Public Sector Development Projects

Planning Commission

Foreword

Planning Commission is charged with delivering growth through planning and project implementation. Through 9 plans and several 'visions' and other well researched documents, the Planning commission has tried to work this mandate. While plan and policy implementation has been less than successful, what has endured in the Planning mechanism has been the "Public Sector Development Plan" and the "projects" it funds. All eyes are directed to these.

To understand public service delivery and growth in the country, we need to understand "projects", their implementation and finally their delivery to the people of Pakistan.

The Project life cycle comprises five stages,

1. Identification and preparation,
2. Appraisal and approval,
3. Execution,
4. Completion and
5. Evaluation.

Planning Commission is responsible for appraisal and approval of projects and for third party monitoring and evaluation of PSDP Projects. Ministries, the main stakeholders, are required to take corrective measures during execution and completion of projects.

Our Monitoring and evaluation unit plays a key role in streamlining project implementation within approved time, cost and scope. We are continually trying to provide useful guidelines to implementing agencies as well as feed back to policy makers to affect improvements for better utilization of available resources.

Planning Commission is seeking to improve its monitoring functions by making use of its monitoring reports and data available to the public. The use of public resources must be clearly seen to benefit the people of the country. Our reporting to the people must make apparent both the good points as well as the emerging problems in our project implementation process. **Ultimately the goal is to deliver better assets and service to you, the people.**

We have already started reporting on projects that have been completed. Our website is being continually updated on these. I am happy to report to you that a substantial number of projects are completed every year. **We now need to move to the next stage: assess the value of these projects to society, the economy and the people.** While people are eager to complete the paperwork for a request for funding, they are reluctant to fill out the PC4 and PC5 that is also a requirement of Planning for evaluation of the eventual benefits. PC will now insist on completion of all stages of the project cycle and not allow project initiators to forget the project after completion.

Several important problems have been identified in the monitoring process which this report summarizes.

- The report also shows that projects tend to suffer because of the lack of professional management capacity.
- Continuing fiscal policy difficulties have not only starved projects of financing but also have made funding volatile at the cost of project implementation. Cost overruns and penalties are continuously being incurred as a result.
- Land Acquisition remains a variable that is continuously inflating costs.
- Inadequate preparation such as well prepared feasibilities, clear project management plans often lead to confused implementation such as unsynchronized procurements and construction.
- Finally, there seems to be limited planning on post completion maintenance or effective administration of the project for maximizing benefits to the people.

Planning Commission intends to prepare more in depth analyses of our projects in an effort to bring more discipline and accountability in the process through greater transparency. **We welcome your interest in your projects!**

Dr. Nadeem Ul Haque,
Deputy Chairman
Planning Commission

Planning Commission is an apex body that prepares national plans, annual development programs reviews and evaluates its implementation regularly. This Commission is

View of Lyari Express Way (south bound)

responsible for monitoring & evaluation of major development projects. Planning Commission has taken initiative and compiled list of PSDP funded projects completed during 2009-10 for information of general public. The stage-wise process of M&E of Public Sector Development Projects is also briefly highlighted.

1. **Objectives of PSDP:**

Public Sector Development Program (PSDP) aims at funding of physical & social

Expanded Program for Immunization

infrastructure and basic services and utilities for the socio-economic uplift of the country. This

helps in achieving the planned national objectives on sectoral basis.
The yearly investment through PSDP allocations

Mangla Dam Raising Project

vis-à-vis private sector investment including foreign direct investment and Development Financial Investment (DFI) determines GDP growth rates.

The PSDP is the main instrument for providing

National Center of Excellence in Geology University of Peshawar

budgetary resources for development projects and programs. A project is a temporary endeavor undertaken for creating a product or service with the specific planned objectives. Key

objectives of planning, approving and executing PSDP funded projects include provision of essential services for public welfare; development of physical infrastructure, reducing poverty, achieving Millennium Development Goals (MDGs). These projects are mainly related to (i) **Infrastructure Sector**; comprising roads, highways, buildings, power generation sea ports, railways etc. (b) **Social sector**, comprising improvement in education, health care facilities, community services delivery, population welfare, family planning, women and youth development etc. and (c) **Production Sector:** comprising Agriculture, Industries, Minerals and Commerce etc. Sector-wise summary of PSDP allocation, in percentage, is given in figure-1:

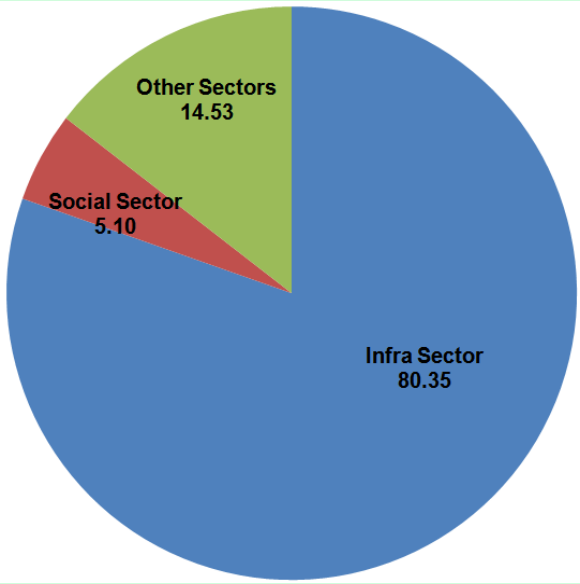


Figure – 1

2. **<u>Project Cycle:</u>**

Planning, Implementation, and Monitoring Cycle, adopted for the PSDP funded projects, is represented in figure-2:

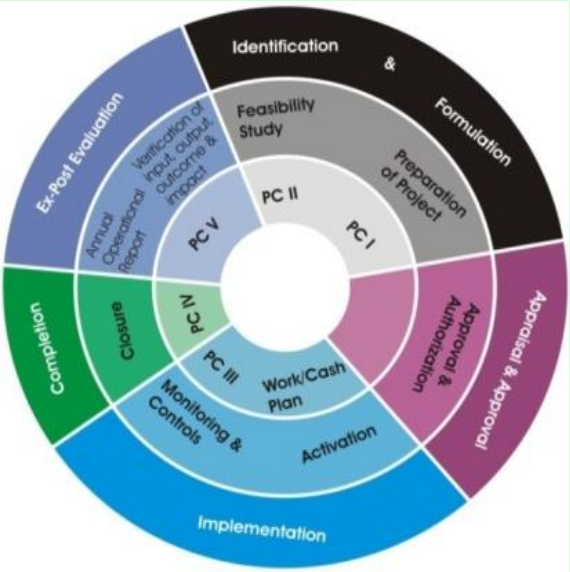


Figure - 2

From the Project Cycle, it is clear that linkages between various stages is important as each stage leads to the next and the last phase, in turn, produces new approaches / ideas, improving planning, implementation and supervision process for future projects. This makes the "Project Cycle" self-renewing.

Visiting Faculty Guest House, GC University, Lahore

3. Role of Monitoring and Evaluation:

Monitoring & Evaluation provides timely and useful advices / guidelines to the implementing agencies and feed back to the policy makers for timely completion of the projects. According to the ECNEC decisions, Planning Commission is responsible for third party monitoring and evaluation of PSDP Projects and concerned Ministries should keep a vigilant eye on their projects and take corrective measures during execution through their M&E Cells.

Up-gradation of Labs for Chemical Sciences, The Islamia University of Bahawalpur

Monitoring Implementation status of a project / program is the systematic collection and analysis of information as the project progresses. The regular monitoring helps in

Construction of 9 km of road 16.5 feet Wide in Hunza

timely identification of bottlenecks which facilitates corrective action for timely and cost effective completion of the projects. It helps to

keep the work on track, and can let management know the problems and help them in taking necessary corrective actions. It provides a useful base for evaluation. It enables to determine the efficient utilization of the available resources being used in a transparent manner.

Evaluation is the comparison of actual project outcomes and impact against the planned

Up-gradation of Special Education Centre for Visually Handicapped Children

targets. It looks at the project objectives and deliverables in terms of inputs, output and

National Research and Development Project on Water Management of Spate Irrigation System in Rod-Kohi Areas of Pakistan

outcomes; comparing them with the actual accomplishments. It can be formative, i.e. taking place during the life of a project or an

organization, with the intention of improving the strategy or way of functioning of the project or organization. It can also be summative, .i.e. learning from a completed project or an organization for future improvements. It authenticates the project completion inventories enabling the PC-IV (project completion report) processing which provides a firm base funding for transfer from Development to Non-Development; and become a regular feature of the national development system.

4. **M&E Methodology:**

The fundamental principles of monitoring and evaluation methodology adopted in the Planning Commission hinges around **(i) Efficiency, (ii) Effectiveness and (iii) Transparency and (iv) - Accountability.** The methodology adopted by the Projects Wing of Planning commission is depicted in following **figure-3**:

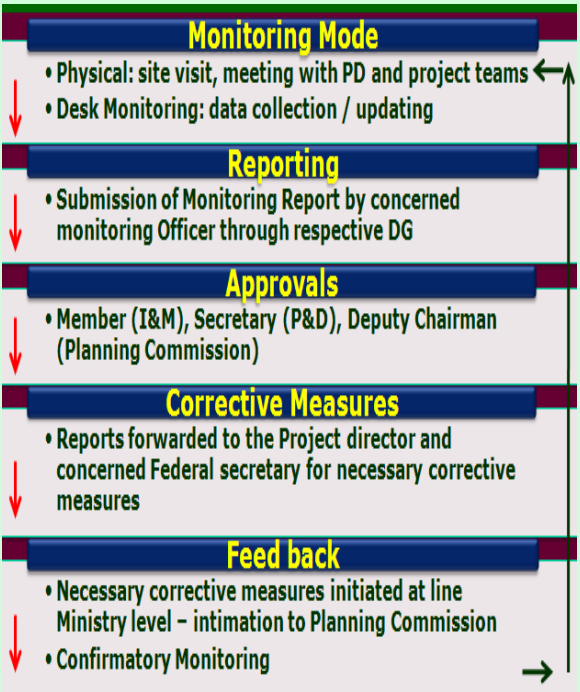


Figure-3

5. **Salient Features of M&E System**

a) **Emphasis on Result Based Monitoring:**

Result Based Monitoring (RBM) emphasizes on

HQ MSA Building

the monitoring of Public Sector Development Projects. The RBM tools provide an elaborate system to fathom the development projects' impact in terms of inputs, output and outcome. The RBM helps in defining quantifiable and verifiable project activities, outcomes and eventual impact on national economy. PC-I to PC-V pro-formae have been revised during 2005, the Result Based Monitoring (RBM) parameters have been incorporated in the PC-I proforma and the projects are being prepared on the revised formats. The RBM parameters help in monitoring of development projects during its

National Integrated Pest Management Project (Nat-IPM)

implementation period.

Expo Centre Lahore

b) **Use of Enabling Technologies Under President's Directive:**

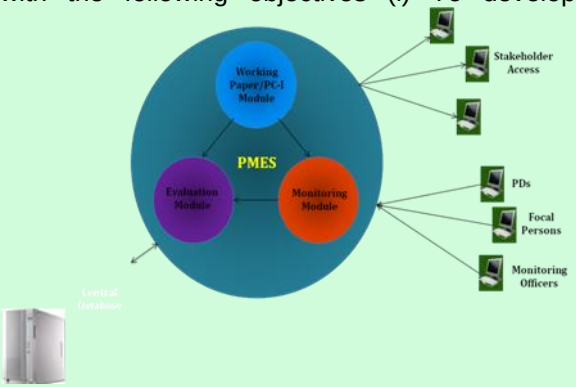
Planning Commission, under a recent directive from the honorable President of Pakistan, has undertaken the initiative of projects monitoring through use of enabling technologies like satellite imagery specifically for correct, effective and safe land use and non-destructive testing techniques to ensure quality construction.

GPR for Railway Track Inspection

c) **Development and Implementation of**

Project Monitoring & Evaluation System (PMES):

Planning Commission has developed a dedicated software called 'Project Monitoring and Evaluation System' (PMES) with Technical Assistance of Asian Development Bank (ADB) with the following objectives (i) To develop



online data repository of PSDP projects, (ii) To establish e-connectivity with ministries/organizations, (iii) To strengthen M&E capacity of the Projects Wing and other stakeholders at federal and provincial level and (vi) availability of accurate and timely information

Basic Health Unit, Chakwal

for decision makers.

The achievements of PMES within a short period of 3 years are as under:-

- PMES software is successfully functional in 27 ministries/divisions while other ministries will be brought in loop next year.
- PMES houses a data base of 2322 Public Sector Development Projects in the system.
- A large number of 1574 Project Directors / Project Officers got user's training on PMES.
- The Cash/Work Plans are being processed online through PMES.
- Evaluation, Result Base Monitoring (RBM) and Working Paper modules have been incorporated in the Project Monitoring & Evaluation System (PMES), which will be operationalized shortly.
- The PMES facility has also been endowed to the Government of Sindh for reporting implementation on the provincial ADP projects.

Gawadar Deep Water Port Project including additional dredging

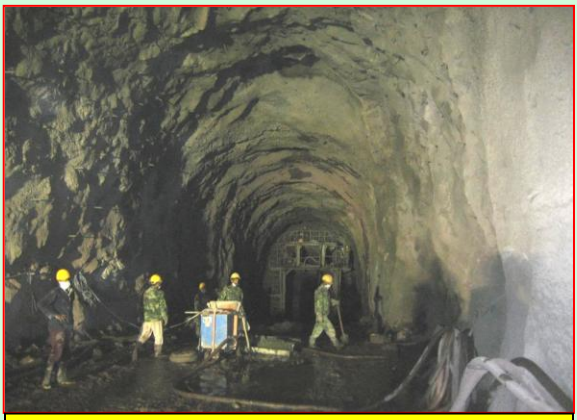
d). **Quarterly Reporting to the Prime Minister's Secretariat:**

Planning Commission is providing regular progress reports, on a quarterly basis, to the Prime Minister's Secretariat, regarding status of

Establishment of Six Community Development Projects at Turbat, Faisal Town Quetta, Punjgur, Dasht pingov, Mach, Gwadar Balochistan

thirty six strategic mega projects. The information provided includes, inter-alia, physical / financial status of these projects and bottlenecks hampering their progress.

e) **Reporting to ECNEC:**



Access Tunnel, Neelum-Jhelum HPP

Planning Commission is also providing regular monitoring reports on quarterly basis to the ECNEC regarding status of monitored projects,

highlighting issues and suggesting remedial measures on overall basis.

f). **Mid-Term and Ex-Post Completion Evaluation:**

Evaluation is one of the integral phases of the Project Cycle. In addition to monitoring, Planning Commission has also started mid-term & ex-post evaluation of ongoing and completed development projects for assessing their efficiency, effectiveness, relevance, impact and sustainability in relation to planned targets, goals and objectives. A number of completed development projects of different Ministries/Divisions/Agencies, are being evaluated since 2006, which was almost non-existing earlier. The approach of project evaluation was progressed to the program evaluation and subsequently to the institutional evaluation. The recommendations contained in the evaluation reports are mandatory for implementation by the concerned Ministries/Divisions/Agencies.

6. **Achievements /Benefits**

National Program for Improvement of Water Courses

The emphasis on M&E, particularly the proactive role of evaluation, has sensitized the implementing agencies towards ensuring completion of projects within approved cost,

scope and time to realize their impacts while delivering benefits to the target groups.

M&E of projects has also sensitized the project

Supporting Participatory Policy Development Services & Credit and Building Institutions & Markets for Business Development Services & Credit for Small and Medium Enterprises (SMEs)

implementation authorities towards the major issues and in ensuring timely completion of the projects within approved time and cost. The M&E system thus developed has helped in evaluating the impact of projects on national economy and on the target population.

In the final analysis, the M&E exercise carried

Construction of 2 Lane Flyover Bridge along Makki Shah and Station Road Hyderabad

out by the Projects Wing of Planning Commission has helped in streamlining the projects' implementation process, by identifying potential bottlenecks and enabling the project authorities to take corrective action for timely

implementation of the PSDP projects. The observations and recommendations of monitoring reports are transmitted to the Ministries / Executing Agencies for taking appropriate actions on the recommendations of Planning Commission.

7. Common Problems Identified in Monitored Projects

Most common problems observed in the execution of projects monitored by Planning Commission are summarized in following table:

#	Issues / Problems	2008-09	2009-10	2010-11*
1	Management Capacity	252 (43%)	212 (34%)	87 (23%)
2	Inadequate funding	179 (30%)	183 (30%)	152 (40%)
3	Delay in Civil Works	44 (8%)	68 (11%)	53 (14%)
4	Consultant Related Issues	7 (1%)	20 (3%)	15 (4%)
5	Lack of Coordination Between Fed/Prov. Govt.	22 (4%)	9 (2%)	15 (4%)
6	Delay in Procurement	0 (0%)	7 (1%)	11 (3%)
7	Others (Security and Sector Specific Issues etc.)	58 (10%)	58 (9%)	38 (10%)
8	Projects having no major issue/problem	25 (4%)	61 (10%)	8 (2%)
	TOTAL	**587**	**618**	**380**

* Figures up to March 2011

It appears from the above table that lack of management capacity was the major issue in the implementation of projects during 2008-09

and 2009-10, while it was low & delayed releases during the current financial years.

8. ISSUES FACED DURING PROJECT CYCLE

The stage-wise problems, in context of project life cycle, faced during the implementation of the PSDP projects are observed as under:

Construction of Suspension Bridge at Sakarkoi to Basin

A. Identification and Preparation

- **Issue**; Proper feasibility studies not undertaken in some projects
  Implication: Projects' ill conceived, weak project preparation
- **Issue**: Lack of module based designs. **Implication**: Accrual of benefits dependent upon completion of full project – cannot utilize facility during the interim period.
- **Issue**: Ownership by Provinces/Districts. **Implication**: Sustainability issue during operational phase
- **Issue:** Unrealistic financial phasing. **Implication**: Delayed, insufficient funding – delayed project execution
- **Issue:** Lack of holistic approach in planning. **Implication**: Initiation of projects with overlapping objectives

B. Appraisal & Approval

- **Issue:** Insufficient time (six weeks minimum - not followed). **Implication**: Weak scrutiny, accurate economic analysis not possible, problems at execution stage, desired / envisaged results of project not achieved.

Rapid Conversion of Wild Olive into Oil Bearing Species

C. Execution

- **Issue:** Delay in contract award / hiring of consultants.
  Implication: Delayed project commencement.
- **Issue**: Land acquisition.
  Implication: Delays/ interruptions in project execution
- **Issue**: Inadequate funding.
  Implication: Slow progress/ cost & time over runs
- **Issue:** Management Capability
  Implication: Inefficient project handling resulting into delays.
- **Issue:** Consultancy / design.
  Implication: Design modifications during execution leads to delays, cost overruns

- **Issue:** Inefficiency of executing agencies (PWD, W&S, line agencies)
  Implication: Delays in Civil Works.
- **Issue:** Untimely equipment procurement. **Implication**: Procurement at inappropriate time leads to blocking of public funds, warranties may expire before installation or delayed commissioning

Establishment of Facilities for Coal Cleaning, Coal Combustion and Gasification at NFC-IET, Multan Phase-I.

- **Issue:** Unauthorized scope creep. **Implication**: Revision of projects, delays and cost overruns
- **Issue:** Lack of monitoring inputs from M&E Cells of Ministries.
- **Implication**: Delayed decision making/ redressal of issues

D. Completion

- **Issue:** Delayed submission of PC-IV and PC-V.
  Implication: Delayed financial closure, delayed post completion evaluation.

- **Issue:** Delayed transfer of projects to recurring budget.
  Implication: Project cost overruns, ownership, facility on completion remains under-utilized, sustainability.
- **Evaluation**
- **Issue:** Delayed submission of required information from concerned Ministries/Agencies.
  Implication: Impact analysis delayed, envisaged benefits to national economy remain undetermined

Muslim Bagh-Killa Saifullah Section N-50 (Sub-Component of NHDSP)

9. CONCLUSION

The implementation and execution of the PSDP funded projects has, no doubt, brought relief to the general public at large and positively contributed to the national economy. However, it may not be enough in the backdrop of rapidly growing population and consequent increased demand for provision of social services and infrastructure facilities. Realizing this Government of Pakistan endeavors to ensure provision of basic facilities to a major portion of population and further plans to extend these to all the provinces / regions of the country through fiscal decentralization and resources transfer as per NFC award.

It is highlighted that a number of projects have been completed in the recent past. In order to disseminate pertinent information to the concerned stakeholders in the national development process, the Planning Commission has compiled information on the PSDP projects completed during financial year 2009-10. Three volumes, containing information on these completed projects have been prepared by the Projects Wing Planning Commission. The summary of completed projects is given in the following table:

Vol.	**Infra** No. of Projects (Cost Rs. M)	**Social** No. of Projects (Cost Rs. M)	**Other** No. of Projects (Cost Rs. M)	**Total** No. of Projects (Cost Rs. M)
I	**26 (69979.96)**	**10 (4199.53)**	**19 (11380.81)**	**55 (85560.31)**
II	**11 (6596.47)**	**30 (665.70)**	**16 (1589.37)**	**57 (8851.55)**
III	**0 (00.00)**	**0 (00.00)**	**55 (882.26)**	**55 (882.26)**
Total	**37 (76576.43)**	**40 (4865.23)**	**90 (13852.45)**	**167 (95294.12)**

Planning Commission acknowledges, with gratitude, the Projects Wing headed by Lt. Gen. (R) Shahid Niaz, Member (Implementation and Monitoring) for all their dedicated efforts to monitor Pakistan PSDP Projects. Their efforts are, no doubt, leading to effective projects' implementation.

*****

www.planningcommission.gov.pk

Contact Information:
Mr. Shahid Mahmood
Director General (MIS), Projects Wing,
Planning Commission
Tel: 051 - 9207971
Email: mshahidmahmood@gmail.com