-completion evaluation. The importance of "monitoring and evaluation" activities hardly needs any emphasis since these both provide timely and useful information not only to the project management or implementation agencies, but also a feedback to the policy-makers. The linkage between the stages is also important. Each stage leads to the next and the last phase, in turn, produces new approaches or ideas, improving the planning and implementation process of the future projects. This makes the "project cycle" self-renewing. In Pakistan, monitoring of the development projects or programmes can be at the project management level (by the executing agency or through the consultant), at the sponsoring ministry, department, provincial government level (through establishing a PMU) and at the third party level (by the Planning Commission, etc.).

10.2 Conceptually, "monitoring" means to check and assess the implementation status of a project, programme or plan during the implementation on a regular basis. The system of watching or monitoring the progress of a project or programme being an important link in the project cycle, helps in the identification, analysis and removal of bottlenecks and expediting actions where projects have stalled or fallen behind schedule. The project monitoring is invariably done with the active participation of the project management and is, therefore, quite distinct from inspection, which is generally undertaken at a higher level but not very regularly. In fact, the project monitoring is a tool to serve interests of both the project management and the planners, as they share a common concern for the timely completion of projects within the approved cost, scope and time schedule.

Methods of monitoring

10.3 The methods or techniques adopted for the project monitoring should effectively measure the progress of a project, in comparison to its approved cost, scope, time schedule and objectives and be capable of producing the information, according to the requirements of all concerned. The implementation schedule of the smaller projects may be prepared in the form of Bar Charts. However, for the major projects, the project management must use modern methods (CPM, PERT etc.) to plan in advance about time and resources required for completion of individual activities. All these techniques can be applied effectively for progress monitoring strictly in accordance with the physical scheduling. The NEC at its meeting held on July 4, 1988, directed that the implementation schedule be based on the Bar Charts, PERT or CPM, which should essentially form part of every project document. It further directed that the schedule rates used in estimating

project cost should regularly be updated by taking into account the market rates, instead of allowing across-the-board premium on the schedule of rates.

10.4 The monitoring mechanism being followed by the Projects Wing since its creation in 1983 is based on the Result Based Monitoring (RBM) indicators. To improve the monitoring mechanism through the use of new technology, it has been planned to monitor the selected projects of national importance through satellite with the help of SUPARCO. Development of GIS/ software for Android application has also been planned for real time imagery and site inspection. Following are the main features of monitoring methodology adopted by the Projects Wing in the Planning Commission, which is entrusted for monitoring of the development projects as a third party:

a) Project selection criteria

10.5 The projects for monitoring are selected on the basis of the following criteria:

- i. The size of projects in financial terms, that is, projects costing Rs 50 million and above
- ii. Slow-moving foreign-aided projects
- iii. The on-going major projects where some progress has already been made, particularly those facing inter-agency coordination or implementation problems
- iv. Projects not monitored for the last one year or more
- v. Special M&E assigned by the CDWP/ ECNEC or any other authority

10.6 In addition, where the importance of the development impact justifies it, projects can be selected for review irrespective of the volume of investment.

b) Collection of monitoring data

10.7 As referred earlier, a specially designed proforma for progress monitoring PC-III which consists of three forms Project Profile, Quarterly Monitoring Report and Monthly Progress Report, is directly addressed to the project directors under intimation to all concerned for reporting implementation status particularly on the following:

- i. Project's approved PC-I cost, time schedule and objectives
- ii. Item-wise physical and financial progress
- iii. Any changes in the plan of work or envisaged activities, along with the cost estimates and likely period of completion of the project
- iv. Expected cost and time over-runs
- v. Problems being encountered in the implementation of the projects with proposals for remedial measures

c) Monitoring teams

10.8 The multi-disciplinary monitoring teams, comprising representatives of the Projects Wing and concerned technical section of PD&R Division, sponsoring or executing agency and provincial government (for provincial projects only) are deputed for undertaking site visits and also to focus specifically on the following:

- i. The divergence between the PC-I work plan and the actual physical implementation
- ii. Whether the physical output is commensurate with the financial outlay of the projects?
- iii. Status of foreign-aid utilisation
- iv. Availability of inputs other than finance
- v. Unit rate analysis and assessment of project effects vis-à-vis output, employment, environmental etc.
- vi. Source of the recurring cost and maintenance liability on completion of the project

d) Progress monitoring reports

10.9 The review reports generally consist of four parts. The first part gives the background of the project, approval, financial allocation, utilisation or expenditure by main items, and the likely cost after completion of the project, physical progress and the bottlenecks, if any. The second part deals with results covering economic, financial analysis etc., the third part embodies findings and the fourth part relates to statistical appendices. After its approval, the same is circulated to the sponsoring ministry, division or executing agency concerned, Project Director, economic or concerned technical sections of the PD&R Division and Finance Division (Development Wing) for comments, and initiating actions on the measures or recommendations made in the report. The progress monitoring reports are in the nature of a review of progress as related to project implementation status or work plan particularly with reference to time and cost over-runs and removal of bottlenecks. (Progress monitoring proforma are attached as PC-III in Appendix)

e) Inter-agency meetings

10.10 These meetings are also organised by the Projects Wing with coordinated effort on the part of more than one organisation or agency and to discuss draft review reports of the monitoring teams.

Project Monitoring and Evaluation System

10.11 The Management Information System of an organisation plays an important role in the decision-making. No sizeable organisation can work effectively without a well-managed information system. To introduce professional project management in the public sector and to make the projects monitoring and evaluation more effective, a web-based Project Monitoring and Evaluation System (PMES) has been developed. It is facilitating the line ministries and divisions for projects' planning, progress tracking, monitoring and timely identification of corrective actions.

10.12 The PMES provides three major functionalities:

- i. Tools and systems for project management
- ii. Systems for monitoring and evaluating projects
- iii. Analytical tools for the overall PSDP and portfolio analysis

10.13 The PMES is the backbone of the PSDP projects monitoring activity, which comprises a data bank of the implementation information like cash/ work plans, release of funds, physical and financial progress etc. The PMES serves three informational requirements:

a) For the project directors or project implementing authorities

- i. Firmness and clarity of scope as per PC-1(project profile)
- ii. Provides tools for project planning and control (cash or work plan)
- iii. Track progress and report issues (PC-III)

b) For controlling ministries

- i. Approve financial or physical requirements of projects as per the ministries' priorities (cash or work plan)
- ii. Have a quick access to progress and issues in their project

c) For the PD&R Division

- i. A platform for the professional monitoring (project scope, plans, progress, issues etc.)
- ii. Overall progress of the PSDP projects
- iii. Repository for projects' data
- iv. Projects synopsis and PSDP projects performance analysis (executive dashboard)

PMES objectives

10.14 The following are the objectives of the PMES:

- i. Efficient projects' implementation
- ii. Effective project control or management
- iii. Facilitate monitoring
- iv. Better and faster overall information of the PSDP performance

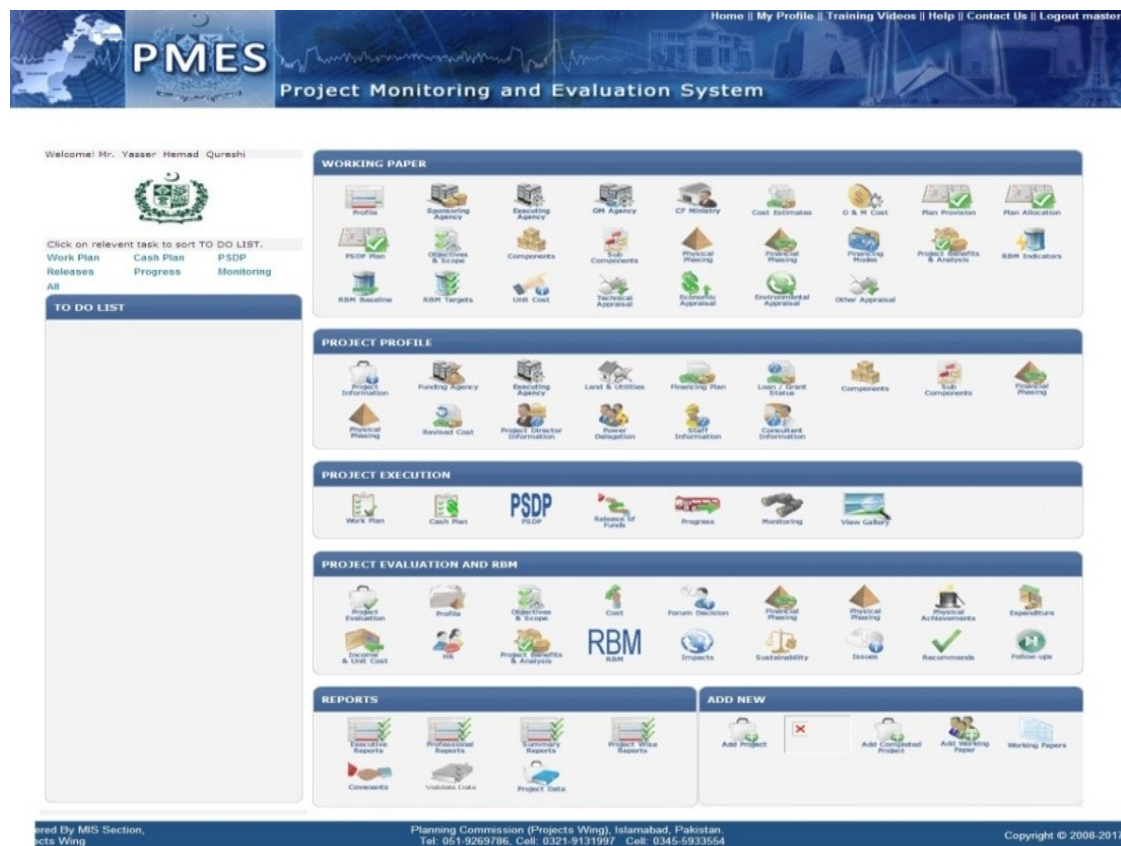
PMES evolution and technical specification

10.15 The development of the system started in September 2006 and its implementation started in the FY 2007-08. Just like any other software system, the PMES has evolved over the years with various versions. Each version has major improvements and enhancement in the functionality.

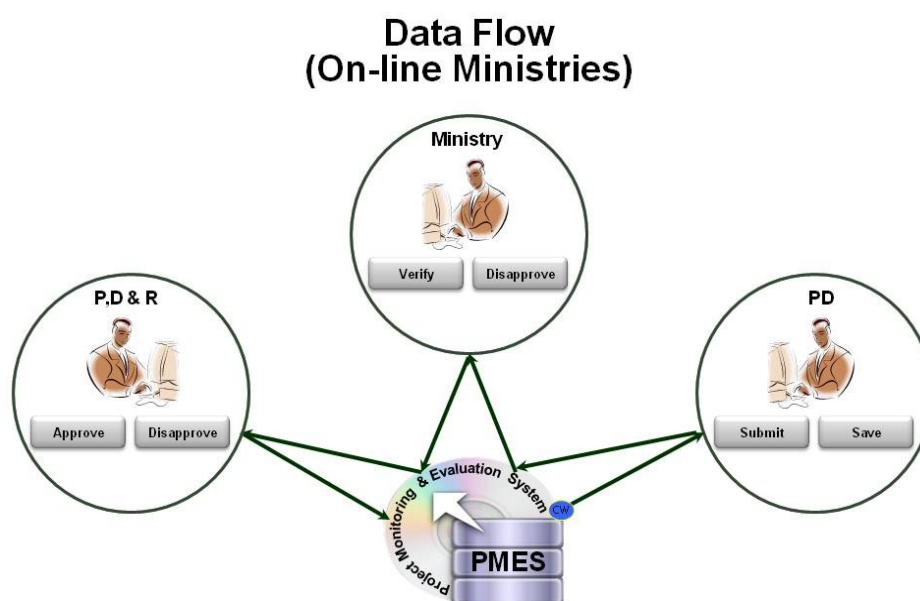
- i. Application developed in Java 2 Enterprise Edition
- ii. Database developed in Oracle 10 G
- iii. Apache Tomcat Server for web serves
- iv. Oracle Report Server

PMES statistics

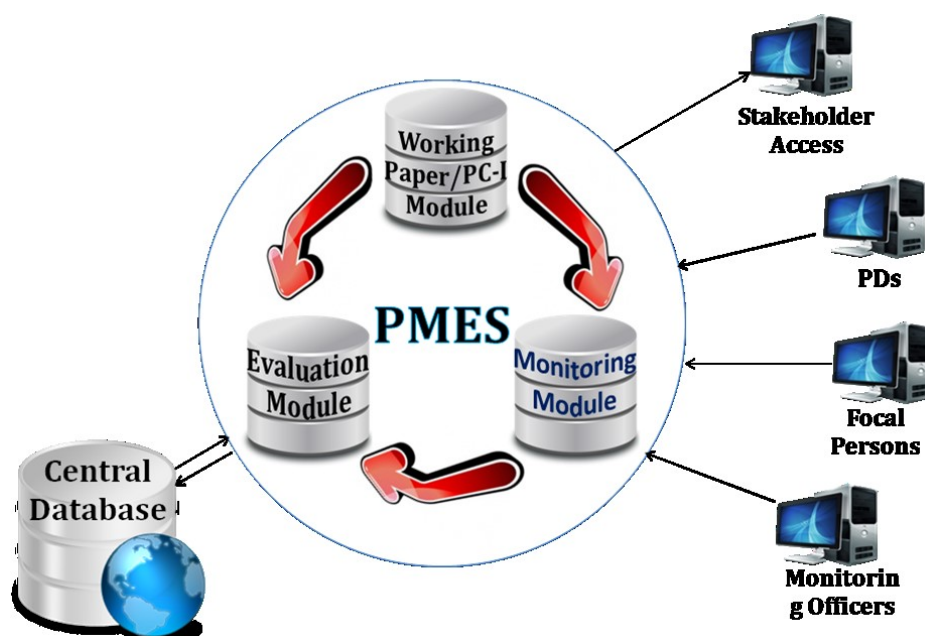
- i. All the ministries of the current PSDP have been brought online except:
 - a. Ministry of Water and Power (PMES training in progress)
 - b. SUPARCO (exempted due to the confidentiality reasons)
- ii. More than 2,000 registered users
- iii. Data repository of more than 3,000 PSDP projects
- iv. More than 3,600 monitoring reports have been stored.



Data Flow Mechanism in PMES



PMES System Architecture



10.17 The PMES is a 'Role' based software, which can only be accessed by the authorised users (given passwords) and each user is provided with a certain role and according to that

role, the user gets the access rights of a specific portion of the software. The 'Project Director User' initiates the cash and work plans at the beginning of each fiscal year in the PMES (for the on-going projects) or whenever the project gets approved and becomes the part of the PMES System. The 'Focal Person User' of the federal ministry or division concerned has the rights to verify the cash and work plans initiated and forwarded by the Project Director in the PMES. The 'Planning Commission User' (Monitoring Officer) has the rights to give the final approval to the cash and work plans initiated and forwarded by Project Director and verified by the Focal Person of the ministry concerned in the PMES. The 'Project Director User' has also the responsibility of entering project's financial and physical progress, and releases of funds to the project on the monthly or quarterly basis in the PMES, which is verified by the Focal Person User of the federal ministry or division concerned in the PMES.

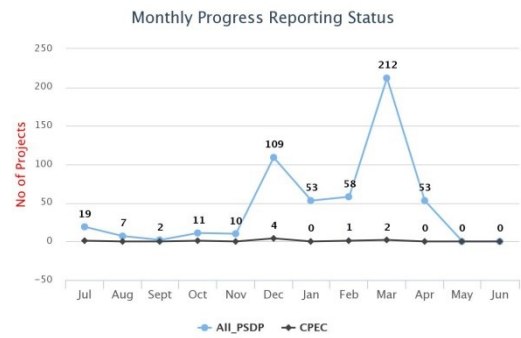
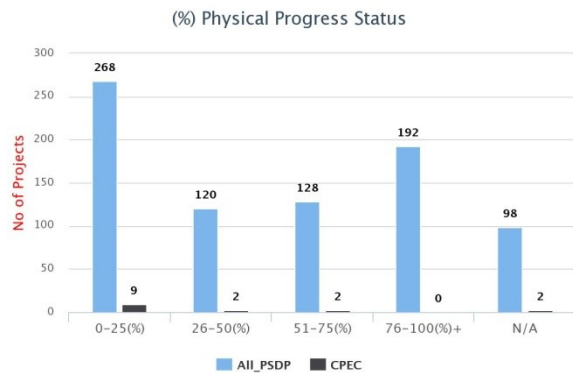
Components of PMES

- i. Project's basic information (physical and financial)
- ii. Work plans and cash plans
- iii. Release of funds
- iv. Progress (financial and physical)
- v. Monitoring information
- vi. Reports
 - a. Project profile report
 - b. Professional reports
 - c. Custom reports
 - d. Executive reports

Executive dashboard

10.18 The executive dashboard has been developed to provide a project synopsis in graphical, analytical and summarised format:

- i. Provide analytical dashboard for the executive management
- ii. Provide quick access through mobile, etc.



Chapter - 11

PROJECT EVALUATION

Purpose of evaluation

The final phase of the project cycle is an evaluation. The analysts look systematically at the elements of success and failure in the project experience to learn how to plan better for the future. The basic objective of such a study is to ascertain the real worth of a project or programme as far as possible. Broadly speaking, the evaluation may be defined as "a process which attempts to determine as systematically and objectively as possible the relevance, effectiveness and impact of activities in the light of the objectives". It is, thus, a critical analysis of the factual achievements and results of a project, programme or policy vis-à-vis the intended objectives, underlying assumptions, strategy and resource commitment. In specific terms, it makes an attempt to objectively assess the following:

- i. the relevance and validity of the objectives and design of the project or programme in terms of broader issues of the development policy, sector or sub-sector priorities and strategies as well as other problems of wider nature
- ii. the efficiency and adequacy of the pace of progress of the project or programme where the focus is mainly on the managerial performance and productivity
- iii. the effectiveness of the project or programme - a major part of an evaluation exercise in realising the intended objectives from a variety of angles
- iv. the identification of reasons for the satisfactory or unsatisfactory accomplishment of the results of the project or programme and to deduce critical issues and lessons, which may be of relevance to other on-going and future projects or programmes of a similar nature

Types of evaluation

11.2 Evaluation can be applied for different purposes as well as to a specific activity, project or programme. It is not restricted to the completion stage only, but involves periodic investigations at many stages.

11.3 The different types of project evaluations carried out are: (i) ex-ante evaluation, (ii) on-going evaluation and (iii) terminal evaluation or ex-post evaluation. The ex-ante evaluation or pre-approval appraisal has already been discussed with methods and techniques in earlier chapters. The on-going evaluation is carried out by the organisation of its own to reassess the projected feasibility of the PC-I content because of the time lag, while external evaluation is done by an agency other than the body involved in the implementation of a project. The on-going and post-completion evaluation have been discussed below.

(a) On-going or mid-term evaluation

11.4 The main purpose of an on-going or mid-project evaluation is to assist the project management to make appropriate adjustments in the changed circumstances or to rectify any shortcomings in the original design so as to improve its efficiency and overall performance.

(b) Post-completion evaluation

11.5 The purpose of an ex-post or post-hoc evaluation is to discover the actual as opposed to the projected, results of implementing a project. The aim of evaluation is primarily to compare the actual outcome of the project with the projections made at the appraisal stage. The examination of different aspects of the project can provide important lessons derived from the experience for the new projects. The overall impact of the project will result in a number of effects, which can be classified as costs and benefits, direct and indirect or tangible and intangible. The ex-post evaluation takes place after completion of the project and is often more in-depth as it focuses on the analysis of impact. Besides, it is time-consuming, costly and calls for persons with special skills. For this purpose, PC-V proforma is used in Planning Commission. In terms of the provisions of the PFM Act 2019, for projects with a total cost exceeding a threshold which is yet to be set by the Planning Commission, an independent impact assessment within five years after completion of the projects is required.

Method of evaluation

Evaluation indicators

11.6 These indicators are the yardsticks for the assessment of the overall performance of a project or programme with reference to the stipulated targets and objectives. The main indicators can be identified as under:

i) Physical achievements indicators

- Overall physical progress and overall cost utilisation
- Timely or delayed completion of a project or programme (delay in years)

ii) Output or impact indicators

Production (whether crops, livestock, forest products, fish, etc.), for example, the percentage of children in a target group receiving supplies feed, number of acres surveyed, loan applications processed or approved, trained manpower, a laboratory set-up, etc.

iii) Economic indicators

Financial and economic benefits (for example, the financial rate of return, IRR, B/C ratio, etc.)

iv) Social indicators – Quality of life indicators

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

Chapter - 12

PROJECT CLOSURE AND TRANSFER OF ASSETS

The principal aim of the project closure is to mark the achievement of an important stage in the project cycle and to inform all parties concerned about it. The final stage of the project is its completion and formal closure. The project closure triggers the winding up of technical, operational and administrative actions by the project-sponsoring public sector entity as determined in the last approved version of the PC-I.

Completed or closed project

12.2 The project is considered to be completed or closed when all the funds have been utilised and objectives achieved or abandoned for any reason. At this stage, the project has to be formally closed and completion report (PC-IV proforma) should be submitted to PIA Section of DR&R Division. This PC-IV is evaluated by the Projects Wing and decision on project assets or requirement of human resources is decided to run the activities after completion of the project.

12.3 The project closure involves handing over the deliverables to the authorities concerned, closing of the supplier's contracts, and closure of bank account, releasing security money, staff and equipment and informing stakeholders about the closure of the project as per the last approved PC-I. The project closure can be best understood by dividing the closure into operational closure and financial closure.

Operational closure

12.4 This closure signifies the stage when the last input has been provided, all project activities have ended, assignments of all project personnel have been completed, disposal of or transfer of equipment purchased by the project has been carried out. It also marks the point in time beyond which no further financial obligations or commitments should be incurred. For regular operation and maintenance of projects after the completion stage, it should be handed over to the agency responsible for maintenance and operation. The timely efforts are required to be made for the handing over of the project and provision of maintenance cost to the authority concerned. This exercise should be taken in hand before six months of the expected completion date. If any of the project staff has to be retained for the operation of the project, a case for the shifting of the post in revenue budget may be initiated and got approved from the Finance Division well in time so that the continuity in project operation is not hindered and public assets created under the project are properly maintained. After the closure of the project, the annual operation reports have to be submitted to the Planning Commission every year for five years on PC-V proforma for evaluation.

Financial closure

12.5 This closure follows the operational closure as soon as possible. Ideally, the operational and financial closures should be done simultaneously in order to avoid large gaps between the operational closure and financial closure. The financial closure marks the date after which no further transaction on that project account will be permitted. The sponsoring agency concludes that all financial transactions authorised by it are finalised and that there are no further financial commitments (hard or soft) or forecasts, that there exists no cash deficit or a liability. The sponsors must also verify that the total expenditures are within the allocated budget. However, the closure of the project may not be delayed on account of the security money. It is recommended that pay order of the security money be got prepared from banks and released after completion of the maintenance period or defect liability period as per rules. The financial closure may be achieved within six months of the operational closure.

Responsibility for project closure

12.6 The project sponsoring agency is responsible for initiating, carrying out and monitoring and executing the tasks necessary for completion and closure of the project. They have the final responsibility for ensuring the project closure tasks are undertaken as and when required. It is worth mentioning that liquidation of commitments is usually the most time demanding task and for this reason, it is advisable that the sponsoring agency should prepare and regularly update the liquidation of commitments, including the final payments. The same applies to the disposal or transfer of the project assets.

Basic procedures and checklist for project closure

12.7 The project sponsoring agency initiates project closure by:

- i. Consulting the last approved version of the PC-1 and its amendment(s), revision(s) if any to determine the final closure date
- ii. Preparing the project completion report PC-IV well in time
- iii. Ensuring the terminal report on PC-IV is drafted and technically cleared by the relevant sponsoring agency
- iv. Submitting the same PC-IV to the PIA Section of the Planning Commission
- v. Changing the project status in the PMES to “Activities Completed” as the means of marking a project as being in the process of operationally and financially closed
- vi. Providing recommendations for the disposal or transfer of assets purchased by the project
- vii. Coordinating the departure of the project personnel and communicating with the unit concerned six months before the project closure date so that action to the transfer or separate personnel is taken

- viii. The project sponsor ensures that the last project inputs are provided by directing completion of all sub-contracts, ordering the last expendable or non-expendable equipment items.
- ix. Providing the account closing instructions, including impress accounts to the quarters concerned if relevant and applicable
- x. Conducting disposal of the project equipment if required either by transfer or donation to other sections or departments, sale or write-off. Unless disposal directives are already specified in the PC-1, the main options for disposal of the equipment in projects are to be transferred to the recipient department or government, transferred to another or follow-up project or become part of the sponsoring agency's inventory. Further options are that the equipment items may be sold, or under specific circumstances, written-off with the approval of the competent authority. For all projects, vehicles shall be transferred to the government or ministry concerned.
- xi. It is the responsibility of the sponsoring agency to inform all parties concerned about the operational closure. The sponsoring agency of the project is responsible for conducting a post-completion audit and prepares a budget revision in order to surrender the balance of the project allocation or release if any.

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**GOVERNMENT OF PAKISTAN
MINISTRY OF ECONOMIC AFFAIRS**

RESOLUTION

Karachi, the 18th July 1953

No. 2(24)-PG/53 – Ever since the attainment of independence, the Government of Pakistan has been conscious of the need for rapid economic development of the country. The Government is aware of the aspirations of the people for a full life and is pledged to strive to achieve it.

2. In spite of the grave economic and financial problems which beset the Government of Pakistan soon after independence, a Development Board was established early in 1948. To deal with questions of economic development and a number of projects were undertaken on the recommendations of the Board. In 1954, a Six Year Development Plan was formulated and embodied in the Colombo Plan for Cooperative Economic Development in South and South-East Asia. This was essentially an outline plan and delineated only a broad pattern of development. The time has now come to prepare a more comprehensive National Plan of development and the Government of Pakistan has decided to set up a Planning Board with the purpose and term of reference set forth below:

The economic and social objectives of Government's policy are well known. They are to develop the resources of the country as rapidly as possible so as to promote the welfare of the people, provide adequate living standards and social services, secure social justice and equality of opportunity and aim at the widest and most equitable distribution of income and property.

Terms of reference:

- i) To review the development that has taken place since independence.
 - ii) To assess the sources-material and human, which can be made available for development during the next 5 years beginning from April 1954.
 - iii) To prepare a national plan of development based on the fullest possible utilization of these resources for implementation in a period of 5 years from 1st April 1954 as a step towards the attainment of the economic and social objectives of Governments' policy.
 - iv) To make proposals regarding the administrative machinery best suited to assure the successful implementation of the plan.
 - v) To make any other recommendations which in the opinion of the Board will contribute towards the successful implementation of the plan.
3. The Board will consist of Mr. Zahid Hussain, till recently the Governor of State Bank of Pakistan, who will be the Chairman and two members whose names will be announced shortly.
4. The Board will be assisted by such advisors and consultants as may be found necessary.
5. It is hoped that the draft plan will be completed by the end of 1954.

Sd/-
(SAID HASAN)
Secretary

ORDERED that a copy of the Resolution be communicated to the Provincial/ States Governments, the Honourable the Agent to the Governor General and Chief Commissioner,

Balochistan, the Chief Commissioner, Karachi, all Ministries of the Government of Pakistan, Cabinet Secretariat, Constituent Assembly (Legislature) Secretariat, Secretary to the Governor General.

2. ORDERED also that this Resolution be published in the Gazette of Pakistan.

Sd/-
SAID HASAN
Secretary

**GOVERNMENT OF PAKISTAN
MINISTRY OF ECONOMIC AFFAIRS**

RESOLUTION

Karachi, the 20th April 1957

No. 29(3)-PP/53. In their resolution No. 2(24)-PG/53, dated the 18th July 1953, the Government of Pakistan announced their decision to establish a Planning Board to prepare a five-year plan of economic and social development. The Board have accordingly prepared and submitted a Five Year Plan which has been approved in principle by the National Economic Council.

2. In order to assist the further economic and social development of the country, and in particular to assist progress towards the objectives stated in sections 28 and 29 of the Constitution, there is hereby established a permanent Planning Board, with the following functions: -

- i) To prepare future Five Year Plans of economic and social development.
- ii) To make additions and alterations in the existing Five Year Plan consistent with the changing economic conditions of the country.
- iii) To tender such technical advice, and offer such comments on financial matters bearing on the development plans as may be requested by the Ministries of Government.
- iv) To stimulate and, where necessary, to initiate the preparation of schemes required to achieve national objectives in the economic and social fields.
- v) To examine development schemes, programmes and proposals with a view to their inclusion in the plan of development.
- vi) To maintain a continuous and constant review of the progress of development, the benefits realized, and the difficulties experienced.
- vii) To maintain a continuous review of the economic conditions of the country so far as these have a bearing on the development plans.
- viii) To submit such periodic reports as the Government may desire from time to time.
- ix) To encourage the improvement and expansion of research (in particular economic research), statistics, surveys, and investigations and evaluation needed to support effective planning and development in the country.
- x) Generally, to advise the government on economic policies and problems in various fields so far as these have a bearing on the development plans,

3. The Board will consist of a Chairman and at least two members one of whom will be designated as Deputy Chairman. The Prime Minister has agreed to assume the office of the Chairman of the Board.

4. Mr. Said Hasan has been appointed as Deputy Chairman of the Planning Board with effect from April 17, 1957.

-Sd/-

S.A. Hasnie,
Secretary

ORDERED that a copy of the Resolution be communicated to the Provincial Governments, the Chief Commissioner, Karachi, all Ministries of the Government of Pakistan, Cabinet Secretariat, National Assembly Secretariat, Secretary to the President.

2. ORDERED also that this Resolution be published in the Gazette of Pakistan.

Sd/-
S.A. Hasnie,
Secretary

Copy forwarded for information and necessary action to the Chairman, Planning Board, Government of Pakistan, Karachi.

Sd/-
M.Y. Butt,
Deputy Secretary

THE GAZETTE OF PAKISTAN EXTRAORDINARY PUBLISHED BY AUTHORITY
GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT

NOTIFICATION

Karachi, the 22nd October 1958

No.Cord(I)-8/84/58.I. The President has been pleased to direct that the following Ministries shall be abolished with immediate effect: -

1. Ministry of Economic Affairs.
2. Ministry of Labour.
3. Ministry of Parliamentary Affairs.
4. Ministry of States and Frontier Regions.

No.Cord(I)-8/84/58.II. The President has been pleased to direct that the National Planning Board shall henceforth be designated as the Planning Commission.

No.Cord(I)-8/84/58.III. The President has been pleased to direct that an "Economic Affairs Division" shall be created in the Ministry of Finance. The business of the late Ministry of Economic Affairs, except for planning and the progressing of plans which will be the responsibility of the Planning Commission shall be transferred to the Economic Affairs Division in the Ministry of Finance.

No.Cord(I)-8/84/58.IV. The President has been pleased to direct that the Ministry of Health, Social Welfare and Community Development shall henceforth be designated as Ministry of Social Welfare. The business of the late Ministry of Labour shall also be transferred to the Ministry of Social Welfare.

No.Cord(I)-8/84/58.V. The President has been pleased to direct that: -

- i) the business of the late Ministry of Parliamentary Affairs shall be allocated to the Ministry of Law.
- ii) the business of the late Ministry of States and Frontier Regions shall be allocated to the Ministry of the Interior.

Sd/
S.M. Yusuf
Joint Secretary

THE GAZETTE OF PAKISTAN
GOVERNMENT OF PAKISTAN
PRESIDENT SECRETARIAT
(Cabinet Division)

RESOLUTION

Karachi, the 3rd June 1959

No.Cord(I)-8/29/59.III. The Government of Pakistan in their Resolution No. 29(3)-PP/57, dated 20th April, 1957, announced the establishment of a permanent Planning Board (re-designated later as the National Planning Board) for the purpose of furthering the economic and social development of the country. Subsequently, in the Government of Pakistan Notification No. Cord (I)-8/84/58-I, dated the 22nd October, 1958, the President was pleased to re-designate the National Planning Board as the Planning Commission.

2. The economic and social objectives of the Government are to promote the welfare of the people and raise the standard of living of the common man by developing to the utmost the resources of the country as rapidly as possible; by making provision for the basic necessities of life, educational and health facilities, and work under just and humane conditions; by ensuring equitable adjustment of rights relating to the ownership and use of land and between employers and employees; and by preventing the concentration of wealth and means of production and distribution in a few hands to the detriment of the people as a whole; and by securing social justice and equal opportunity to all.

3. Consistently with these objectives, the functions of the Planning Commission shall be: -

- i) In consultation with the Central and Provincial Governments and other appropriate agencies:
 - a) To prepare a national plan at periodic interval for the economic and social development of the country;
 - b) to make assessments from time to time of the human and material resources of the country;
 - c) to prepare the annual development programme within the framework of the national plan and, on a determination of priorities, to propose the allocation of resources.
- ii) To stimulate and where necessary initiate the preparation of development programmes and projects; to examine and advise on all such programmes and projects with a view to deciding whether these conform to national objectives and, in general, whether these contemplate the most efficient use of national resources.
- iii) To recommend such adjustments in the national plan as may be necessary in view of the changing economic situation.
- iv) To co-ordinate the examination of development programmes and projects in consultation with the appropriate authorities and to secure the approval of the Central Government to acceptable programme and projects.
- v) To advise on the nature of the machinery for securing the efficient execution of the national plan.
- vi) To watch and evaluate the progress of implementation of the development programme.
- vii) To advise on important economic policies and problems in various fields.
- viii) To undertake and promote economic research and to initiate surveys and investigations needed to support effective planning and development.
- ix) To examine such specific problems as may be referred to it by the Government.

Sd/-
N.A. Faruqui
Cabinet Secretary

GOVERNMENT OF PAKISTAN
PRESIDENT SECRETARIAT
(Cabinet Division)

RESOLUTION

Rawalpindi, the 5th August, 1961

No. Cord (M)-109(9)/61. -- The Government of Pakistan in their Resolution No. Cord(1)-8/29/59-III, dated the 3rd June, 1959, had described their economic and social objectives, and defined the functions of Planning Commission. Since then the Government have noticed that the economic administration in Pakistan suffers from the following disadvantages: -

- (a) The status of the Planning Commission is not sufficiently high since its Chairman does not possess the status given to the head of the planning body in several other countries.
- (b) Effective coordination is lacking between planning and implementation.
- (c) In economic policy and research, insufficiency of coordination prevails between the Planning Commission and the economic Ministries.

2. The Government have decided to remedy these defects by enhancing the status of the Planning Commission and by re-defining its functions. The President has been pleased to accept the Chairmanship of the Commission. The Planning Commission shall now consist of: -

- | | | |
|----|--------------------------------------------------------------------------------------|--------|
| 1. | The President of Pakistan as Chairman | |
| 2. | A Deputy Chairman (with ex-officio status of a Minister without Cabinet rank) | |
| 3. | The Secretary in charge of planning in the Planning Division | Member |
| 4. | The Secretary in charge of progressing In the Planning Division | Member |
| 5. | A representative of the East Pakistan | Member |
| 6. | A representative of the West Pakistan | Member |

3. For effective coordination, planning and implementation, the existing Projects Division in the President's Secretariat is abolished and its functions amalgamated with those of the Planning Commission. The Commission as a whole shall enjoy the status of a Division in the President's Secretariat.

4. The President is further pleased to allocate the following business to the Planning Division:

a. **Planning**

- i) To prepare national plans at periodic intervals for the economic and social development of the country.
- ii) To make assessments from time to time of the human and material resources of the country.
- iii) To recommend such adjustments in the national plan as may be necessary in view of the changing economic situation.

- iv) To stimulate and where necessary initiate the preparation of development programmes and projects; to examine and advise on all such programmes and projects with a view to deciding whether they conform to national objectives and, in general, whether they provide for the most efficient use of available resources.
- v) To co-ordinate the examination of development programmes and projects in consultation with the appropriate authorities and to secure the approval of the Central Government to acceptable programmes and projects.
- vi) To prepare the annual development programmes within the framework of the national plan and, on determination of priorities, to propose the allocation of resources.
- vii) To analyse and make recommendations on important economic policies and programmes.
- viii) To advise the Central and Provincial governments, whenever so required, on economic policies and problems.
- ix) To prepare data for the use of aid-giving countries, economic appraisal and evaluation.
- x) To undertake and promote economic research and to initiate surveys and investigation needed to support effective planning and development.

b. Progressing

- i) To progress the implementation of approved development projects, particularly aided projects.
- ii) To devise, obtain, collate and distribute to all concerned reports on the progress of projects, and to prepare periodic digests of these reports for the information of the Government.
- iii) To measure performance against promise, especially by comparing actual with estimated costs of projects.
- iv) To identify the causes of delays and difficulties, if any, in the implementation of projects and promote specific solutions.
- v) To advise on the nature of the machinery for securing the efficient execution of the national plan.

5. The non-technical sections of the Division viz Coordination, Development Authorization, Administration, etc. whose work is similar in nature to that performed in other Ministries, shall be reorganized on the pattern of the Section Officers' Scheme in the Central Secretariat.

Sd/-
(N.A. FARUQUI)
Cabinet Secretary

**GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(Cabinet Division)**

RESOLUTION

Rawalpindi, the 24th March, 1983

No. 104/3/82-Min-I. -- In partial modification of the Cabinet Division's Resolution No. Cord(M)-109/(9)/61 dated the 5th August, 1961, the Government have decided that the composition of the Planning Commission shall now be as follows:

- | | |
|------------------------------------------------------------------------------------|------------------------|
| 1. The Minister for Finance and Economic Affairs | Chairman-ex-officio |
| 2. Deputy Chairman, Planning Commission | Member/Deputy Chairman |
| 3. Secretary, Planning & Development Division | Member ex-officio |
| 4. Secretary, Economic Affairs Division | Member ex-officio |
| 5. Secretary, Finance Division | Member ex-officio |
| 6. Mr. Manzoor Ahmad Shaikh | Member |
| 7. Mr. M.I.K. Khalil
Additional Secretary,
Planning and Development Division | Member ex-officio |
| 8. Chief Economist
Planning and Development Division | Member |

Sd/-
(ZAHUR AZAR)
Cabinet Secretary

To

The Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Copy forwarded to: -

1. Chief of Staff to the President.
2. Minister for Finance and Economic Affairs.
3. Deputy Chairman, Planning Commission.
4. All Secretaries/Additional Secretaries In-charge of Ministries/Divisions
5. Chief Secretaries of all the Provincial Governments.
6. CMLA's Secretariat.
7. President's Secretariat (Personal)

Sd/-
(Muhammad Naseem Qureshi)
Deputy Secretary to the
Government of Pakistan
Phone: 65058

CHRONOLOGY OF PLANNING MACHINERY

1. Development Board was established in 1948 in the Economic Affairs Division to deal with questions of rapid economic development of the country.
2. National Planning Board was set up on July 18, 1953 to prepare more comprehensive five-year national plan.
3. National Planning Board was re-designated in 1958 as Planning Commission of Pakistan
4. The amalgamation of Planning Commission and Projects Division in the President's Secretariat resulted in the formation of Planning and Development Division in 1961.

**GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)**

RESOLUTION

Islamabad the 20th April, 2006

No.4-6/2006-Min.I - Government has decided to revamp and strengthen the Planning Commission with a view to ensuring that it plays an effective role as the apex planning and coordination body of the country. For this purpose, it is considered imperative to strengthen its organizational structure and analytical capacity for policy formulation and coordination; to enhance its capacity for long-term development planning, implementation and monitoring; and to introduce measures to attract and retain the best brains in the country.

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 and Development 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 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) Facilitating capacity building of agencies involved in development; and
- iv) Any other function assigned by the Prime Minister.

4. The Prime Minister will be the Chairman of Planning Commission which apart from the Deputy Chairman, will comprise of at least nine Members including Secretary, Planning and Development Division/Member Coordination; Chief Economist, Director, Pakistan Institute of Development Economics; Executive Director, Implementation and Monitoring; and Members for Social Sectors; Science and Technology; Energy; Infrastructure; and Food and Agriculture. Full-time Members will be placed in Grade MP1. They will be professionals of eminent stature preferably Ph.Ds and with at least 25 years' experience in the relevant field.

5. The Planning Commission will also engage consultants and advisers for specified assignments in accordance with prescribed procedures.

6. The Planning Commission will work under the overall direction of a Policy Board to be chaired by the Prime Minister and including the Deputy Chairman, 10 Federal Ministers to be nominated by the Prime Minister, and Members of the Planning Commission.

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

8. This supersedes all previous Resolutions issued on the subject.

Sd/-
(Syed Yasin Ahmed)
Additional secretary (Cabinet)

The Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Copy forwarded to:

1. COS to the President.
2. Principal Secretary to the Prime Minister.
3. Deputy Chairman, Planning Commission.
4. Secretary, Planning and Development Division.
5. All Secretaries/Additional Secretaries Incharge of Ministries/ Divisions.
6. Chief Secretaries of all the Provincial Governments.

Sd/-
(Syed Yasin Ahmed)
Additional secretary (Cabinet)

**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)

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

No.1(148)G/PC-13 (Part)
GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING AND DEVELOPMENT

NOTIFICATION

Islamabad the 8th October, 2013

Subject: **CONSTITUTION OF ADVISORY COMMITTEE OF PLANNING COMMISSION/MINISTRY OF PLANNING & DEVELOPMENT**

In pursuance of Prime Minister approval vide No.2317/SPM/2013 dated 11-07-2013, an Advisory Committee of Planning Commission/Ministry of Planning & Development is constituted with the following composition and TORs:-

A. Composition

i)	Prof. Ahsan Iqbal, Minister for Planning & Development*	Chairperson
ii)	Ch. Jaffar Iqbal, Senator	Member
iii)	Osman Saifullah, Senator	Member
iv)	Mr. Qaiser Ahamd Sheikh, MNA	Member
v)	Miss Arifa Khalid Pervaiz, MNA	Member
vi)	Mr. Abid Qayum Suleri, Executive Director, SDPI	Member
vii)	Dr. Sania Nishtar, Founder & President Heartfile, Islamabad	Member
viii)	Mr. Sikander Mustafa Khan	Member
ix)	Mr. Usman Haider	Member
x)	Dr. Navid Hamid, Professor, Lahore School of Economics, Lahore	Member
xi)	Mr. Salim Ghouri, CEO, NETSOL, Lahore	Member
xii)	Mr. Iftikhar Malik, Former Vice President, FPCC&I, Karachi	Member
xiii)	Dr. Farruk Saleem, Columnist The News	Member
xiv)	Dr. Wasim Azher, Director, Haas School of Business Berkely, USA	Member
xv)	Mr. Jehangir Bashir, Rector, GIK, Swabi	Member
xvi)	Eng. Mohammad Asghar, Rector, NUST, Islamabad	Member
xvii)	Dr. Sohail H. Naqvi, Rector, LUMS, Lahore	Member
xviii)	Dr. Gulfraz Ahmed, Executive Director, IIPCR, Islamabad	Member
xix)	Mr. Nasir Ali Shah Bukhari, Group Chairman, KASB Group	Member
xx)	Dr. Imtiaz Rastgar, CE, Rastgar Group	Member
xxi)	Dr. Ishrat Hussain, Former Governor, State Bank of Pakistan	Member
xxii)	Mr. Ismail Miftah, Managing Director, Candyland, Karachi	Member
xxiii)	Mr. Sulman Najib Khan	Member
xxiv)	Mr. Sultan Barq	Member
xxv)	Mr. Amin Jan, Karachi	Member
xxvi)	Lt. Gen. (R) Sabahat Hussain, Ex-Chairman, PPSC	Member
xxvii)	Secretary, M/o Planning & Development	Member/Secretary

B. By Special Invitation

- i) Secretary, Finance Division, Government of Pakistan.
- ii) Secretary, EAD, Government of Pakistan.
- iii) Secretary, M/o Water & Power, Government of Pakistan
- iv) Secretary, M/o Petroleum & Natural Resources, Government of Pakistan.
- v) Secretary, M/o of Commerce, Government of Pakistan.
- vi) Secretary, M/o Communications, Government of Pakistan.
- vii) Secretary, M/o Railways, Government of Pakistan.
- viii) Secretary, M/o Ports & Shipping, Government of Pakistan.
- ix) Secretary, M/o Information Technology, Government of Pakistan.
- x) Secretary, M/o Health & Regulation, Government of Pakistan.
- xi) Secretary, M/o Education & Training, Government of Pakistan.
- xii) Chairman, Board of Investment, Government of Pakistan.
- xiii) Chairman, FBR, Government of Pakistan.
- xiv) VC, PIDE, Government of Pakistan.
- xv) Chairman, P&D, Government of Punjab.
- xvi) ACS (Dev.) Government of Sindh.
- xvii) ACS (Dev.) Government of Balochistan.
- xviii) ACS (Dev.) Government of Khyber Pakhtunkhwa.

C. Terms of Reference

- i) To promote public and private sector interface and develop participatory approach in decision making;
 - ii) To work as a strategic think tank on policy issues of Planning Commission/ Ministry of Planning & Development;
 - iii) To 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) To generate and build consensus on policies and strategies of the Planning Commission/ Ministry of Planning & Development;
 - v) To provide input and feedback from non-government stakeholders to the policies/performance of the Planning Commission/Ministry of Planning & Development.
2. The Chairperson of the Advisory Committee is authorized to co-opt additional Member (s)
3. The Committee shall meet at least once in each quarter. The members of Committee shall work without remuneration. However, their travel cost for meeting shall be paid if so requested as per government rules from regular budget of the M/o Planning & Development.

Sd/-
(Dr. Muhammad Khurshid)
Joint Secretary (Admn)

The Manager,
Printing Corporation of Pakistan,
University Road, Karachi.

Copy for Information:

- 1. All Members of the Advisory Committee

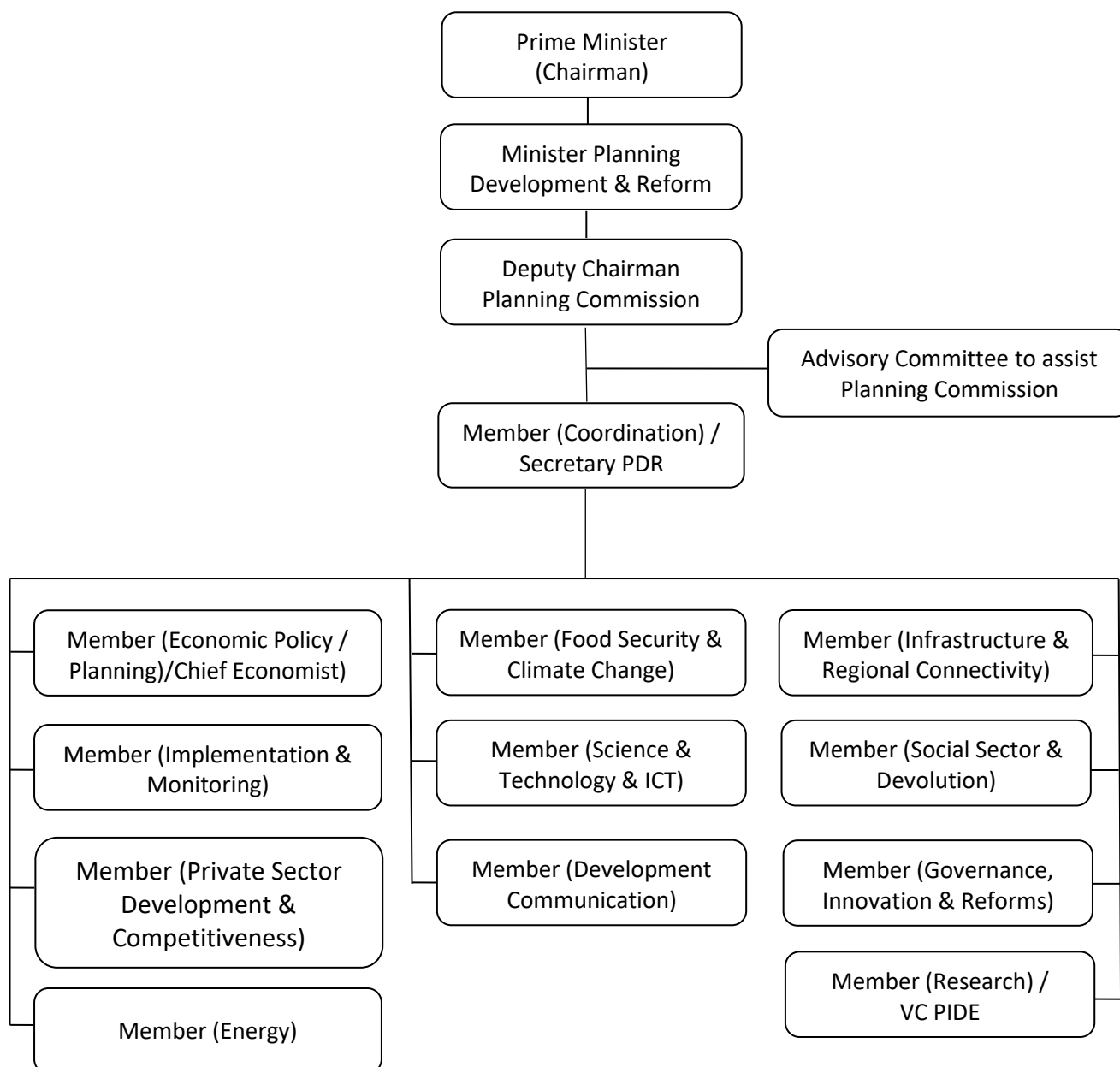
2. The Secretary General to the President, President's Secretariat (Public), Islamabad
3. Secretary to the Prime Minister, PM's Office, Islamabad
4. Secretary, Cabinet Division, Islamabad
5. Chief Secretaries, Punjab/Sindh/Balochistan/Khyber Pakhtunkhwa
6. Principal Information Officer, PID, Islamabad
7. SPS to Minister for Planning & Development, Islamabad
8. SPS to Secretary, M/o Planning & Development, Islamabad
9. SPS to Members, Planning Commission, Islamabad
10. SPS to Additional Secretary, M/o Planning & Development, Islamabad
11. PA to Joint Secretary (Administration), M/o Planning & Development, Islamabad.

Sd/-
(Dr. Muhammad Khurshid)
Joint Secretary (Admn)

*Also holding the charge of Deputy Chairman Planning Commission

NB: Advisory Committee is being reconstituted

Planning Commission of Pakistan (Organogram)



The names of the Deputy Chairmen/Chairperson of the Planning Commission to date in a chronological order are as under:

1.	Mr. Zahid Hussain	1953 to 1958
2.	Mr. G. Ahmed	1958 to 1959
3.	Mr. Mumtaz Hassan Khan	1959 to 1961
4.	Mr. Said Hasan	1962 to 1966
5.	Mr. M. M. Ahmad	1967 to 1969
6.	Mr. M. H. Soofi	1969 to 1970
7.	Mr. Mahboob Ullah Rashid	1970 to 1971
8.	Mr. Qamar ul Islam	1971 to 1973
9.	Prof. Khurshid Ahmad	30-08-1978 to 21-04-1979
10.	Dr. Mahbub ul Haq	07-03-1982 to 13-04-1983
11.	Dr. V. A. Jafary	22-09-1985 to 10-07-1986
12.	Mr. A.G. N. Kazi	10-07-1986 to 23-08-1993
13.	Mr. Saeed Ahmed Qureshi	24-08-1993 to 30-06-1994
14.	Mr. Qazi M. Alimullah	01-07-1994 to 05-11-1996
15.	Dr. Hafiz Pasha	12-11-1996 to 12-08-1998
16.	Prof. Ahsan Iqbal	13-08-1998 to 12-10-1999
17.	Dr. Shahid Amjad	27-07-2000 to 08-08-2003
18.	Engr. Dr. M. Akram Sheikh	15-03-2004 to 07-05-2008
19.	Mr. M. Salman Faruqui	09-05-2008 to 28-11-2008
20.	Mr. Sardar Assef Ahmed Ali	29-11-2008 to 31-01-2010
21.	Dr. Ishfaq Ahmad	15-01-2010 to 31-04-2010
22.	Dr. Nadeem ul Haque	01-05-2010 to 07-06-2013
23.	Prof. Ahsan Iqbal	08-06-2013 to 28-07-2017
24.	Mr. Sartaj Aziz	15-08-2017 to 30-05-2018
25.	Ms. Shamshad Akhtar	05-07-2018 to 25-09-2018
26.	Makhdum Khusro Bakhtyar	26-09-2018 to 31-07-2019
27.	Mr. Mohammad Jahanzeb Khan	01-08-2019 till date

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRA ORDINARY

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)

Islamabad, the 15th May, 2019

NOTIFICATION

No. F.5/1/2018-Com.- In supersession of Cabinet Division's Notification No. F.5/1/2018-Com, dated 4th October, 2018 and in exercise of the powers conferred upon him under Article 156 of the Constitution, the President is pleased to re-constitute the National Economic Council (NEC) as under:

(i) **The Prime Minister** **Chairman**

Members, nominated by the Prime Minister

(ii) Dr. Abdul Hafeez Shaikh, Advisor to the Prime Minister on Finance, Revenue & Economic Affairs **Member**

(iii) Makhdoom Khusró Bukhtiar, Minister for Planning, Development & Reform **Member**

(iv) Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce, Textile, Industry & Production and Investment **Member**

(v) Dr. Ishrat Hussain, Advisor to the Prime Minister on Institutional Reforms and Austerity **Member**

Province of Punjab

(vi) Chief Minister **Member**

(vii) Makhdoom Hashim Jawan Bakht, Minister for Finance **Member**

Province of Sindh

(viii) Chief Minister **Member**

(ix) Mr. Nisar Ahmed Khuhro **Member**

Province of Khyber Pakhtunkhwa

(x) Chief Minister **Member**

(xi) Mr. Taimur Saleem Khan Jhagra, Minister for Finance **Member**

Province of Balochistan

(xii) Chief Minister **Member**

(xiii) Mr. Jan Muhammad Jamali, MPA **Member**

By Special Invitation for all items on the Agenda

(i) Governor, Khyber Pakhtunkhwa

(ii) Prime Minister, Azad Jammu & Kashmir

(iii) Chief Minister, Gilgit Baltistan

(iv) Deputy Chairman, Planning Commission

(v) Secretary, Finance Division

(vi) Secretary, Economic Affairs Division

(vii) Secretary, Planning, Development & Reform Division

2. Other Federal Secretaries, including Chief Secretaries of the Provinces, Azad Jammu & Kashmir and Gilgit Baltistan will attend the meetings of the National Economic Council, by special invitation, on need basis.
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 Rule of Business 1973.

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

The Manager,
Printing Corporation of Pakistan Press,
Islamabad

Extracts from the Constitution of Pakistan – Article 156

156. National Economic Council: (1) The President shall constitute a National Economic Council which shall consist of:

- a) the Prime Minister, who shall be the Chairman of the Council;
- b) the Chief Ministers and one member from each Province to be nominated by the Chief Minister; and
- c) four other members as the Prime Minister may nominate from time to time.

(2) The National Economic Council shall review the overall economic condition of the country and shall, for advising the Federal Government and the Provincial Governments, formulate plans in respect of financial, commercial, social and economic policies; and in formulating such plans it shall, amongst other factors, ensure balanced development and regional equity and shall also be guided by the Principles of Policy set out in Chapter 2 of Part-II.

(3) The meetings of the Council shall be summoned by the Chairman or on a requisition made by one-half of the members of the Council.

(4) The Council shall meet at least twice in a year and the quorum for a meeting of the Council shall be one-half of its total membership.

(5) The Council shall be responsible to the Majlis-e-Shoora (Parliament) and shall submit an Annual Report to each House of Majlis-e-Shoora (Parliament).

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)

Islamabad, the 19th August, 2019

NOTIFICATION

No. F.5/2/2018-Com.- In continuation of Cabinet Division's Notification No. F.5/2/2018-Com, dated 22nd May, 2019 the Prime Minister has been pleased to appoint Minister for Economic Affairs as "Member" of the Executive Committee of the National Economic Council (ECNEC). The composition of the ECNEC shall now be as under:

(i)	Dr. Abdul Hafeez Shaikh, Advisor to the Prime Minister on Finance, Revenue & Economic Affairs	Chairman
(ii)	Makhdoom Khusro Bukhtiar, Minister for Planning, Development & Reform	Member
(iii)	Mr. Muhammad Hammad Azhar, Minister for Economic Affairs	Member
(iv)	Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce, Textile, Industry & Production and Investment	Member
(v)	Dr. Ishrat Hussain, Advisor to the Prime Minister on Institutional Reforms and Austerity	Member
(vi)	Makhdoom Hashim Jawan Bakht, Minister for Finance, Punjab	Member
(vii)	Mr. Nisar Ahmed Khuhro, Sindh	Member
(viii)	Mr. Taimur Saleem Khan Jhagra, Minister for Finance, Khyber Pakhtunkhwa	Member
(ix)	Nawabzada Tariq Khan Magsi, Minister for Communication and Works Department, Balochistan	Member
<u>BY SPECIAL INVITATION FOR ALL ITEMS:</u>		
(i)	Deputy Chairman, Planning Commission	
(ii)	Secretary, Economic Affairs Division	
(iii)	Secretary, Finance Division	
(iv)	Secretary, Planning, Development & Reform Division	
(v)	Chairman, Planning & Development Board, Punjab	
(vi)	Chairman, Planning & Development Board, Sindh	
(vii)	ACS, Planning & Development Department, Khyber Pakhtunkhwa	
(viii)	ACS, Planning & Development Department, Balochistan	

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

-sd-
(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 Executive Committee of the National Economic Council
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

(GHULAM MUHAMMAD)

Joint Secretary
(Cabinet Committees)

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development and Reform
(Public Investment Authorization Section)

No.23(1-2)PIA/PC/2014

Islamabad, the January 23, 2015

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------|
| 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 A.J.K., <u>Muzaffarabad.</u> | 6 | Additional Chief Secretary (FATA), Civil Secretariat (FATA), Planning & Development Department, <u>Peshawar.</u> |
| 7 | Secretary, Planning & Development Department, Government of Gilgit-Baltistan, <u>Gilgit.</u> | | |

Subject: COMPOSITION OF CENTRAL DEVELOPMENT WORKING PARTY (CDWP)

I am directed to convey the composition of the CDWP as under:

S.No.	Designation	Status
1.	Deputy Chairman/Secretary, PDR Division (in absence of DC PC)	Chairman
2.	The Chairman, Planning & Development Board, Government of Punjab, Lahore	Member
3.	The Additional Chief Secretary (Dev.), Planning & Development Department, 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 AJ & K, Muzaffarabad	Member
7.	Secretary Development, Gilgit-Baltistan, Gilgit	Member
8.	Additional Chief Secretary Development, FATA Peshawar	Member
9.	Finance Division, Government of Pakistan, Islamabad	Member
10.	Economic Affairs Division, Government of Pakistan, Islamabad	Member
11.	Chairman, Pakistan Council of Science & Technology, Islamabad	Member
12.	Climate Change Division, Government of Pakistan, Islamabad	Member
13.	Relevant Federal Administrative Ministry	Member
<u>Ministry of Planning, Development & Reform/Planning Commission</u>		
1.	Secretary	Member
2.	Chief Economist	Member
3.	Members, Planning Commission	Member
4.	Additional Secretary	Member

5.	Joint Chief Economist (Operation) & (Macro)	Member
6.	Advisor (Development Budget)	Member
7.	Chief, Public Investment Programming (PIP)	Member
8.	Chief, Public Investment Authorization (PIA)	Member
9.	Chief, Physical Planning & Housing (PP&H)	Member
10.	Director General, Project Wing	Member
11.	Chief, Economic Appraisal	Member
12.	Chief of Concerned Section	Member
13.	Energy Coordinator/Official Spokesman	Member

By Special Invitation

1.	Housing & Works Division, Government of Pakistan, Islamabad	Member
2.	Pakistan Engineering Council (PEC)	Member
3.	Board of Investment	Member
4.	Infrastructure Project Development Facility (IPDF)	Member
5.	NESPAK	Member
6.	Environment Protection Agency	Member
7.	Representative of Pakistan Council of Architecture and Town Planning (PCATP)	Member

2. It may be noted that Ministries/Division/Executing Agencies should be represented at least by a Joint Secretary BPS 20 or equivalent.

3. This issues with the approval of Minister for Planning, Development and Reform/ Deputy Chairman, Planning Commission.

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

Copy forwarded to:

1. Secretary, Finance Division, Islamabad.
2. Secretary, Economic Affairs Division, Islamabad.
3. Secretary, Housing & Works Division, Islamabad
4. Secretary, Climate Change Division, Islamabad.
5. Secretary, of the Ministry Concern.

Copy to:

1. All Members of the CDWP.
2. All Senior Chiefs/Chiefs/Head of Technical & Economic Sections

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

CC:

1. Director to the Minister for Planning, Development & Reform
2. SPS to Secretary, Planning, Development & Reform Division
3. SPS to Additional Secretary, Planning, Development & Reform Division
4. All Officers of Public Investment Authorization Section

Annex-15

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 Rs.3000 million	Above Rs 10,000 million
Central Development Working Party (CDWP)	Deputy Chairman, Planning Commission	Upto Rs.3000 million	Upto Rs 10.000 million
Departmental Development Working Party (DDWP)	Federal Secretary/ (PAO)	Upto Rs.60 million	Upto Rs 2.000 million

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

Composition of Federal Level DDWP

i)	Secretary / PAO	Chairman
ii)	Chief (Concerned), PD&R (To personally attend)	Member
iii)	JS (Dev.), Finance Division (To personally attend)	Member
iv)	CFAO concerned	Member
v)	Representative of Appraisal Wing MoPDR	Member
vi)	Representative of EAD in case of Schemes involving foreign aid	Member by Invitation
vii)	Representative of EPA	Member by Invitation
viii)	Representative of NESPAK	Member by Invitation
ix)	Representative of PEC	Member by Invitation
x)	Representative of the Provincial Govt, if the project impacts the neighboring province	Member by Invitation
xi)	JS concerned Ministry / Department or officer nominated by the Chairman/PAO	Member by Invitation

Functions of Federal Level DDWP

- i) Review all development schemes and ensure that the scheme has been prepared on sound lines and that the necessary economic financial and technical scrutiny has been carried out
- ii) Circulate PC-I at least 30 days in advance to all the members for giving them ample time to examine the scheme in accordance with the priorities of the Ministry / Division
- iii) Only those projects may be considered for approval which help in achieving plan objectives and SDGs goals (Social Sector projects)
- iv) Ensure that project staff salary and recruitment are in line with prevailing Government rules
- v) Purchase of vehicles in development projects should be in line with Finance Division's instructions issued from time to time. Likewise overhead project cost such as contingency, admin should be in line with prevalent rules / instructions
- vi) Cabinet's decision on construction of residential accommodation vide case No 4/6/95 dated March 13, 1995 should be strictly adhered to.
- vii) DDWP is competent to approve only first revision of the project(s) within its approving limit. For subsequent revisions, the revised PC-I should be submitted to CDWP for consideration
- viii) Forward list of approved projects alongwith minutes to MoPDR for record
- ix) Enhancement of sanctioning powers of DDWP is in respect of new projects and not applicable on presently on-going projects*

*** subsequently, this powder has been withdrawn by the M/o PDR**

**Procedure for Approval of Schemes by
Federal Level DDWP**

- i) Meetings of the DDWP should ordinarily be held once in two months or whenever considered necessary in accordance with a schedule to be circulated at least 10 days in advance
- ii) The PC-I/ II should reach the concerned offices including MoPDR (5 copies each) and Ministry of Finance (2 copies) 30 days in advance for proper scrutiny
- iii) Since the powers of Federal level DDWP has been enhanced substantially, it would be mandatory for Chief MoPDR and JS (Dev.) Finance Division to personally attend the meeting. No meeting will be held without their participation.
- iv) In case of serious reservations by the MoPDR and Finance Divisions' members and the issue is not reconcilable, the following committee which shall meet fortnightly may consider and decide whether the project should be resubmitted to the DDWP or be placed before the CDWP for consideration:

a. Deputy Chairman, Planning Commission	Chairman
b. Secretary MoPDR or his representative not below the rank of BPS 21 Officer	Member
c. Secretary, Finance or his representative not below the rank of BPS 21 Officer	Member
d. Secretary, concerned Ministry	Member
e. Concerned Chief MoPDR	Member / Secretary
- v) The DDWP secretariat should circulate the working papers 10 days in advance to its members especially MoPDR and Finance Division for formulizing respective views along with agenda of the meeting
- vi) Minutes of each meeting should be recorded by the Secretariat of the DDWP and circulated within 5 working days to all the members including those who attended the meeting
- vii) Every effort should be made to clear a scheme at one meeting. Where this is not possible, the scheme should be considered at successive meetings of the DDWP, until it is disposed off
 - i.
- viii) The processing time from submission of scheme till approval should not be more than 45 working days
- ix) DDWP of any department may request the above committee under para (iii) to place the project before CDWP for consideration / approval. The committee would take the final decision in this regard
- x) The Secretariat of DDWP should submit a list of all schemes processed indicating their status (*approved, recommended, pending etc.*) to MoPDR on monthly basis
- xi) If the cost component of the project includes 25% or more foreign aid / foreign exchange, the case would be submitted to the CDWP

**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.

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

No.20(1)PIA-II/PC/2011-12

Islamabad, the 7th June, 2012

Chairman,
Planning & Development Board,
Government of the Punjab,
Lahore.

Additional Chief Secretary (Dev.),
Planning & Development Department,
Government of Sindh,
Karachi.

Additional Chief Secretary (Dev.),
Planning & Development Department,
Government of Khyber Pakhtunkhwa,
Peshawar.

Additional Chief Secretary (Dev.),
Planning & Development Department,
Government of Balochistan,
Quetta.

Subject: **ENHANCEMENT OF SANCTIONING POWERS OF THE PDWPs**

The National Economic Council (NEC) in its meeting held on 24th May, 2012 while considering the agenda item on "Review of Federal PSDP 2011-12 and proposed PSDP 2012-13" has "Inter-alia" took the following decision:

"Enhanced the powers of the Provincial Governments (PDWP) to approve development schemes, to be fully funded from provincial resources, from the existing Rs. 5.0 billion to Rs. 10.0 billion, provided no external financing is involved. The matter concerning foreign funded schemes, where rupee cover is to be provided from provincial resources, should be discussed by the Planning Commission with the Provincial Governments and appropriate proposals, if required, may be brought before the National Economic Council".

2. In pursuance to the above - NEC decision, sanctioning powers of the Provincial Development Working Parties (PDWPs) stand enhanced from the present financial limit of Rupees five billion (5 billion) to Rupees Ten billion (10 billion) with immediate effect provided no external financing is involved.

Sd/-
(M. Salim Khan Khattak)
Deputy Chief
Ph: 9207068

Copy forwarded to:-

1. Secretaries / Additional Secretaries (In-charge) of all Federal Ministries / Divisions.
2. Joint Secretary (Committees), Cabinet Division, Islamabad.
3. The Additional Chief Secretary (FATA), Civil Secretariat, Warsk Road, Peshawar.
4. Additional Chief Secretary (Dev), P&D Department, Government of AJ&K, Muzaffarabad.
5. Secretary, P & D Department, Gilgit-Baltistan, Gilgit.

Sd/-
(M. Salim Khan Khattak)
Deputy Chief
Ph: 9207068

CC:

- i. Deputy Chairman, Planning Commission, Islamabad.
- ii. Secretary, Planning & Development Division, Islamabad.
- iii. Member (I&M), Planning Commission, Islamabad.
- iv. Member (Infra.) Planning Commission, Islamabad.
- v. Member (Energy), Planning Commission, Islamabad.
- vi. Member (F&A), Planning Commission, Islamabad.
- vii. Member (S&T), Planning Commission, Islamabad.
- viii. Member (SS), Planning Commission, Islamabad.
- ix. Member/Chief Economist, Planning Commission, Islamabad.
- x. Additional Secretary, Planning & Development Division, Islamabad.
- xi. Joint Chief Economist/Sr. Chiefs/Chiefs/ Head of all Technical Sections of Planning & Development Division, Islamabad.
- xii. All officers of PIA Section
- xiii. Chief, PIP Section
- xiv. Chief, Plan Coord Section
- xv. Chief, Economic Appraisal Section

**GOVERNMENT OF SINDH
PLANNING & DEVELOPMENT DEPARTMENT**

NOTIFICATION

No. SO(Admin- I)P&D 12(149) 2016 Consequent upon creation of Planning & Development Board, Sindh vide Services, General Administration & Coordination Department's Notification No. SO (C-IV)SGA&CD/4-14/09(P-V), dated 13.01.2017 and in supersession of all Notifications/ Orders issued by any department in this behalf, from time to time, the Government of Sindh are pleased to constitute the Provincial Development Working Party (PDWP) as under:-

1.	Chairman P&D Board, Sindh	Chairman
2.	Secretary Finance Department	Member
3.	Secretary (Planning) P&D	Member
4.	Administrative Secretary (concerned)	Member
5.	Member (Energy & Infrastructure) P&D	Member
6.	Member (Services), P&D	Member
7.	Chief Economist, P&D	Member
8.	Senior Chief of Section (concerned) P&D	Member/Secretary

2. Mandate of the PDWP shall remain the same i.e. **approval of all development schemes costing upto Rs.10,000.00 Million.**

Sd/-

CHAIRMAN

Planning & Development Board

No. SO (Admn-I)/P&D/12(149)/2016

Karachi dated 14th July, 2017

A copy is forwarded to:

1. The Additional Chief Secretaries (all), Government of Sindh. Karachi.
2. The Principal Secretary to Governor, Sindh, Karachi.
3. The Principal Secretary to Chief Minister, Sindh, Karachi.
4. The Senior Member, Board of Revenue, Sindh, Karachi.
5. The Chairman, Enquiries & Anti-Corruption, Establishment Sindh, Karachi.
6. The Chairman, Chief Minister's Inspection, Enquiries & Implementation Team.
7. The Secretary Provincial Ombudsman Secretariat, Karachi.
8. The Administrative Secretaries (all) Govt. of Sindh.
9. The Members, P&D Board, Karachi. (all)
10. The Accountant General, Karachi.
11. The Commissioner (all) in Sindh.
12. Head of the Attached Department/Office of P&D
13. The Chief Economist P&D, Govt. of Sindh.
14. Chief of Section, P&D (all) Dev.
15. The Collectors/Deputy Commissioners (all) in Sindh.
16. All Project Program Director /Coordinators under P&D.
17. The Deputy Secretary (Staff) to Chief Secretary, Sindh, Karachi.
18. The Director (Public Relations) to Chief Secretary, Sindh, Karachi.
19. The Publisher, Sindh Govt. Printing Press, Karachi.
20. The Private Secretary to Minister P&D, Sindh.
21. The Private Secretary to Chief Secretary, Sindh Karachi.
22. The Private Secretary to Chairman, P&D Board.
23. Office Order File

Sd/-

(IMRAN SIBTAIN)

Section Officer (Admn-I)

Phone: 021-99211926

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

No.24(4)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: **ENHANCEMENT OF SANCTIONING LIMITS OF DEVELOPMENT FORA OF SPECIAL AREAS (AJ&K, GB AND FATA)**

The National Economic Council (NEC) considered the summary titled **“Enhancement of Sanctioning Limits of Development Fora of Special Areas (AJ&K and FATA)”** in its meeting held on 7th March, 2018 and approved the following revised sanctioning/approving limits in respect of development projects for respective forum:

Areas	Forum	Headed by	Present Limit	Enhanced Limit
Azad Jammu & Kashmir	AK DWP	ACS (Dev)	Rs. 100 million	Rs. 400 million
	AK CDC	Prime Minister AJ&K	Rs. 400 million	Rs. 1,000 million
FATA	FATA DWP	ACS (FATA)	Rs. 200 million	Rs. 400 million
	FATA DC	Governor KP/ FATA	Rs. 400 million	Rs. 1,000 million
Gilgit Baltistan	GB DDWP	Chief Secretary GB	Rs. 200 million	Rs. 400 million
	GB DWP	Chief Minister GB	Rs. 750 million	Rs. 1,000 million

2. The enhanced sanctioning powers of these development fora are only for local funded projects. In cases where foreign exchange or foreign assistances is more than 25% of the total cost of the project, the approving forum will be CDWP/ECNEC irrespective of the cost of the project.

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

Copy to:

1. Secretary, Finance Division, Islamabad.
2. Secretary, Economic Affairs Division, Islamabad.
3. Secretary, Ministry of Kashmir Affairs & Gilgit Baltistan, Islamabad
4. Secretary to the Governor, Khyber Pakhtunkhwa/FATA, Peshawar.
5. Principal Secretary to the Prime Minister, Government of Azad Jammu & Kashmir, Muzaffarabad.
6. Principal Secretary to Chief Minister, Government of Gilgit-Baltistan, Gilgit.

Copy also to:

- i. Chief Economist, Planning Commission
- ii. All Members of Planning Commission
- iii. JCE (Opr) & (Macro), MoPDR
- iv. All Sr. Chiefs, Chiefs /Deputy Chiefs (Incharge) of Technical/Economic Sections, MoPDR
- v. Director to the Minister for Planning, Development & Reform
- vi. SPS to Deputy Chairman, Planning Commission
- vii. SPS to Secretary, Ministry of Planning, Development & Reform
- viii. All Officers of PIA Section.

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
PLANNING AND DEVELOPMENT DEPARTMENT**

Muzaffarabad
Dated: 02-04-2010

Notification

No. P&D/Gen/1761-1860/2010, The President of Azad Jammu & Kashmir has been pleased to accord approval of the following guidelines/time limits, for streamlining the process of the development projects as well as strict adherence by line departments at AJ&K level in future:

- i) The Projects submitted for consideration of AKDWP/AKCDC/CDWP/ECNEC shall be prepared and supported by detailed feasibility, drawings and designs and engineers estimates wherever required. Incomplete PC-I will not be entertained for placing before development approval fora.
- ii) The time limit for scrutiny of projects in Planning & Development Department and its submission to AKDWP will be Four (4) weeks (One week preliminary appraisal, One week response to queries of Planning & Development by the sponsoring agencies, One week for Pre-AKDWP meeting for sorting out issues/points and One week for holding AKDWP meeting on receipt of PC-I.
- iii) After approval/recommendation of AKDWP, the project will be placed before AKCDC for consideration within Three (3) weeks. In cases where AKDWP imposes certain conditionalities to be met by the sponsoring agencies either before submission of projects to AKCDC or issuance of NOC for administrative approval, the sponsor would furnish the required information/ modified PC-I within Three (3) weeks after receipt of the minutes of the meeting of AKDWP failing which the approval of AKDWP will automatically lapse and fresh approval of AKDWP will have to be obtained.
- iv) After approval/clearance of the projects by AKCDC for CDWP the required copies of PC-I will be submitted to Planning & Development Department for onward transmission to CDWP within Two (2) weeks by the sponsoring agency. However, in cases where AKCDC imposes certain conditionalities to be met by the sponsoring agencies either before submission of the project to CDWP or issuance of NOC for administrative approval it is necessary that sponsor should furnish the required information/modified PC-I within Two (2) weeks after receipt of the minutes of the meeting of AKCDC failing which the approval the AKCDC will automatically lapse and fresh approval of AKCDC will have to be obtained.
- v) The Planning & Development Department will arrange issuance of minutes of the meeting of AKDWP and AKCDC within One (1) week after holding the meetings of these fora.
- vi) All the line agencies will issue administrative approval of the projects within One (1) week after receipt of minutes of the meetings of AKDWP, AKCDC, CDWP and ECNEC.
- vii) The implementation process will commence with the issuance of the administrative approval and works will be awarded within Ten (10) weeks of the date of administrative approval.

- viii) In case the lowest bid received in response to open bidding process is more than 15% of the administrative approval cost, the work will not be awarded and projects resubmitted within One (1) month before the relevant fora for revised approval wherever required.
- ix) In case of on-going projects, where implementation cost goes 15% above the administrative approval cost, the revised PC-I will be submitted to the relevant fora within Three (3) weeks.

Sd/-
(Ghulam Hussain Qureshi)
Section Officer (Dev.)

Copy to:

1. The Secretary to the President, Azad Jammu & Kashmir
2. The Secretary to the Prime Minister AJ&K Govt. Muzaffarabad.
3. Private Secretaries to the Senior Minister/All Ministries, AJ&K Govt. Muzaffarabad.
4. Private Secretary to the Chief Secretary, AJ&K Govt. Muzaffarabad.
5. Private Secretary to the Additional Chief Secretary (Dev.) AJ&K Govt. Muzaffarabad.
6. The Secretary Finance, AJ&K Govt. Muzaffarabad.
7. All Secretaries Development Departments, AJ&K Govt. Muzaffarabad.
8. All Sectoral Heads, AJ&K Govt. Muzaffarabad.
9. The Accountant General, AJ&K , Muzaffarabad.
10. The Secretary/DG (M&E) P&DD, AJ&K Govt. Muzaffarabad.
11. The Chief Economist, P&DD, AJ&K Govt. Muzaffarabad.
12. All Chiefs, P&DD, AJ&K Govt. Muzaffarabad.
13. The Controller Printing Press, AJ&K Govt. Muzaffarabad.
14. Master File.

Sd/-
Section Officer (Dev.)

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

Government of Pakistan
Finance Division
(Budget Wing)

Islamabad the 17th September, 2019

OFFICE MEMORANDUM

Subject: REVISED RELEASE MECHANISM FOR FUNDS ALLOCATED FOR THE PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 2019-20

The undersigned is directed to refer to the above subject and to state that the strategy of release for funds related to PSDP for the Financial Year 2019-20 has been revised by the Budget Wing and is as follows:

- a. Funds for Current and Development Expenditure shall be released at the level of 20% each for Quarter 1 and Quarter 2, and at the level of 30% of each for Quarter 3 and Quarter 4, except the funds required for payment for salaries and pension would be released @25% of budget for each quarter. **Cases in respect of Current Expenditure for releases may be referred to Budget Wing for Ways & Means Clearance after completion of all procedural and codal requirements (Proforma Annex-I).**
- b. No funds shall be released for un-approved projects.
- c. All payments shall be made through the pre-audit system of the Accountant General Pakistan Revenue (AGPR), or through Assignment Account procedures issued by the Finance Division. Any direct payment through the State Bank of Pakistan shall be made as a special case, with the prior approval of the Finance Secretary.
- d. Proposal for supplementary grant/technical supplementary grant etc (non-delegated powers of the Finance Division) shall be examined on the enclosed Proforma by the Expenditure Wing of the Finance Division and routed through the Budget Wing for ways and means clearance, before these are approved/endorsed by the Finance Secretary/Finance Minister in charge/Adviser to the Prime Minister on Finance and Revenue for onward submission/ approval to the Economic Coordination Committee of the Cabinet (**Proforma Annex-II**).
- e. For the first quarter, Ministry of Planning, Development & Reforms may keeping in view the PFM Law, issue bulk authorization of the approved PSDP schemes to the respective Ministries/Divisions while remaining within 20% of the total PSDP allocation. The same would be sanctioned after due scrutiny by the Budget Wing of the Finance Division. The release of the aforementioned amount would be ensured by the Finance Division in the first quarter.
- f. Releases for Quarter 2 and onward will be recommended by the PD&R Division after due examination/scrutiny. Releases above Rs 100 million shall be forwarded to Finance Division for ways & means clearance.
- g. Funds would not be released for unapproved projects. Further, if for any project, no funds have been released during the first two quarters, only 40% of the allocation would be released for remaining two quarters. Nonetheless, the same may be relaxed on case to case basis upon recommendations of the Ministry of Planning Development and Reform.

- h. PSDP release would be made for each quarter. PSDP releases/ recommendations for two or more quarters in one go may not be encouraged by the Ministry of Planning Development and Reform.
- i. Cases that are approved through ways and means clearance shall be sent back by Finance Division to respective Ministry/Division under intimation to Ministry of Planning Development and Reforms.
- j. Sanction letter addressed to AGPR for release of funds would be issued by concerned Ministry/Division duly endorsed by Finance Division.
- k. While processing the development sector schemes, the Ministry of Planning Development and Reforms shall ensure compliance of the PFM Law, enacted by the Parliament, in the year 2019.

(Ayeza Sattar)

Section Officer (BR-III)

Ph: 051-9209209

Distribution:

1. All Ministries/Divisions.
2. Coordinator (Budget), Finance Division.
3. JS (Expenditure), Finance Division.
4. Adviser (Development Budget), Planning Commission.
5. AU Joint Secretaries of Finance Division.
6. Controller General of Accounts, Islamabad.
7. AGPR, Islamabad.
8. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta & Gilgit Baltistan.

Copy for Information to:

1. SA to Finance Minister.
2. PS to Finance Secretary.
3. PS to Special Secretary Finance.
4. AFS(B).
5. AFS(E).
6. AFS(HRM).
7. AFS(EF).
8. AFS(CF).
9. AFS(IGF).
10. AFS (Banking).

Annex-26

PROFORMA FOR WAYS AND MEANS CLEARANCE
(Current & Development Expenditure)

Ministry/Division	
Demand No.	
Name of the Organization/Department	
Original Allocation (Detailed Head-wise to be attached)	
Re-appropriation/Savings/Surrender and Supplementary Grant etc	
Final Allocation	
Amount so far released and spent (Head-wise utilization report to be added)	
Balance available	
Amount is released through Pre-audit System of AGPR or through Assignment Account Procedure?	
Amount requested for release by the Ministry	
Nature of Expenditure (Pay, allowances & other detail attached)	
Quarter/month of the year to which the release pertains to	
Amount recommended for release	

CF&AO

Date: _____

PAO

Date: _____

(Finance Division)

Date: _____

PROFORMA FOR SUPPLEMENTARY-GRANT 2019-20

1. Budget Year: _____ 2. Demand Number & Designation: _____
3. Cost Centre Code and Description: _____
4. Amount of Supplementary / Technical Supplementary Grant (Rs 000): _____
5. Budget and Expenditure to date:

Object / Expenditure head Codes Description	Budget approved by National Assembly (Rs.000)	Final Budget (Rs.000)	Expenditure to date (Rs-000)	Balance available (Rs.000)

6. Reasons why a sufficient amount was not allocated in the original budget:

7. Detailed justification of supplementary grant:

8. Amount and brief justification of supplementary grant already allowed under the same object / expenditure head:

9. In case of Technical Supplementary grant, Demand number and description from which the funds will be transferred:

I confirm that no saving is available in any of the Demand controlled by me to cover this Supplementary Grant request. I also confirm that-no further supplementary request shall be requested during the year under the above-mentioned expenditure head / object.

CF&AO
Date: _____

Principal Accounting Officer
Date: _____

Annex-28

MOST IMMEDIATE

Secretary

Ph: 051-9206444

No. 6(2)R-PIP/PC/2019-20
GOVERNMENT OF PAKISTAN
PLANNING COMMISSION/ MINISTRY OF PLANNING,
DEVELOPMENT & REFORM

Islamabad, the 18th October, 2019

SUBJECT: **SIMPLIFICATION OF PROCEDURE FOR AUTHORIZATION OF RELEASE OF FUNDS TO DEVELOPMENT PROJECTS**

My Dear

The Executive Committee of the National Economic Council (ECNEC) in its meeting held on 2nd October, 2019 has simplified the procedure for authorization of release of PSDP funds to ensure timely availability to the executing agencies/project authorities without originating demands by the concerned ministries. Besides, Principal Accounting Officers have been made more responsible in terms of ensuring timely completion of all codal formalities such as authorization and administrative approvals, valid execution period, extension in execution period, PMES up-dation, approved cash/work plan monitoring observations, cost over runs, effective utilization of funds already released to project authorities before issuance of sanction letters for release of funds to development projects and undertaking expenditure. The following procedure has been approved:

- i. Ministry of Planning, Development and Reform will release project-wise funds (rupee component) allocated in PSDP to ongoing approved projects of Ministries/Divisions during the first week of each quarter as per criteria of the Finance Division (i.e. 20% in 1st and 2nd Quarter, 30% in 3rd and 4th Quarter) without originating demand by the PAO.
- ii. The Ministry/Division concerned will be instructed to release funds to the approved projects strictly in accordance with the criteria laid down by Finance Division, prerequisites of the Ministry of Planning, Development & Reform and other relevant rules.
- iii. The Ministry/Division will approach Finance Division for endorsement of sanction. On receipt of sanction, Ministry of Planning, Development and Reform will punch the released amount of the projects in the SAP system.
- iv. With regard to the provincially executed projects, the Ministry of Finance will continue to release funds as per existing rules.
- v. Ministry of Planning, Development and Reform will release the first tranche of funds to the new projects within one week on receipt of administrative approval of the project (s) from the Ministry/Division.
- vi. Ministries/Divisions will not release additional funds to any project over and above the allocated amount in PSDP through internal adjustment. All re-appropriations will be referred to Ministry of Planning, Development & Reform as per procedure and rules.
- vii. All Ministries/Divisions will be responsible for updating PMES System of each project by 10th of the following month.

3. Accordingly, Ministry of Planning, Development and Reform has authorized release of funds for Q 2 to the approved projects included in PSDP 2019-20 as per the ECNEC decision and criteria of release policy of Finance Division issued on 17-9-2019.

4.. It is therefore, requested to ensure that before issuing sanction letters for release of funds to development projects all codal formalities/ pre-requisites may be completed as mentioned above and also adhere to the requirements of para 89 of GFR and para 13(VII of System of Financial control and Budgeting 2006.

(ZAFAR HASAN)

All Secretaries/PAOs, Ministries / Divisions/Sponsoring Agencies, Islamabad/ Rawalpindi

Copy to:

- i. Chief Secretary, Government of Punjab, Lahore
- ii. Chief Secretary, Government of Sindh, Karachi
- iii. Chief Secretary, Government of Khyber Pakhtunkhwa, Peshawar
- iv. Chief Secretary, Government of Balochistan, Quetta
- v. Additional Secretary, Prime Minister's Office, Islamabad

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

No.20(1)PIA-I/PC/2015

Islamabad, the 19th November, 2015

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------|
| 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 A.J.&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**

Reference DO letter of 14th January 2011 by the Secretary P&DD regarding key guidelines/procedures, para 5 of annexure *"It is mandatory that for projects of infrastructure sector and production sector costing Rs. 300 million and above, proper feasibility studies should be undertaken and submitted to P&D Division along with PC-I"*.

2. It has been observed in a number of cases during CDWP meetings that the PC-Is relating to infrastructure activities specifically, do not include detailed designs. The Minister for Planning Development & Reform/ Deputy Chairman, Planning Commission took a serious note of the issue during CDWP meeting on 30th September, 2015 and, inter-alia, observed that present limit for infrastructure and production sectors projects of Rs. 300 million and above for mandatory feasibility studies, is not pragmatic.

3. In view of the above it has been decided to enhance the limit from Rs. 300 million to Rs. 500 million for projects of infrastructure and production sectors costing Rs. 500.00 million and above for which proper feasibility study should be undertaken and submitted to PDR with the following directions:

- i) All infrastructure projects costing Rs. 500.00 million or above (including projects with an infrastructure component) should be based on proper feasibility study (PC-II) to include, at least, reference design and bill of quantities etc.
- ii) In case of projects costing less than Rs. 500 million it should be based on in-house feasibility study with detailed technical or reference design and bill of quantities etc.

4. The above instructions/guidelines at para 3 may be replaced with serial 5 of the above referred letter's Annex (Summary of Key Guidelines) and followed in letter and spirit.

Sd/-
(Mushtaq Ahmad Raja)
Chief

Copy for information to:

- 1) Secretaries/Additional Secretary (Incharge) of all Ministries/Divisions
- 2) Chief Economist and 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.

Copy also to:

- 1) Director to Minister
- 2) SPS to Secretary
- 3) SPS to JCE (Operations)
- 4) All officers of PIA Section

**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

**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.

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

No.21(1)PIA/PC/2013

Islamabad, the 26th June, 2013

- | | | | |
|---|------------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------|
| 1 | Chairman, Planning & Development Board, Government of the Punjab, Lahore. | 2 | Additional Chief Secretary (Dev), Planning & Development Department, 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 A.J.&K., Muzaffarabad. | 6 | Additional Chief Secretary (FATA), Civil Secretariat (FATA), Planning & Development Department, Peshawar. |
| 7 | Secretary, Planning & Development Department, Gilgit- Baltistan, Gilgit | | |

Subject: **ASSURANCE OF AVAILABILITY OF FUNDS FOR DEVELOPMENT PROJECTS**

The National Economic Council (NEC) in its meeting held on 10-06-2013 considered report on "Schemes Approved by the Executive Committee of National Economic Council (ECNEC) and Central Development Working Party (CDWP) during the period 1st April, 2012 to 31st March, 2013 and noted the position reflected therein with the direction that availability of funds must be ensured by the ECNEC/CDWP while approving the development projects/schemes.

2. The above directive of the NEC is forwarded for information and strict compliance.

Sd/-
(M. Salim Khan Khattak)
Deputy Chief
Ph: 9207068

All Federal Ministries/Divisions.

All Heads of Autonomous/Semi-Autonomous Bodies/Corporations/Agencies

All Technical Sections, Planning & Development Division

Copy to:

- i) Director to the Minister for Planning & Development
- ii) SPS to Secretary, P&D Division
- iii) PS to All Members, Planning Commission
- iv) PS to Additional Secretary
- v) PS to JCE (Op.)
- vi) PS to JCE (Macro)
- vii) Chief (PIP)
- viii) Chief (Plan Coord)
- ix) Chief (Economic Appraisal)
- x) Chief (PIA)

THE CONCEPT OF DEVELOPMENT EXPENDITURE FOR THE SECOND PLAN

The concept of a workable definition of development expenditure should take into the following basic considerations vis-à-vis the Development Programme:

- i) that it should be designed to keep intact, to enlarge and to improve the physical resources of the country.
 - ii) that it should improve the knowledge, skill and productivity of the people; and
 - iii) that it should encourage efficiency with which available resources are used.
2. Accordingly, the following types of expenditure should be treated as developmental:
- (a) In respect of Agriculture and Industry, all such items of expenditure will be included as a result in the replacement or expansion of existing capacity or in the creation of new capacity.

For instance, in agriculture, expenditure on the replacement or expansion of existing capacity or creation of new capacity in respect of anti-locust schemes and plant protection measures, expenditure on popularization and distribution of fertilizers related to specific Plan schemes, net subsidy on fertilizers, expenditure on agricultural extension workers related to specific Plan schemes, all expenditure on village-AID, expenditure on agricultural research and experimentation related to specific Plan schemes, fresh development loans to the agriculturists, etc. will all be treated as developmental. In industry, all expenditure on replacement and depreciation, total investment for the extension of old capacity or for the creation of new capacity, expenditure on technological research and Geological Survey related to specific Plan schemes, etc., will be regarded as developmental. The expenditure on the ordinary maintenance and running of existing facilities will be treated as non-developmental and should be provided for in the non-developmental requirements of the respective government departments: only the expenditure on the establishment of new facilities will be regarded as developmental. Similarly the existing level of expenditure on agricultural extension workers, agricultural research, etc. will be treated as non-developmental and only the additional expenditure on those services relating to specific Plan schemes will be regarded as developmental during the Second Plan period. All expenditure on raw materials, spares and fuels will also be treated as non-developmental.

- (b) In respect of transport, communication, irrigation, power, banking, insurance, etc. all such expenditure will be included as is required for the replacement or expansion of existing capacity or for the creation of new physical capacity.

This means that gross investment (including depreciation and replacement in economic overheads will be treated as developmental. The expenditure on technological research related to specific Plan schemes, will also be regarded as developmental).

- (c) In respect of social services like education, health social welfare and manpower development, only non-recurring expenditure on the Plan schemes will be treated as developmental.

The exceptions to this general rule would be as follows:-

- i) Recurring expenditure on technical, industrial and social research related to specific Plan schemes;
 - ii) The entire expenditure on scholarships and stipends (whether existing or new expenditure);
 - iii) Recurring expenditure on accelerated malaria control schemes;
 - iv) Recurring expenditure on account of family planning schemes; and
 - v) Recurring expenditure on community development programme in the Second Plan.
- (d) In respect of civil works, gross investment in buildings and roads (except those for defence purposes) will be included in the development programme.

Such expenditure will include buildings in Federal and Provincial Capitals, Divisional and District Headquarters etc. (excluding Army deposits) as well as expenditure on survey, planning and designing of such buildings. Similarly, the non-recurring expenditure on housing and settlement projects and ancillary services such as water supply, sewerage, rural electrification etc. expenditure on surveys and research in respect of housing and settlement problems, expenditure on studies of Master and Regional Plans for housing programme, gross investment in roads, including depreciation and replacement expenditure on existing and new roads as well as expenditure on opening of new roads – all these items of expenditure will be regarded as developmental. The ordinary expenditure for normal maintenance of roads, canals, buildings etc. will be treated as non-developmental outlay.

3. An attempt has been made to classify the existing budgetary heads according to the above concept (see Appendix). This has been done to facilitate an understanding of the detailed application of the concept and is not intended to suggest any water-tight compartments.

4. It should be clarified that the distinction between development and non-development expenditures, as made above, is in order to specify what particular expenditures will be included in the Second Plan and does not necessarily reflect on the development or non-development character of various activities. Similarly, the concept of development expenditure should be kept separate from the question of financing. In the last analysis recurring expenditure on education staff may be as important as non-recurring expenditure on education buildings and the Planning Commission will take into account as well as insist on an adequate provision for the former in the normal expenditure of the education department irrespective of its exclusion from the concept of "Plan expenditure".

**APPENDIX
TO
THE CONCEPT OF DEVELOPMENT EXPENDITURE**

In the light of the revised concept of development expenditure, the list of Major and Minor Heads of expenditure of the Central and Provincial budgets has been segregated in the following three categories:

Category “A”

Major and Minor Heads of account on which the entire expenditure on specific Plan schemes during the Second Plan period will be considered as developmental.

Category “B”

Major and Minor Heads of account on which expenditure on specific schemes included in the Second Five Year Plan will be treated as developmental.

Category “C”

Major and Minor Heads of account on which the entire expenditure will be considered as non-developmental.

**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.*

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/(Incharge) 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>

**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)

**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)

Government of Pakistan
Planning Commission
Ministry of Planning, Development and Reform

No. 23(1-DDWP)/PIA-I/PC/2017

Islamabad the 15th March, 2019

Chairman,
Planning & Development Board,
Government of Sindh,
Lahore

Additional Chief Secretary (Dev),
Planning & Development Department,
Government of Khyber Pakhtunkhwa,
Peshawar

Additional Chief Secretary (Dev),
Planning & Development Department,
Government of Azad Jammu & Kashmir,
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: **EXTENSION IN IMPLEMENTATION PERIOD OF DEVELOPMENT PROJECTS**

I am directed to refer to this Ministry's letter No. 24(4)PIA-I/PC/2016 dated 29th November, 2017, dated 21st September, 2016, 28th June, 2016 and 20(I-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:

- a) The Principal Accounting Officer of the sponsoring/ executing agency may grant time extension in execution period of the project till closing of the financial year, two times in a project life, irrespective of approving fora.
- b) 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.
- c) 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.
- d) 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/ Chairman 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 for a, if required.

2. All the above extensions will be subject to '**no change in scope and cost of the project(s)**'. 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 arc requested to take note of the above instructions issued with the approval of the Minister MPDR/ DCPC for compliance.

**(Mushtaq
Ahmed Raja)**
Chief (PIA)

Copy for information to all Federal Secretaries / Additional Secretaries (Incharge), Islamabad

cc:

- i) All Members of Planning Commission
- ii) All Chiefs / Incharge of Technical Sections, Planning Commission
- iii) Director to the Minister PDR / Deputy Chairman, Planning Commission

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING, DEVELOPMENT & REFORM**

F.No.20(1)PIA/PC/2013

Islamabad, the December 10, 2013

Subject: **GUIDELINES/PROCEDURES FOR PREPARATION AND APPROVAL OF DEVELOPMENT PROJECTS**

Reference is invited to this Division's circular No.4/Secy/P&DD dated January 11, 2011 on the above subject.

2. The Planning Commission, inter-alia, circulated the following guidelines ***relating to time limit for scrutiny of projects in P&D Division and submission to CDWP.***

- i) ECNEC in its meeting held on 24-04-2000 decided that the time limit for scrutiny of projects in the P & D Division and its submission to CDWP would be **six weeks** (three weeks preliminary appraisal, two weeks response to queries to Planning & Development Division by the sponsoring agency and one week for holding pre-CDWP meeting for sorting out issues/points with the sponsoring agency). Detailed guidelines on process/ procedures for preparation, approval and implementation of projects (aided and non-aided) were circulated to all provincial governments and federal ministries in April, 2000 and recirculated in December, 2004 and November, 2009 with the request to follow these guidelines.
- ii) However, notwithstanding the above time limit fixed by ECNEC, often the sponsoring agencies submit PC-I, one/two days before the CDWP meeting and by showing some urgency put pressure to include it in the agenda of CDWP meeting. Resultantly the project is not properly examined by the Planning & Development Division as well as by the Provincial Governments, Finance Division and other members of the CDWP. In such cases, the working paper is circulated during the CDWP meeting and the Provincial Governments, Finance Division etc raise objection for its circulation in the meeting, as they are not in a position to offer comments. Similar pressure is put at the time of ECNEC meeting and in some cases, summaries with incomplete information without fulfilling the conditions imposed by the CDWP are submitted to the ECNEC at the eleventh hour. This position was noted by ECNEC with concern at its meeting held on 09-12-2010 and discussion on such projects was mostly deferred.
- iii) In compliance of above instructions of the ECNEC, Provincial Governments and Federal Ministries are requested to follow prescribed procedures for preparation and approval of projects to ensure planning/financial discipline. This will enable the P&D Division and members of CDWP to examine the project properly within time limit fixed by the ECNEC. However, in view of extreme urgency in case of any project, P&D Division would consider inclusion of such project in the agenda provided the PC-I has been received at least two weeks before the CDWP meeting. But this would be in rare cases.

3. All Ministries/Divisions are requested to strictly follow the above guidelines as no project will be placed before CDWP that does not conform to these guidelines.

4. This issues with the approval of Minister for Planning, Development & Reform/Deputy Chairman, Planning Commission.

Sd/-
(MUHAMMAD ASIF SHEIKH)
Advisor (Dev. Budget)

- 1) All Federal Secretaries/Additional Secretary (Incharge) of Federal Ministries/ Divisions
- 2) Chairman (P&D Board) Punjab and Additional Chief Secretaries (Dev.) Sindh, Khyber Pakhtunkhwa, Balochistan, AJ&K, Gilgit-Baltistan and FATA.
- 3) Members, Planning Commission and Senior Chiefs/ Chiefs Technical Sections, Planning, Development & Reform Division.

Copy forwarded for information to:

- i) Secretary to the President, President Secretariat, Islamabad.
- ii) Secretary to the Prime Minister, Prime Minister's Office, Islamabad
- iii) Special Assistant to Finance Minister, Islamabad.
- iv) Director to Minister for Planning, Development & Reform, Islamabad.

**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

**GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(CABINET DIVISION)**

Subject: **PROCEDURE/INSTRUCTIONS WITH REGARD TO GRANT OF ANTICIPATORY APPROVAL BY THE CHAIRMAN, ECNEC.**

The Cabinet Division which is also Secretariat for ECNEC as well as the Planning and Development Division are facing difficulties in processing the cases pertaining to anticipatory approval of development projects owing to the provision of insufficient information and lack of basic data on prescribed proforma. Non-provision of requisite information by sponsors on Planning Commission proforma for anticipatory approval hinders expeditious examination and subsequent approval of requests contained therein. It has also been noted that some Ministries submit the cases directly to the Chairman ECNEC, instead of routing through the Cabinet Division.

2. It is, therefore, requested that in future all requests for anticipatory approval should invariably be submitted to the Cabinet Division in the form of a summary for Chairman ECNEC which must accompany the information on the prescribed proforma (Annex-I and II) in respect of new and on-going projects as deemed relevant. Requests which do not comply with this procedure would be returned to the sponsors and the onus of any delay in obtaining approval would rest with them.

-Sd/-
(Shahid Ullah Baig)
Additional Secretary(EC&R)
Tel: 9207613

All Secretaries/ Additional Secretaries(Incharge) of Ministries/Divisions/Provincial Chief Secretaries
Cab Div U.O.No.6/5/2010-Com Dated 28th July 2010

Proforma for New Projects**INFORMATION TO ACCOMPANY REQUESTS FOR ANTICIPATORY APPROVAL**

1. Name of the Project.
2. Location.
3. Sponsoring Agency.
4. Date of submission of PC-I/PC-II to the Planning Division, if any.
5. If PC-I/PC-II not submitted, give the date by which it will be submitted.
6. Date of submission of the data and comments on the points raised by the Planning & Development Division on the PC-I.
7. Brief description of the project with aims and objectives, scope, capacity, justification and benefits.
8. Proposed period of commencement and completion.
9. Total estimated cost of the project with foreign exchange component.
10. Phasing of expenditure.
11. Mode of financing.
12. Expenditure if incurred to date on the scheme.
13. ADP allocation for the current year as well as for the coming year if provision has already been made.
14. Date of approval of the project by CDWP.
15. Detailed reasons with justification why anticipatory approval is required.
16. Amount for which anticipatory approval is required.
17. Period of validity of the anticipatory approval.
18. Brief details of items to be executed within the amount of the anticipatory approval sanction.
19. Authority for seeking anticipatory approval.

Proforma for on-going projects**INFORMATION TO ACCOMPANY REQUESTS FOR ANTICIPATORY APPROVAL**

1. Name of the Project.
2. Location.
3. Sponsoring Agency.
4. Present status (whether original or revised) .
5. If revised, give brief reasons for revision.
6. The date on which the original scheme was approved by PDWP, CDWP or ECNEC.
7. Brief description of the revised project with aims and objectives, scope, capacity, justification and benefits.
8. Cost of original project with FEC.
9. Cost of revised project with FEC.
10. Phasing of expenditure (Revised Project).
11. Mode of financing (Revised Project).
12. Date of submission of revised PC-I/PC-II to the Planning and Development Division, if any.
13. If revised PC-I/PC-II not submitted, give the date by which it will be submitted.
14. Give detailed reasons with justification why anticipatory approval is required.
15. Indicate physical progress already achieved.
16. Expenditure if incurred to date on the scheme, and which requires revised sanction.
17. ADP allocation for the current year, as well as for the coming year if provision has already been made.
18. Amount for which anticipatory approval is required.
19. Period of validity of the anticipatory approval.
20. Brief details of items to be executed within the amount of anticipatory approval sanction.
21. Authority for seeking anticipatory approval.

**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

Case No. NEC-07/01/2019	PROCEDURE FOR APPROVAL OF PforR, FIP AND DPC MODE OF FINANCING
Dated:29-5-2019	

DECISION

The National Economic Council considered the summary, dated 27th May, 2019, submitted by the Economic Affairs Division regarding the **Procedure for approval of PforR FIP and DPC Mode of Financing** and approved following procedure for approval of PforR, FIPs and DPCs program;

- i) The relevant Executing Agencies shall obtain concept clearance of the proposed program(s) from the Concept Clearance Committee housed in Planning, Development & Reform Division and communicate the same to EAD.
- ii) On receipt of Concept Clearance, EAD will formally request the Development Partner for seeking funding support.
- iii) The Development Partner will prepare Program Appraisal Documents in consultation with the sponsoring and executing agencies and then share it with EAD for negotiations.
- iv) Before initiating loan negotiations, EAD will seek clearance of the program loan agreement from the Ministry of Law and Justice from legal point of view and the Finance Division.
- v) Loan negotiations shall be conducted with the development partner after approval of Finance Minister. EAD, Finance Division, PD&R Division, Law and Justice Division and relevant 'sponsoring agency and executing agency will participate in negotiations.
- vi) The EAD may, on completion of negotiations, move a summary for approval of Finance Minister/Chairman ECNEC, before signing the program loan agreement.
- vii) For TA parts of the PforR and FIPs, these shall subsequently follow PC-I by respective Executing Agencies before release of funds into assignment account/project account.

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

No.20(3)PIA-I/PC/2012

Islamabad, the 5th April, 2012

Chairman, Planning & Development Board,
Government of the Punjab,
Lahore.
Additional Chief Secretary (Dev),
Planning & Development Department,
Government of Sindh,
Karachi.
Additional Chief Secretary (Dev),
Planning & Development Department,
Government of Khyber Pakhtunkhwa,
Peshawar.
Additional Chief Secretary (Dev),
Planning & Development Department,
Government of Balochistan,
Quetta.
Additional Chief Secretary (Dev),
Planning & Development Department,
Government of A.J.K.,
Muzaffarabad.
Additional Chief Secretary (FATA),
Civil Secretariat (FATA), Planning &
Development Department,
Peshawar.
Secretary, Planning & Development Department,
Government of Gilgit- Baltistan,
Gilgit.

SUBJECT: GUIDELINES FOR APPOINTMENT OF INDEPENDENT PROJECT DIRECTOR IN DEVELOPMENT PROJECTS

As per latest ECNEC directive already circulated on 16-06-2011 Independent Project Director is required to be appointed only for projects which are approved by ECNEC. For project below this limit, if Independent Project Director is required to be appointed by the sponsors, approval of CDWP would need to be taken by providing proper justification.

2. In the light of the above directive, Guidelines for Appointment of Independent Project Director in Development Projects have been consolidated (copy enclosed).
3. Henceforth all previous orders/procedures/guidelines on the subject shall stand superseded.
4. Ministries/Divisions are requested to comply with the above guidelines accordingly and also bring into the notice of all departments/organizations under their administrative control for compliance.

(Ishfaqullah Khan)
Chief

Encl: As above

Secretary, Cabinet Division, Islamabad.
 Secretary, Capital Administration and Development Division, Islamabad
 Secretary, Establishment Division, Islamabad.
 Secretary, Commerce Division, Islamabad.
 Secretary, Communications Division, Islamabad.
 Secretary, Defence Division, Islamabad.
 Secretary, Defence Production Division, Islamabad.
 Secretary, Economic Affairs Division, Islamabad.
 Secretary, Statistics Division, Islamabad.
 Secretary, Finance Division, Islamabad.
 Secretary, Revenue Division, Islamabad.
 Secretary, Foreign Affairs Division, Islamabad.
 Secretary, Housing & Works Division, Islamabad.
 Secretary, Women Resource Development Division, Islamabad.
 Secretary, Human Rights Division, Islamabad.
 Secretary, Industries Division, Islamabad.
 Secretary, Information & Broadcasting Division, Islamabad.
 Secretary, IT & Telecom Division, Islamabad.
 Secretary, Interior Division, Islamabad.
 Secretary, Inter Provincial Coordination Division, Islamabad.
 Secretary, Kashmir Affairs and Gilgit Baltistan Division, Islamabad.
 Secretary, Law, Justice & Parliamentary Affairs Division, Islamabad.
 Secretary, Narcotics Control Division, Islamabad.
 Secretary, National Harmony Division, Islamabad.
 Secretary, National Heritage and Integration Division, Islamabad.
 Secretary, National Disaster Management Division, Islamabad.
 Secretary, National Regulation and Services Division, Islamabad.
 Secretary, Labour Food Security Research Division, Islamabad.
 Secretary, Overseas Pakistanis Division, Islamabad.
 Secretary, Petroleum & Natural Resources Division, Islamabad.
 Secretary, Ports and Shipping Division, Islamabad.
 Secretary, Postal Services Division, Islamabad.
 Secretary, Privatization Division, Islamabad.
 Secretary, Production Division, Islamabad.
 Secretary, Professional and Technical Training Division, Islamabad.
 Secretary, Railways Division, Islamabad.
 Secretary, Religious Affairs Division, Islamabad.
 Secretary, Scientific & Technological Research Division, Islamabad.
 Secretary, States and Frontier Regions Division, Islamabad.
 Secretary, Textile Industry Division, Islamabad.
 Secretary, Water & Power Division, Islamabad.

Planning Commission/Planning & Development Division

- 1) All Members, Planning Commission
- 2) All Chiefs/Heads of Technical Sections
- 3) Chief, Economic Appraisal Section

(Ishfaqullah Khan)
 Chief

C.C.

- i. Chief (PIA)
- ii. PS to Secretary, Planning & Development Division.

GOVERNMENT OF PAKISTAN
Planning & Development Division
(Public Investment Authorization Section)

Subject: **GUIDELINES FOR APPOINTMENT OF INDEPENDENT PROJECT DIRECTOR IN DEVELOPMENT PROJECTS**

Project Director is a focal person in project implementation; responsible for project execution in accordance with its objectives, work scope, cost and implementation schedule. In view of the pivotal role of Project Director, the rules, procedure and process of appointment of an Independent Project Director in Public Sector Development Projects has been consolidated in the light of current ECNEC decision and other relevant instructions on the subject:

a) ECNEC Decision on Appointment of Independent Project Director

ECNEC in its meeting held on 6-05-2011, inter alia decided, "Independent Project Director should be appointed only for projects which are approved by ECNEC. For projects below this limit, if an Independent Project Director is required to be appointed by the sponsors, approval of CDWP would need to be taken by providing proper justification".

b) Procedure and Process of Appointment of Project Director

- i) Appointment of an Independent Project Director is mandatory for projects costing Rs. 1000.00 million and above. As such provision for the post of Project Director should invariably be included in the Project PC-I costing Rs. 1000.00 million or above.
- ii) If an Independent Project Director is required to be appointed for projects costing below Rs. 1000.00 million, such cases should be submitted for approval of CDWP by providing proper justification.
- iii) Expenses on PD would be met from the project account.
- iv) Project Director should not be transferred during currency of the project.
- v) As a first step, the client organization is required to ascertain as to whether or not the appointment of an Independent Project Director from open market is required for the project. In case the expertise for appointment of project Director is available in-house, reasons for not transferring the services of such kind of officer internally to the project may be spelled out and detailed justification, including the following, may be given for hiring the Project Director.

c) Mode of Appointment

- i) Project Director shall be appointed on contract basis initially for a period of two years; extendable on yearly basis subject to satisfactory performance.
- i) Appointment will be made in a transparent manner through open merit by advertisement.
- ii) Engagement of retired officers as Project Director shall require prior permission of the government, invariably, i.e. Establishment Division in case of retired civilian officers; Defence Division in case of retired Defence Officers; and Law, Justice and Human Rights Division/Supreme Court/High Courts in case of retired judiciary officers.
- iii) While making an offer of appointment, the following will be provided in the contract/agreement:

- Statement of objectives of the assignment.
- Responsibilities of the Project Director stating particulars of the outputs required of him.
- Responsibilities of the client indicating types of inputs to be provided to the Project Director.
- Duration of the contract indicating completion dates/termination of contract.
- Financial provisions reflecting manner of payment of remuneration, etc.
- General provisions regarding matters like earlier termination of contract by either party.
- Mode of periodic performance appraisal of the Project Director.

d) Qualification/Experience Requirement

- i) The educational qualification of the Project Director will be broad based i.e. B.Sc. Engineering or MBA /MPA, MBBS/MPH, Master or BS (4 years) degree in Economics or other relevant field from HEC recognized institutions, depending upon the nature of the project. Minimum Five years experience in project management / implementation. Have the basic knowledge of project management fundamentals, particularly the Government of Pakistan project planning and management processes and procedures.
- ii) Maximum age of sixty three (63) years on the date of appointment.

e) Terms of Reference/Specific tasks to be accomplished by the Project Director

- i) Details of the outputs required from the Project Director should be clearly spelled out which inter alia may include the following:
 - In order to exercise strong check on time and cost over runs, he/she would carry out monitoring of the inputs, process and outputs of the Project.
 - Ensure that proper procedure for reviewing and responding to progress reports are established and followed. Plan from the outset how, what and when to monitor and evaluate.
 - Responsible to submit periodic review/progress and other reports in the manner and format as prescribed. In reports, suggest actions for decision making.
 - Work more closely with external partners/stakeholders as well as with project staff.
 - Develop and use indicators to focus on results as well as implementation.
 - Custodian of all project documents. Responsible to prepare and submit project Completion Report (PC - IV).
 - The Project Director would be made accountable for any lapses under the jurisdiction of his administrative, functional and financial powers.
 - As a team leader, he/she is under obligation to account for all actions, steps and decisions taken during project execution.
 - Responsible to supervise project activities and try his/her best to resolve day-to-day problems faced in implementation independently within the administrative and financial powers delegated to him. If necessary, he/she may seek help from concerned Federal Ministry/Division or Provincial Government for resolving the issue/problem.
 - It is advisable to setup headquarter of the Project Director as close to the site of work as possible, preferably at site, to ensure his availability for spot decision on unforeseen issues and other ancillary matters.

f) Selection/Appointment Committee

- i) A Committee headed by the Secretary of the Project Sponsoring Ministry/Division concerned and including representative of Planning & Development (Chief/Head of concerned Section), Finance (Development Wing) and Establishment Divisions.
- ii) In case of project financed by Federal and Provincial Government on 50:50 cost sharing basis, the Chairman P&D Board/ACS Development of the respective provincial /AJ&K/GB would Chair the Committee with representative of Planning, Finance and Establishment Divisions.
- iii) In case of disagreement between members of the Committee, matter will be referred to Deputy Chairman, Planning Commission for final decision.
- iv) Secretary of the Ministry/Division concerned may approve the appointment of Project Director whose salary package is equivalent or up to maximum of MP-III. The cases of appointment of Independent Project Director carrying emolument beyond MP-III shall be submitted for approval of the Prime Minister of Pakistan.

2. All previous orders/procedures/guidelines on the subject shall stand superseded.

3. Ministries/Divisions are requested to comply with the above guidelines accordingly and also bring into the notice of all departments/organizations under their administrative control for compliance.

-sd-
(Ishfaqullah Khan)
Chief

Annex-44
MOST IMMEDIATE

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development and Reform
(Public Investment Authorization Section)

No.20(3)PIA-I/PC/2012

Islamabad, the 11th March, 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 (Dev), Planning & Development Department, Government of A.J.K., <u>Muzaffarabad.</u> | 6 | Additional Chief Secretary (FATA), Civil Secretariat (FATA), Planning & Development Department, <u>Peshawar.</u> |
| 7 | Secretary, Planning & Development Department, Government of Gilgit-Baltistan, <u>Gilgit</u> | | |

Subject: GUIDELINES FOR APPOINTMENT OF INDEPENDENT PROJECT DIRECTOR IN DEVELOPMENT PROJECTS

Reference to this Ministry's letter No. 20(3)PIA/PC/2012 dated April, 5, 2012.

2. ECNEC in its meeting held on 06-05-2011, inter alia decided, "Independent Project Director should be appointed only for projects which are approved by ECNEC. For projects below this limit, if an Independent Project Director is required to be appointed by the sponsors, approval of CDWP would need to be taken by providing proper justification."

3. Detailed guidelines/procedure for appointment of Independent Project Director for development projects have been reviewed in light of the enhanced approving limit of CDWP from Rs. 1000 to Rs. 3000 million, hence para "b" of the "guidelines" attached with the above referred letter may be read as:

"b) Procedure and process of Appointment of Project Director

- i) Appointment of an Independent Project Director is mandatory for projects costing Rs. 3000 million and above. As such provision for the post of Project Director should invariably be included in the project PC-I costing Rs. 3000 million and above.

- ii) If an Independent Project Director is required to be appointed for projects costing below Rs. 3000 million, such case (separately) should be submitted for approval of CDWP by providing proper justification.
- iii) Expense of Project Director would be met from the project account.
- iv) Project Director should not be transferred during currency of the project.
- v) The sponsoring/executing agency will try, as far as possible, to appoint an Independent Project Director for the project. In case it is not possible, PD may be appointed from the available in house officers and in that case, reasons for transferring the services of such officer internally to the project may be spelled out and detail justification may be given."

4. In view of the above all sponsoring/executing Ministries/Divisions are requested to comply with the above amended improved para "b" of the guidelines, accordingly. This may also be brought into the notice of all departments/organizations under your administrative control for compliance.

Sd-
(Mushtaq Ahmad Raja)
Chief

Copy for information to:

- 1) All Secretaries/Additional Secretaries (Incharge) of Ministries/Divisions
- 2) Chief Economist, Planning Commission
- 3) All Members of Planning Commission
- 4) All Chiefs/Head of Technical Sections, M/o Planning Development and Reform

Copy also to:

- i. Director to Minister for PD & R
- ii. SPS to Secretary PD&R
- iii. SPS to JCE (Opr.)

**GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
ESTABLISHMENT DIVISION

No. 9/4/91.R.S.

Islamabad, the 28th January, 2008

OFFICE MEMORANDUM

Subject: **WAIVER OF FRAMING OF RECRUITMENT RULES FOR PROJECTS POSTS IN MINISTRIES/DIVISIONS**

The undersigned is directed to refer to the subject cited above and to state that on the recommendations of a Committee on Salary Package for Development Projects headed by the Secretary, Planning & Development Division, the following decisions have been taken with the approval of the Prime Minister for timely appointment of projects staff and implementation of development projects:-

- i) Where posts with the similar designation/BPS already exist in a Ministry/Division/Attached Department/Subordinate Office, the qualifications experience and age limits as laid down for civil posts may be followed by Ministry/Division/Attached Department/Subordinate Office concerned for contract appointment to project posts.
- ii) In other cases, the Ministry/Division/Attached Department/Subordinate Office should preferably incorporate the required qualification and experience on an objective basis in the project PC-I document and where such stipulation has not been made in the PC-I document, the qualification, experience and age limits shall be laid down by the Ministry/Division concerned.
- iii) The project posts shall be advertised and selection shall be made on the recommendations of the appropriate Departmental Selection Committee except where a Selection Committee has been separately constituted by the Planning and Development Division.
- iv) Appointment to project posts sanctioned in basic pay scales shall be made with the approval of appointing authorities as prescribed for civil posts in Rule-6 of the Civil Servants (Appointment, Promotion and Transfer) Rules, 1973.
- v) The Secretary of the Division concerned may approve the appointment of Project Director whose salary package is equivalent of upto maximum of MP-III.
- vi) The cases of appointment to project posts carrying emoluments beyond MP-III shall be submitted for approval of the Prime Minister.
- vii) Initially, contract appointment to project posts shall be made for two years and extension of contract appointment to posts carrying emoluments equivalent to MP-III and above shall be made, on year to year basis, on the recommendations of

the Evaluation Committee, constituted under Finance Division O.M. No.F3(7)/R.4/98.Vol.II/2007 (B) dated 11th April, 2007.

2. Establishment Division's O.M. No. 7/8/2000.R.6 dated 27th July, 2002 may be treated as withdrawn.

Sd/-
(Muhammad Arshad)
Deputy Secretary

All Secretaries/Additional Secretaries of
Ministries/Divisions, Islamabad/Rawalpindi.

Copy to:

- 1) Chief of Staff to the President, President's Secretariat (Public), Islamabad.
- 2) Principal Secretary to Prime Minister, Prime Minister's Secretariat (Public), Islamabad.
- 3) Auditor General of Pakistan, Islamabad.
- 4) Controller General of Accounts, Islamabad.
- 5) Director General, Intelligence Bureau, Islamabad.
- 6) Miss. Saeed-Un-Nisa Abbasi, D.G. PPARC, Management Services, Wing, Establishment Division, Islamabad.
- 7) Secretary, National Security Council, Islamabad.
- 8) Secretary, Election Commission of Pakistan, Islamabad.
- 9) Secretary, Federal Public Service Commission, Islamabad.
- 10) Secretary, National Accountability Bureau, Islamabad.
- 11) Secretary, National Reconstruction Bureau, Islamabad.
- 12) Military Accountant General, Rawalpindi.
- 13) Principal Information Officer, Press Information Department, Islamabad.
- 14) All Joint Secretaries of Establishment Division, Islamabad
- 15) Deputy Secretary (Computer), Establishment Division with the request to arrange for its placement on the official website of the Establishment Division, Islamabad.

Sd/-
(Muhammad Arshad)
Deputy Secretary

**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:

**GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(Regulations Wing)**

No. F. 4(9)R-14/2008/562

Islamabad, the 19th October, 2017

OFFICE MEMORANDUM

Subject : **STANDARD PAY PACKAGE FOR THE PROJECT STAFF DIRECTLY RECRUITED FOR DEVELOPMENT PROJECTS FUNDED FROM PSDP.**

The partial modification of this Division's O.M. No.F.4(9)R-14/2008, dated 19th July, 2017, the undersigned is directed to state that in view of a number of queries received from different departments, sub-para viii of para 2 of above referred O.M. is substituted as follow:-

“Adoption of standard pay package 2017 shall require revision/approval of PC-I from the competent forum i.e. **DDWP/CDWP/ECNEC, where found necessary in accordance with prevailing Rules and Procedures.**”

Sd/-
(Nisar Hussain)
Section Officer (R-14)
Tele: 9245873

All Ministries/Divisions/Departments:

Copy also forwarded for information to:-

- 1) President's Secretariat (Public), Islamabad.
- 2) President's Secretariat (Personal), Islamabad.
- 3) Prime Minister's Office (Internal), Islamabad
- 4) Prime Minister's Office (Public), Islamabad
- 5) National Assembly Secretariat, Islamabad.
- 6) Senate Secretariat, Islamabad.
- 7) Election Commission of Pakistan, Islamabad.
- 8) Supreme Court of Pakistan, Islamabad.
- 9) Federal Shariat Court, Islamabad.
- 10) Islamabad High Court, Islamabad.
- 11) Auditor General of Pakistan, Islamabad.
- 12) Controller General of Accounts, Islamabad.
- 13) AGPR, Islamabad/Lahore/Peshawar/Karachi/Quetta.
- 14) Military Accountant General, Rawalpindi.
- 15) All Financial Advisors/Deputy Financial Advisors attached to Ministries/Divisions etc. and all officers of Finance Division
- 16) Chief Accounts Officer, Ministry of Foreign Affairs, Islamabad.
- 17) Financial Adviser and Chief Accounts Officer, Pakistan Railways, Lahore.
- 18) All Chief Secretaries/Finance Secretaries of the Govt. of Punjab/Sindh/Khyber Pakhtunkhwa/Balochistan/Azad State of Jammu & Kashmir and Gilgit Baltistan.
- 19) Capital Development Authority, Islamabad.
- 20) Office of the Chief Commissioner, Islamabad.
- 21) Federal Public Service Commission, F-5/1, Agha Khan Road, Islamabad.

**GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(Regulations Wing)

No. F. 4(9)R-14/2017/698

Islamabad, the 27th December, 2017

OFFICE MEMORANDUM

Subject : **STANDARD PAY PACKAGE FOR THE PROJECT STAFF DIRECTLY RECRUITED FOR DEVELOPMENT PROJECTS FINANCED FROM PSDP.**

The undersigned is directed to refer to Ministry of Planning, Development and Reform's letter No. F. 4(1)PIP/PI/2017-18 dated 11-12-2017 on the subject noted above and to say that clarification issued vide O.M. 19th October, 2017 explicitly tells that revision of PC-I from the competent forum would be required, where necessary in accordance with prevailing rules/procedures, which implies that in case the approved project cost plus 15% cost overrun, as admissible under the rules, is unable to accommodate revised Standard Pay Package notified vide O.M. No. 4(9)R-14/2008 dated 19th July, 2017, then the PC-I of the concerned project needs to be revised. Otherwise, there is no need to revise every PC-I from the competent forum where the approved project cost plus 15% cost overrun, as admissible under the rules, is able to accommodate revised Standard Pay Package.

Sd/-
(Nisar Hussain)
Section Officer (R-14)

Ministry of Planning, Development & Reform,
(Public Investment Programming Section),
(Mr. Muhammad Asif Sheikh),
Advisor (Dev. Budget)/P.D.),
Government of Pakistan,
Islamabad.

Appendix-I

Project Code:										
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(To be allocated by Planning Commission)

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-I

Proforma for Preparation of NEW Projects

- **Project Name:**
- **Date of Preparation of the PC-I**
- **Cost of the PC-I:**

PC-I

Sector:

Part-A (Project Digest)

- 1) Project Title:**
- 2) Location: (Tehsil/Taluka, City, District and Province)**
(Attach map of the area clearly indicating the project location. Give GPS Coordinates)
- 3) Authorities responsible for:**
 - i. Sponsoring:
 - ii. Execution:
 - iii. Operation & Maintenance after completion:
- 4) Project objectives:**
(Precise in bullet form)
- 5) Project Brief Description, Justification and Technical Parameters:**
- 6) Implementation Period (in months):**
(PERT/CPM charts etc be annexed)
 - i. Planned commencement date:
 - ii. Planned Completion date:
- 7) Status of Feasibility Study** (please attach copy):
 - i. Feasibility study conducted by¹:
 - a. In house
 - b. Outsourced
 - ii. Conclusion/ Recommendation of Feasibility Study: (in bullets form)
- 8) Cost Estimates (Million Rs):**
 - i. **Total Cost** Local component, FEC component ²
(Foreign loan/grant) ²
 - ii. **Date of Preparation of Cost Estimates** (Also indicate if these are still valid)
 - iii. **Basis of Cost Estimates:** (CSR, SSR etc.)
 - iv. **Unit Cost** (Please attach specification):
 - v. **Comparison of unit cost of this project with similar other projects in the sector/Area:** (in case of variation, detailed reasons/ justification be given)

¹ Please follow instructions as contained in PDR No. 2(38)/PIP/PC/2017-18 dated 15th August, 2017

²Please indicate source and rate of exchange - rupee vis-à-vis US \$.

- vi. **Annual Operating and Maintenance Cost after completion of Project and the Name of Authority/ Source to bear this Cost:**

9) **Item-wise cost break-up:**

(Rs. In Million)

Item	Year-1			Year-2			Year-3.....		
	Total	Local	FEC	Total	Local	FEC	Total	Local	FEC

10) **Item-wise Physical Phasing & Financial Phasing:**

Items	Units	Year-1	Year-2	Year-3.....

(Physical phasing/implementation plan of major items/deliverables may be provided and financial phasing should be derived from it).

11) **Financing:**

i. **Mode of Financing:**

(Public Sector, Private Sector, Public-Private Partnership (PPP). Also discuss in detail why the project cannot be implemented in Private Sector or on PPP mode in case project is financed through public sector)

ii. **Sources of Financing** (Federal, Provincial / Donors etc)

iii. **Status of Foreign Loan / Grant Commitment:** (Please attach EAD's confirmation)

iv. **Status of Concept Clearance**

(Indicate date and decision of Concept Clearance Committee and copy of minutes/decision be annexed, if applicable)

12) **Plan Provision: Linkage with Perspective/Five Year Economic Development Plan/ Economic Development Policies of the Government:** (Linkage with SDGs. Specifically describe the SDGs to which the project address/contribute)

13) **Sector Strategy:**

- Priority of Project within overall Sector Strategy:
- Major on-going projects in the sector/sub-sector:

Part – B
(Project Requirements)

- 14) Project Scope:**
(Provide detail statement of work in quantifiable terms/units)
- 15) Management structure and manpower requirements including specialized skills during construction/implementation and operational phases:**
- i. Management Structure with Responsibility Matrix:
 - ii. Manpower Requirements:
(TORs of the consultant and JDs, Qualifications, Experience & skills of Consultant be provided)
- 16) Employment generation:** *(gender-wise, direct & indirect during project implementation and after completion)*
- 17) Status of Surveying and Mapping Activities:**
(Please enclose requisite certificate- specimen attached as Attachment-A)
- 18) Status of Land Acquisition:**
(Land Required, Land already acquired, cost of land & any other issue related to land)
- 19) Responsibility/Ownership of Assets (Procured/Acquired/Developed) after Completion of the Project**
- 20) Additional projects/ decisions required to maximize socio-economic benefits from the proposed project:**

Part – C (Appraisal and Analysis)

21) Project Quantifiable Benefits:

- i. Financial
- ii. Economic
- iii. Social
- iv. Other

22) Revenue Generation /Annual Income after completion of Project:

S.No	Source of Income/Revenue	Amount (Rs. Million)	Length of period for revenue generation (life of the project)
	Total		

23) Financial & Economic Analysis: *(with methodology & assumptions)*

- i. Bench mark/opportunity cost/discount rate computation
- ii. Provision of Cash flow statement of Cost & Benefit with payback period of investment
- iii. Weighted Average Cost of Capital (WACC)

24) Sensitivity and Risk Analysis:

Impact of delays on project cost, revenue and viability
(Please attach detailed working)

25) Financial/Economic Results

- i. Net present worth
- ii. Benefit cost ratio
- iii. Internal Financial Rate of Return (IFRR)
- iv. Unit cost analysis
- v. Break-Even Point (BEP)
- vi. Internal Economic Rate of Return(EIRR)

26) Stakeholder Consultation Analysis:

27) Environmental & Social Impact Assessment:

(TORs of the Consultant should cover Environment & Social Impact Assessment, Social Action Plan, Resettlement Action Plan, Environment & Social Management Plan and Socio-economic Management Plan)

- i. **Is the development project contributing to the Climate Change response?**
Yes or no

(Ref: Supporting note 1 for categories, Attachment-B)

- ii. **Which classification of Climate Change relevance does the development project fall into?**

(Ref: Supporting note 2 for categories, Attachment-B)

- iii. **Has the Cost-Benefit Analysis (CBA) taken into consideration the expected future climate change? Yes or no**

28) Clean Development Mechanism Assessment:

- (For Energy, Transport, Industry, Forestry, Waste Management etc. projects)
- Questionnaire for assessment of Clean Development Mechanism (CDM) potential is at *Attachment-C*
- CDM eligibility test for assessment and identification of CDM project is at *Attachment-D*

29) Disaster Risk Reduction Analysis:

(DRR checklist (Attachment-E) be also attached)

30) Project Monitoring Mechanism:

- i. **Result Based Monitoring (RBM) Indicators** *(should be specific, measurable, attainable, realistic and time bound):*

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

- ii. What are monitoring arrangements at:
- a) Project Management level
 - b) Administrative Ministry/ Department/ Provincial Government level

31) Mechanism for Sustainability of Project/Activities After Completion

(Please indicate mechanism by which project activities will be continued on sustainable basis)

CERTIFICATE

- i. Certified that the project proposal has been prepared by professional expert in accordance with the instructions provided by the Planning Commission/ Ministry of Planning, Development & Reform for the preparation of PC-I by following rules, procedures and policy of the government.
- ii. Certified that the information/data provided in the PC-I is correct and authentic. The cost estimates have been correctly assessed and have **neither** been underestimated **nor** overestimated.

Prepared By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Verified and Recommended By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Forwarded for consideration of competent forum (as applicable) By Chairman/ ACS (Dev), P&D Department(for provincial projects):

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Forwarded for consideration of competent forum (as applicable) By Federal Secretary/ PAO (for Federal/ Federally Funded (partial or full) projects):

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Attachment-A

(Please use letter head of Ministry/Division/Department)

No. _____

Date _____

CERTIFICATE

1. This is to certify that PC-I/PC-II for the project titled “_____” involves surveying & mapping and has been prepared after consulting/getting proper No Objection Certificate from Survey of Pakistan, Ministry of Defence.

2. This is to certify that PC-I/PC-II for the project titled “_____” does not involve any surveying & mapping.

Signature with Stamp

()

Note:- Please type the above as may be applicable

Environmental Impact Assessment

- Is the development project contributing to the Climate Change response? Yes or No (Ref: supporting note 1 for categories).
- Which classifications category of Climate Change relevance does the development project fall into? (Ref: supporting note 2 for categories).
- Has the Cost – Benefit Analysis (CBA) taken into consideration expected future climate change? (Yes/No)

Note: Information on Clean Development Mechanism questioner for assessment (Attachment-C) and its eligibility test for assessment and identification (Attachment-D) is optional.

SUPPORTING NOTE- 1

All climate change related development projects either aim to, or contribute to:

- i. Improve resistance or resilience to present and forecast climate change by protecting against negative effects on people, resources and infrastructure or taking anticipatory action against projects future adverse effects.
- ii. Reduce resource inputs and GHG emissions per unit output through technological change, substitution and carbon sequestration. This could involve reducing GHG emissions directly (e.g. reduced use of fossil fuel use in transport, renewable energy generation, energy conservation and efficiency) or through capturing of carbon (e.g. carbon sequestration).
- iii. Deliver preparatory or supportive activities which help to facilitate or improve delivery of (i) or (ii) above.

SUPPORTING NOTE- 2

Some projects are fully focused on climate change whereas other projects may have small or indirect climate change benefits. The following table provides a rationale for each category of climate change relevance with some examples.

Highly relevant	Rationale	Clear primary objective of delivering specific outcomes that improve climate resilience or contribute to mitigation.
Climate relevance weighting 75%+	Example	<ul style="list-style-type: none"> • Energy mitigation (e.g. renewable, hydro power energy efficiency) • Disaster risk reduction and disaster management capacity particularly flood and drought risk reduction and management actions • Forestation and conservation of protected areas • Management and construction of water resources and infrastructure including water reservoirs to combat increasing variability in drought and floods • Actions taken in response to recent flooding, drought because it will have added benefits for future extreme events. • Relocating villages to give protection against climate stresses (drought, floods and sea-level rise) • Healthcare directly associated with climate sensitive diseases

		<ul style="list-style-type: none"> • Building institutional capacity to plan and manage climate change, including early warning and monitoring • Climate Change awareness raising • Actions meeting the criteria of climate change funds (e.g. GCF, GEF, PPCR)
Medium Relevance	Rationale	Either secondary objective related to building climate resilience or contributing to mitigation, or mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation
Climate relevance weighting 50% to 74%	Examples	<ul style="list-style-type: none"> • Forestry and agro-forestry that is motivated primarily by economic or conservation objectives, because this will have some mitigation effect. • Watershed management, water storages, water efficiency, irrigation and canal lining – that is motivated primarily by improved livelihoods because this will also provide protection against drought. • Bio-diversity and conservation, unless explicitly aimed at increasing resilience of ecosystems to climate change (or mitigation). • Population control programme, livelihood and social protection programmes, motivated by poverty reduction, but building household services and assets and reducing vulnerability. • Civil Defence facilities enhancement actions that can contribute towards DDR. • Re-structure of production technology in industry, building and transportation towards low carbon intensity. • Education and research in an area of agriculture, veterinary/animals field and environmental sciences. As this can contribute in flood security under climatic stresses.
Low relevance	Rational	Activities that display attributes where indirect adaptation and mitigation benefits may arise
Climate relevance weight 25% to 49%	Example	<ul style="list-style-type: none"> • Water supply and water quality schemes, unless the improvements in water quality aim to reduce problems from extreme rainfall events, in which case the relevance would be high. • Sanitation-sewerage scheme. Space, marine and dairy animals research programmes and education to hard press areas.

		<ul style="list-style-type: none"> • General planning capacity enhancement, either at national or local level, unless it is explicitly linked to climate change, in which case it would be high. • Road construction with identifiable elements of climate proofing. • Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. Strengthening, improvement and rehabilitation of road infrastructure. • Rehabilitation of flood damages.
Marginal relevance	Rationale	Activities that have only very indirect and theoretical links to climate resilience, or small elements / components of the investment which have a direct effect on climate change.
Climate relevance weight less than 25%	Example	<ul style="list-style-type: none"> • International trade promotion • Education, research and health initiatives that do not have an explicit climate change element. • Road investment with no particular climate proofing. • Infrastructure development of which particular small aspects of the project require climate proofing. • Energy with no explicit objective of reducing emissions.

QUESTIONNAIRE FOR ASSESSMENT OF CLEAN DEVELOPMENT MECHANISM POTENTIAL IN PUBLIC SECTOR PROJECTS OF PAKISTAN

1.	OVERVIEW		
1.1	Name of Authority/Entity		
1.2	Sectors	<input type="checkbox"/> Chemical	<input type="checkbox"/> Fertilizer
		<input type="checkbox"/> Forest	<input type="checkbox"/> Oil and Gas
		<input type="checkbox"/> Polyester	<input type="checkbox"/> Power
		<input type="checkbox"/> Steel	<input type="checkbox"/> Sugar
		<input type="checkbox"/> Textile	<input type="checkbox"/> Transport
		<input type="checkbox"/> Utility	<input type="checkbox"/> Other
1.3	Project category (multiple selections possible)	<input type="checkbox"/> Energy efficiency	<input type="checkbox"/> Fossil fuel switch
		<input type="checkbox"/> Gas capture & destruction	<input type="checkbox"/> Land use change & forestry
		<input type="checkbox"/> Waste management	<input type="checkbox"/> Other
		<input type="checkbox"/> Industrial Processes	
		Renewable energy production	
		<input type="checkbox"/> Hydro	<input type="checkbox"/> Wind
		<input type="checkbox"/> Geothermal	<input type="checkbox"/> Solar
		<input type="checkbox"/> Biomass:	
		<input type="checkbox"/> Others:	
1.4	Energy type (if applicable)	<input type="checkbox"/> Heat	<input type="checkbox"/> Power
	Power (if applicable)	<input type="checkbox"/> Grid Connected	<input type="checkbox"/> Captive
	Steam type (if applicable)	<input type="checkbox"/> Boilers/ Cogeneration	<input type="checkbox"/> From Process
			<input type="checkbox"/> Other
1.5	Current status		
2.	PROJECT PROPONENT		
2.1	Project Proponent/ Owner		
	Proponent name		
	Contact person		
	Title		

	Phone	
	Fax	
	Email	
	Web	
3.	PROJECT LOCATION	
3.1	Host country	
3.2	State / Province	
3.3	Region	
3.4	City / Village / Community	
4.	DESIGN AND TECHNOLOGY	
4.1	Description of the project activity	
4.2	Technology Transfer	The technology has been <input type="checkbox"/> Yes <input type="checkbox"/> No applied in Pakistan before
5.	SUSTAINABLE DEVELOPMENT	
5.1	Greenhouse gases targeted	<input type="checkbox"/> CO2 <input type="checkbox"/> CH4 <input type="checkbox"/> N2O <input type="checkbox"/> HFC <input type="checkbox"/> PFC <input type="checkbox"/> HF6 <input type="checkbox"/> NF3
5.2	Environmental effects (positive/negative) of the project	
5.3	Social and economic effects positive/negative of the project	

CDM ELIGIBILITY TEST FOR ASSESSMENT AND IDENTIFICATION OF CDM PROJECT IN PUBLIC SECTOR OF PAKISTAN

General CDM Eligibility

In order to evaluate the potential for applying for CDM, every project plan should be assessed against certain rules or criteria under the CDM. These criteria can be summarized as under:

1. Will the project reduce one or more of the following emission types? Only specified greenhouse gases with a certain Global Warming Potential (GWP Expressed in CO₂-equivalents) can be considered for CDM project:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Nitrogen trifluoride (NF₃)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)

2. Does the project meet sustainable development requirements of the host country?

Each host country has a set of sustainable development criteria, covering economy, ecology and social. The DNA reviews if CDM projects meet these criteria prior to approval.

3. Will the emission reduction of the project be additional?

Emission reductions from the CDM project must be additional to what would have happened under normal or 'business-as-usual' conditions. Additionality is proven if the emissions under the CDM 'project scenario' are lower than under the 'baseline scenario' without the CDM project.

4. Is the project not financed through official development assistance (ODA)?

5. Does the project fall into one of the following categories? The following are the general categories under which CDM project applications are allowed:

Project Type	Example
End-use energy efficiency	High efficiency lighting, vehicle efficiency
Supply-side energy efficiency	Improving electricity transmission and \distribution systems or updating district heating networks
Renewable energy	Wind, solar, biomass/biogas, small hydropower other renewable

Fuel switching Methane reduction	e.g. gas conversion, bio fuels replacing fossil fuels, Landfill gas capture, biogas capture in agro-industrial, wastewater treatment.
Industrial processes	Many possibilities, such as reducing CO ₂ from cement production, reduction of HFCs, PFCs, HF ₆
Agriculture Sequestration and sink	Reduction of methane (CH ₄) and H ₂ O Only afforestation and reforestation allowed,

6. Small-scale project eligibility: Does my project fall into any of the Type 1 to 3 of small-scale projects?

Certain projects may be eligible for CDM as 'small-scale projects' based on rules stipulated by the CDM EB. These rules relate to the technology, capacity and emission reduction and/or GHG absorption. There exist three small-scale project types:

Small-Scale Project Types	Project limits
Type I	Renewable Energy Projects with a capacity of up to 15 MW to be interpreted as a maximum capacity of 15 MW based on the specification of the manufacturer
Type II	Energy Efficiency Projects which reduce the energy consumption on the demand and supply side by up to 15 GWh/year (54 TJ) in comparison to the 'business-as-usual' scenario
Type III	Other projects which reduce emissions and are emitting less than 15 Kt (CO ₂ /year

These project types are treated exclusively, which means that if a project is a renewable energy project type as well as an energy efficiency project type, the project must be below the limits of both project types.

7. Does the potential technology meet the following conditions?

- i) A proven technology, although not necessarily applied in the host country;
- ii) An established and commercially feasible technology, although not necessarily in the host country; and
- iii) A replicable technology and/or one that can effectively be transferred to the host country.

8. Does the project results in significant negative impacts on the environment?

As a general rule, an environmental impact assessment (EIA) is required for project that potentially has significant negative impacts on the environment, even if the host country's regulations are not requiring an EIA. Unless significant impacts are mitigated, the project is unlikely to get approval under the CDM if an EIA is required. This also has implications for the financial investment a company must make.

9. Does the project have an acceptable payback period?

The project's financial feasibility is determined by the costs (transaction cost additional costs, project implementation costs) and revenues (CERs and other savings Part III of the tool) assist in determining the payback period.

CHECKLIST FOR DISASTER RISK REDUCTION

1. Does the project fall in the disaster-prone district (List of 50 districts circulated by NDMA)?

☐

Yes

☐

No

2. If yes, which types of hazards have been considered as unavoidable for the project and thus a condition for its planning and design?

Indicate the relative order of importance of the hazards related to the project.

☐

Avalanche

☐

Cyclone

☐

Drought

☐

Earthquake

☐

Fire

☐

Flooding

☐Glacier Lake outburst
Flood☐

Intense erosion

☐

Torrential Rains

☐

Landslide

☐

Tsunami

☐

Windstorm

☐

Locust

☐

Other...

3. Give brief history of the identified hazard(s) in the area.

4. Is the project prepared keeping in view the building Codes of Pakistan 2007?

☐

Yes

☐

No

☐

Partial

☐

N/A

5. Is the project prepared keeping in view the prevailing Building bye-laws?

☐

Yes

☐

No

☐

Partial

☐

N/A

6. Does the project incorporate the prevailing territorial planning regulations (e.g. hazard zoning, institutional jurisdictions)?

☐

Yes

☐

No

☐

Partial

☐

N/A

7. Have the components and activities of the project been designed to resist the impact of hazards and to contribute to the reduction of its vulnerability and that of its surroundings and beneficiaries?

☐

Yes

☐

No

☐

Partial

☐

N/A

8. What facilities are available in the area for rescue and emergency relief in case of a hazard?

Sr. No.	Facility	Controlling Organization	Distance from the Project (approx.)	Response time (approx.)
1.	Fire Fighting Services			
2.	1122 Rescue Service			
3.	Edhi Service			
4.	Other			

9. Are there funds for mitigation and periodical maintenance of its components, incorporated and meant to reduce the vulnerability of the project and its surrounding population?

☐ Yes ☐ No ☐ Partial ☐ N/A

10. Does the budget and cash flow of the project include items allowing the coverage of structural activities for risk management?

☐ Yes ☐ No ☐ Partial ☐ N/A

11. Does the budget of the project include provision to respond to emergencies (e.g. alert, contingencies, mitigation and rehabilitation)?

☐ Yes ☐ No ☐ Partial ☐ N/A

12. Does the project include a campaign of awareness raising, training and understanding to risk management for planners, workers and beneficiaries?

☐ Yes ☐ No ☐ Partial ☐ N/A

13. Does the budget and cash flow of the project include items allowing the coverage of non-structural activities for risk management?

☐ Yes ☐ No ☐ Partial ☐ N/A

14. Do service, transfer, concession and reclamation contracts incorporate provisions for risk management?

☐ Yes ☐ No ☐ Partial ☐ N/A

15. Does the project incorporate an adequate contingency plan for possible disasters?

☐ Yes ☐ No ☐ Partial ☐ N/A

16. Does the project incorporate any instruments for its financial protection during execution and after the completion of the project (insurance, indemnity, guarantee, contingency credit arrangements, etc.)?

☐ Yes ☐ No ☐ Partial ☐ N/A

17. Are there any financial or moral incentives to promote risk management?

☐ Yes ☐ No ☐ Partial ☐ N/A

18. Is there an evaluation of the financial vulnerability of the department/agency in charge of the project in case of a disaster?

☐ Yes ☐ No ☐ Partial ☐ N/A

Project Code:									
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(To be allocated by Planning Commission)

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-I

Proforma for Preparation of Revised Projects

- **Project Name:**
- **Date of Preparation of the PC-I**
(Please note that revised project document would be part of original PC-I)
- **Cost of the PC-I:**

PC-I

Sector:

Part-A (Project Digest)

- 1) Project Title:**
- 2) Location: (Tehsil/Taluka, City, District and Province)**
(Attach map of the area clearly indicating the project location. Give GPS Coordinates)
- 3) Authorities responsible for:**
 - i. Sponsoring:
 - ii. Execution:
 - iii. Operation & Maintenance after completion:
- 4) Project objectives:**
(Precise in bullet form)
- 5) Project Brief Description, Justification and Technical Parameters:**
- 6) Implementation Period (in months):** *(Implementation Plan be provided)*
 - i. Planned & Actual commencement date:
 - ii. Planned & Expected Completion date: (indicate reasons of delay in completion)
- 7) Status of Feasibility Study** *(please attach copy in case new feasibility has been conducted):*
- 8) Cost Estimates (Million Rs):**
 - i. **Total Cost** Local component, FEC component ²
(Foreign loan/grant) ¹
(Give Original approved Cost, Revised (proposed) Cost)
 - ii. **Date of Preparation of Cost Estimates**
 - iii. **Basis of Cost Estimates:** *(CSR, SSR etc.)*
 - iv. **Unit Cost** *(Original & Revised):*
 - v. **Comparison of unit cost of this project with similar other projects in the sector/Area:** *(in case of variation, detailed reasons/ justification be given)*
 - vi. **Annual Operating and Maintenance Cost Revised after completion of Project and the Name of Authority/ Source to bear this Cost:**

¹Please indicate source and rate of exchange

9) Financing:**i. Mode of Financing:**

(Public Sector, Private Sector, Public-Private Partnership (PPP). Also discuss in detail why the project cannot be implemented in Private Sector or on PPP mode, in case project is financed through public sector)

ii. Sources of Financing (Federal, Provincial & Donors etc)**iii. Status of Foreign Loan / Grant Commitment:**

(Please attach EAD's confirmation)

(Currency Unit in Million; mention Rupee Exchange Rate, if applicable)

10) Financial Phasing (Expenditure incurred/to be incurred):

(Rs. Million)

Year	Approved PC-I	PSDP Allocation	Releases	Expenditure incurred	Expenditure to be incurred	Revised yearly requirement
Total						

11) Item-wise Planned & Actual Expenditure:

Item	PC-I estimates (Rs. million)			Expenditure incurred			Expenditure to be incurred		
	Total	Local	FEC	Local	FEC	FEC	Total	Local	FEC
Total									

12) Physical Targets and Achievements:

S.No	Items	Approved Target	Achieved	Revised Target	Variance and reasons thereof

Overall Physical progress: _____%

13) Indicate change in revenue generation: (if any)

Year	Original Estimates	Revised Estimates	Reason for variation

14) Project revised due to:

	Original	Revised	% Change
i. Change in Scope			
ii. Increase in cost of Equipment/Material			
iii. Exchange Rate Fluctuations			
iv. Inflationary Impact			
v. Others			

15) Is there any change in quantifiable benefits of the Project? If yes, provide details:

CERTIFICATE

- i. Certified that the project proposal has been prepared by professional expert in accordance with the instructions provided by the Planning Commission/ Ministry of Planning, Development & Reform for the preparation of Revised PC-I by following rules, procedures and policy of the government.
- ii. Certified that the information/data provided in the PC-I is correct and authentic. The cost estimates have been correctly assessed and have **neither** been underestimated **nor** overestimated.

Prepared By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Verified and Recommended By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Forwarded for consideration of competent forum (as applicable) By Chairman/ ACS (Dev), P&D Department(for provincial projects):

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Forwarded for consideration of competent forum (as applicable) By Federal Secretary/ PAO (for Federal/ Federally Funded (partial or full) projects):

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Project Code:									
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(To be allocated by Planning Commission)

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-II

Proforma for Preparation of Proposal for
Conducting Feasibility Study/Survey

- **Project Name:**
- **Date of Preparation of the PC-II**
- **Cost of the PC-II:**

PC-II**Sector:**

- 1) **Title:**
- 2) **Authorities responsible for:**
 - i. Sponsoring:
 - ii. Execution:
- 3) **Implementation Period (in months):** *(implementation plan be provided)*
 - i. Commencement Date:
 - ii. Completion Date:
- 4) **Objectives of the Study/Survey:**
- 5) **Scope and justification of Study/Survey:** *(in terms of quantifiable items)*
- 6) **Cost Estimates along with source:**

(Million Rs)

S.No	Source	Local	FEC	Total
i	Federal PSDP			
ii	Provincial ADP			
iii	Foreign Loan*			
iv	Foreign Grant*			
v	Others			
	Total:			

*In case of foreign loan or grant name of donor agency, Terms & Conditions and EAD's confirmation be attached.

- 7) **Item-wise summary of cost along with year-wise phasing:**

(Million Rs)

Item/category	Quantity	Unit cost	Year-1	Year-2	Year-3	Total Cost

(Item wise detailed specification be annexed and also indicate basis of costs estimate)

- 8) **Indicate studies/surveys already undertaken on the subject. In case studies have already been undertaken it may be certified that present study/survey is necessary to add or validate/update the existing study/survey available with the sponsoring or other departments:**

9) The study (TORs of the consultant) should cover the following:

- a) Possibility of prospective project financing and implementation through different modes i.e., Private Sector/Public-Private Partnership (PPP) etc.
- b) Environmental Impact Assessment including CDM and DRRA:
- c) Financial Analysis (FIRR, NPV and BCR)
- d) Economic Analysis (EIRR, NPV and BCR)
- e) Risk and Sensitivity Analyses and proposed mitigation measures
- f) Forward and backward linkages of the propose study/survey
- g) Expected output of the proposed feasibility study/survey

10) Management structure and manpower requirements including specialized skills required during implementation:

- Management Structure:
- Manpower Requirements:

Prepared By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Verified and Recommended By:

- Signatures:
- Name:
- Designation:
- Phone # and Email:
- Date:

Project Code:									
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(To be allocated by Planning Commission)

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-III

Proforma for Progress Monitoring

- **Project Profile Proforma (PW002):**
- **Quarterly Monitoring report (PW003):**
- **Monthly Progress Report (PC-III (B) Form):**

PW-002

Project Profile

1.	Name of the Project	
2.	Sector	
3.	Location	
4.	Sponsoring Ministry/Agency	
5.	Executing Agency	
6.	Name of Project Director	
7.	Postal Address	
8.	Telephone	
	Office	
	Rs	
9.	Fax No.	
10.	E-mail address	

11.	Date of approval by	DDWP	CDWP	ECNEC

12.	Decision of the DDWP	
13.	Decision of the CDWP	
14.	Decision of the ECNEC	
15.	Objectives of the Project	

16.	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.	Source of financing	Source of Financing	Amount

20. Financial Phasing, Releases and Expenditure (Million Rs.)

Year	Phasing as per approved PC-I (Latest)		PSDP/ ADP Provision		Actual Amount Released		Actual Expenditure	
	Total	FEC	Total	FEC	Total	FEC	Total	FEC
Total								

21. Itemised cost as per approved PC-I and Expenditure (Million Rs.)

S. No.	Major Items	PC-I Cost Estimates	Cumulative expenditure upto 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 upto the end of last financial year

PW-003

MONITORING REPORT FOR _____

1. Name of the Project	
2. Name of Ministry/ Division/ Agency	

(Million Rs)

3. Approved/Capital Cost	Total	PSDP	ADP	FEC

4. Breakdown of the Capital Cost (Million Rs)

i. Land Acquisition	Approved Cost	Land Required (Acres)	Cost of the Land Acquired

(No.)

ii. PMU	Approved HR	Hired	Reason for not hiring

(Million Rs)

iii. Civil Works	Approved Cost	Tendered Cost	Implementation Period (As per Contract)	
			Date of Commencement	Date of Completion

(Million Rs)

iv. Procurement of equipment/ Machinery	Approved Cost	Tendered Cost	Implementation Period (As per Contract)	
			Contact/ Delivery Date	Warranty Period

(No.)

v. Vehicles	Approved Cost	Types of Vehicles/No.	Cost	Usage/ Justification

(No.)

vi. Trainings (HRD)	Approved Scholars	Enrolled	Returned	In Progress

(Million Rs)

Releases upto the end of last financial year	Total	PSDP	ADP	FEC

Expenditure upto the end of last financial year	Total	PSDP	ADP	FEC

6. PSDP Allocation for the current year	Total	PSDP	ADP	FEC

(Million Rs)

7. Requirements, Releases Expenditures	Cash Requirement		Amount Released		Date of Release		Date of Amount Reached the Project Authorities		Actual Expenditure
	PSDP	ADP	PSDP	ADP	PSDP	ADP	PSDP	ADP	
8. i) 1 st Quarter									
ii) 2 nd Quarter									
iii) 3 rd Quarter									
iv) 4 th Quarter									
Total									

Reasons if funds are not released	
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Reasons if funds could not be fully utilized	
----------------------------------------------	--

9. Financial allocation as per Cash Plan, Releases and Expenditure (Million Rs)

		1 st Quarter					
10. S. No.	Items	Allocation as per Cash Plan		Releases		Expenditure	
		PSDP	ADP	PSDP	ADP	PSDP	ADP
11.							
	Total						

2nd Quarter							
S. No.	Items	Allocation as per Cash Plan		Releases		Expenditure	
		PSDP	ADP	PSDP	ADP	PSDP	ADP
	Total						

3rd Quarter							
S. No.	Items	Allocation as per Cash Plan		Releases		Expenditure	
		PSDP	ADP	PSDP	ADP	PSDP	ADP
	Total						

4th Quarter							
S. No.	Items	Allocation as per Cash Plan		Releases		Expenditure	
		PSDP	ADP	PSDP	ADP	PSDP	ADP
	Total						

12. Physical Targets and Achievements (in quantifiable terms)

S. No.	Items	Unit	1st Quarter	
			Targets	Achievements

S. No.	Items	Unit	2nd Quarter	
			Targets	Achievements

S. No.	Items	Unit	3rd Quarter	
			Targets	Achievements

S. No.	Items	Unit	4th Quarter	
			Targets	Achievements

	Appointment of Project Director (Pl. tick the relevant box) Additional/Deputationist/Outsource	Full Time <input type="checkbox"/>	Additional Charge <input type="checkbox"/>
	Position held since (Pl. give date)		

13.	Whether Financial/ Administrative powers have been delegated to the Project Director (Pl. tick the relevant box)	Yes <input type="checkbox"/>	No (Pl. give details) <input type="checkbox"/>

14.	Overall Implementation of the Project	Initial Stage	On Schedule	Delayed (Quantify delay in months)	Reasons thereof
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

15.	Observations in the last Monitoring Report and action taken	Observations	Action Taken
	i)		
	ii)		
	iii)		
	iv)		

Most contributing factor	
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16. Problems/ Bottlenecks in the Project Implementation

<input type="checkbox"/>	Recruitment of Staff	<input type="checkbox"/>	Delay in Release of Funds
<input type="checkbox"/>	Delay in Consultants Appointments	<input type="checkbox"/>	Law and Order Situation
<input type="checkbox"/>	Lack of Coordination between Fed/ Prov. Govts.	<input type="checkbox"/>	Management Capability
<input type="checkbox"/>	Land Acquisition	<input type="checkbox"/>	Delay in Procurement
<input type="checkbox"/>	Turn Over of PD/Staff	<input type="checkbox"/>	Delay in Civil Works
<input type="checkbox"/>	Delay in Designing/Consultancy	<input type="checkbox"/>	Other

17.	Indicate only one main problem from the list given below:			
	<input type="checkbox"/>	Recruitment of Staff	<input type="checkbox"/>	Delay in Release of Funds
	<input type="checkbox"/>	Delay in Consultants Appointments	<input type="checkbox"/>	Law and Order Situation
	<input type="checkbox"/>	Lack of Coordination between Fed/ Prov. Govts.	<input type="checkbox"/>	Management Capability
	<input type="checkbox"/>	Land Acquisition	<input type="checkbox"/>	Delay in Procurement
	<input type="checkbox"/>	Turn Over of PD/Staff	<input type="checkbox"/>	Delay in Civil Works
	<input type="checkbox"/>	Delay in Designing/Consultancy	<input type="checkbox"/>	Other

18.	Observations of the Monitoring Officer	
	i)	
	ii)	
	iii)	
	iv)	

19.	Recommendations	
	i)	
	ii)	
	iii)	
	iv)	

Name of Monitoring Officer	
Designation/Section	
Telephone No.	

Date of Monitoring	
Date of Reporting	

**Government of Pakistan
Planning Commission
Implementation of Development Projects
(To be furnished by 5th day of each month)**

1. Report for the month of	
----------------------------	--

2. Name of the Project	
------------------------	--

3. 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	

4. Itemized expenditure during the month under report

S. No.	Items	Total	Local	FEC

5. Physical Status

Physical achievements during the month under report

S. No.	Items	Unit	Quantities

6. Other Indicators

7. Problems/Bottlenecks in Project Implementation

<input type="checkbox"/> Recruitment of Staff	<input type="checkbox"/> Delay in Release of Funds
<input type="checkbox"/> Delay in Consultants Appointments	<input type="checkbox"/> Law and Order Situation
<input type="checkbox"/> Lack of Coordination between Fed/ Prov. Govts.	<input type="checkbox"/> Management Capability
<input type="checkbox"/> Land Acquisition	<input type="checkbox"/> Delay in Procurement
<input type="checkbox"/> Turn Over of PD/Staff	<input type="checkbox"/> Delay in Civil Works
<input type="checkbox"/> Delay in Designing/Consultancy	<input type="checkbox"/> Other

Project Code:									
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GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-IV

Proforma for Completion of Projects

- **Project Name:**
- **Date of Preparation of the PC-IV**
- **Cost of Completion:**

PC-IV

To be furnished immediately on project completion/closure

1.	Project Title						
	Location						
2.	Sector						
	Sub-Sector						
3.	Sponsoring Ministry/Agency						
4.	Executing Agency						
5.	Agency for Operation & Maintenance after completion						
6.	Date of Approval						
	• Original						
	• Revised						
7.	Implementation Period		Commencement	Completion			
	• As per PC-I						
	• As per Actual						
(Rs. Million)							
8.	Capital Cost	Planned			Actual		
		Local	Aid/ Grant	Total	Local	Aid/ Grant	Total
	• Original						
	• Revised						
9.	Financing of the Project		Local		Aid/ Grant*		Total
	• Federal						
	• Provincial						
	• Donors/Others						
	Total						

*Currency Unit in Million; mention Rupee Exchange Rate, if applicable

10. Financial Phasing as per PC-I and Expenditure

(Rs. in Million)

Year	Funds Requirement		PSDP Allocation		Releases		Expenditure	
	Total	FEC	Total	FEC	Total	FEC	Total	FEC
1	2	3	4	5	6	7	8	9
Total								

11. Physical Targets and Achievements

S.No.	Items (as per PC-I)	Unit	Quantity	Actual Achievements

12. Item-wise Planned & Actual Expenditure

Item	PC-I estimates			Actual expenditure		
	Total	Local	FEC	Total	Local	FEC

13. Achievement of Objectives

As contained in the PC-I	Actual Achievement

14. Year-wise Income from Services/Revenue Generation

As proposed in the PC-I	Actual

15. RBM Indicators

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

16. Assets acquired and handed over to

- Indicate Agency
- List of Assets

17. Mechanism for Sustainability of Project/Activities After Completion

- i) Financing requirement
 - a. Resources generated by project
 - b. Grant from the Government
- ii) Manpower requirement with justification

18. Quantifiable Benefits achieved

- i) Financial
- ii) Economic
- iii) Social
- iv) Employment generated
- v) Other

19. Financial/Economic Results Based on Actual Cost

a) Financial

- Net present worth
- Benefit cost ratio
- Internal Financial Rate of Return (IFRR)
- Unit cost analysis

b) Economic

- Net present worth
- Benefit cost ratio
- Internal Economic Rate of Return (EIRR)

20. Project Implementation

Whether the Project has been implemented as per approved scope of the project, if not provide detailed justification of variation.

21. Lessons learned during project implementation:

22. Suggestions for planning & Implementation of Similar Projects

Instructions to fill in the PC-IV Proforma

- 1. Name of the project:**
Indicate name of the project and also mention locations of the project.
- 2. Sector/Sub-Sector:**
Indicate Sector & Sub-Sector in which the project falls.
- 3. Sponsoring Ministry/Agency:**
Indicate the name of Ministry/Agency
- 4. Executing Agency:**
Indicate the Organization implementing the project.
- 5. Agency for Operation & Maintenance after Completion:**
Indicate the Agency/Organization.
- 6. Date of Approval:**
Mention date of approval of the competent forum like CDWP, ECNEC, etc.
- 7. Implementation period:**
Indicate planned commencement & completion date alongwith actual ones.
- 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.
- 9. Financing the project:**
Provide financing/Funding Agency (indicating exchange rate in case of foreign component provided in the PC-I).
- 10. Financial Phasing as per PC-I and Expenditure:**
 - Provide PC-I phasing as per approved PC-I.
 - PSDP allocations as reflected in PSDP/ADP.
 - Year-wise releases made to the project.
 - Year-wise actual expenditure incurred on the project.

- 11. 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.
- 12. 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.
- 13. Achievements of Objectives:**

Indicate actual achievements against objectives contained in the PC-I.
- 14. 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.
- 15. Indicate Result Based Monitoring & Evaluation (RBM&E) indicators as envisaged in the Column 12(b) of the PC-I.**
- 16. 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.
- 17. Mechanism for sustainability of project/activities:**

Indicate the mechanism by which project activities will be continued in a sustainable manner.
- 18. Quantifiable benefits of the project:**
 - Provide quantifiable financial benefits of the project alongwith assumptions/parameters.
 - Quantifiable benefits to the economy alongwith assumptions/parameters.
 - Social benefits to target groups alongwith indicators.
 - Planned and actual employment generated by category.
- 19. 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 only may be provided.

20. Project implementation:

- Indicate whether project has been implemented as per approved cost, scope and time. In case of variation, reasons be provided.

21. Project impact:

- Provide impact of the project on the target group/area, etc.

22. Lessons learned:

- Provide lesson's learned during identification, preparation, approval, financing and implementation of the project.

23. Suggestions:

- Suggestions for planning & implementation of similar nature of projects, keeping in view the lessons learned in project implementation.

Project Code:																			
<i>(To be allocated by Planning Commission)</i>																			

GOVERNMENT OF PAKISTAN
Planning Commission
Ministry of Planning, Development & Reform



PC-V

Proforma for Preparation of Annual Performance Report
after Completion of Project

- **Project Name:**
- **Date of Preparation of the PC-V**

PC-V

To be furnished by 31st July of each year for 5 years after completion of Project indicating Projects operational results during the last financial year.

1. Name of the Project:
2. Name of executing agency/sponsor
3. Objectives & scope of project as per approved PC-I and state as to what extent the objectives have been met:
4. Planned and actual cost of the project, with details:
5. Planned & actual manpower employed:
6. Planned and actual physical output of the project:
7. Planned and actual income of the project:
8. Planned and actual benefits to the economy:
9. Planned and actual social benefits:
10. Planned and actual cost per unit produced/sold:
11. Marketing mechanism:
12. Arrangement for maintenance of building & equipment.
13. Whether output targets or facilities as envisaged in the PC-I have been achieved. If not, provide reasons:
14. Environmental impact assessed during the studies and the actual after completion of the project.
15. Lessons learned during the year in:
 - i) Operation
 - ii) Maintenance
 - iii) Marketing
 - iv) Management
16. Any change in project management during the year:
17. Suggestions to improve projects performance:
18. Contribution of the project in achieving the SDG

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 up to 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
- i. Operation
 - ii. Marketing
 - iii. 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.

Appendix-II