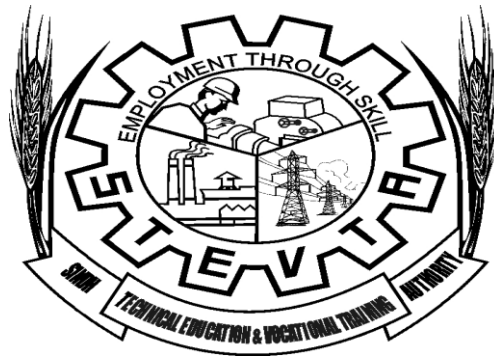


# **SINDH SKILL DEVELOPMENT PROJECT**

## **OPERATIONAL GUIDELINES – COMPONENT II ESTABLISHING MARKET DRIVEN INSTITUTIONAL TRAINING PROGRAMMES**

**Version 1.7  
Dated: March 7, 2011**



**SINDH TECHNICAL EDUCATION AND VOCATIONAL  
TRAINING AUTHORITY (STEVTA)**

## ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
BER	Bid Evaluation Report
CER	Combined Evaluation Report
DA	Designated Account
DAO	District Accounts Officer
DDO	Drawing and Disbursing Officer
DLI	Disbursement Link Indicator
DPC	Deputy Project Coordinator
EEP	Eligible Expenditure Programs
ERP	Enterprise Resource Planning
FMIS	Financial Management Information System
GAPP	Generally Accepted Accounting Principles
GL	General Ledger
GoS	Government of Sindh
HOD	Head of Department
HQ	Headquarter
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFB	Information for Bidders
IMC	Institute Management Committee
IPSAS	International Public Sector Accounting Standards.
IUFR	Interim Unaudited Financial Reports
M&E	Monitoring and Evaluation
MD	Managing Director
MIS	Management Information System
MoU	Memorandum of Understanding
NAM	New Accounting Model
NOL	No Objection Letter
OL	Objection Letter
P&DD	Planning and Development Department
PAG	Program Advisory Group
PC	Project Coordinator
PD	Project Director
PfF	Proposal for Funding
PIFRA	Project for Improvement in Financial Reporting & Auditing
PLA	Personal Ledger Account
PMU	Project Management Unit
PPP	Public Private Partnership
RA	Regional Accountants
RFP	Request for Proposal
RFQ	Request for Quotation
SBTE	Sindh Board of Technical Education
SI	Selected Institutes
SP	Selected Program
SPPRA	Sindh Public Procurement Regulatory Authority
SSDP	Sind Skill Development Project
STEVTA	Sindh Technical Education and Vocational Authority
TEST	Technical Education and Vocational Training
ToR	Terms of Reference

TTB  
W&S  
WB  
WEBCOP

Trade Testing Board  
Works and Services  
World Bank  
Workers Employers Bilateral Corporation of Pakistan

1. Objectives of the Project.
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## 1. OBJECTIVES OF THE PROJECT:

The objective of the Sindh Skills Development Project (SSDP) is to support the Sindh Government in strengthening and expanding its Skills Development programmes by improving the quality of vocational training to produce high quality skilled workforce from the Government funded training institutions and to provide better and decent employment opportunities to un-employed youth of the province. The Project would also seek to promote institutional reforms and innovations in the selected Training Institutions, improvement in the existing and development of new programmes and to strengthen the overall management capacity of the Technical Vocational Education and Training System in Sindh Province.

## 2. AIMS & OBJECTIVES OF COMPONENT – II & III:

The basic objective of Component – 2 of the Sindh Skills Development Project (SSDP) is to establish responsive and market driven institutional training programmes in the institutions under the Administrative control of STEVTA to meet the growing demand of skilled workforce from employers / skills market on one hand and to provide maximum opportunities for decent employment to trainees on the other hand. Under this Component, the selected training institutions fulfilling the requisite conditions would be provided funding to redesign, and upgrade the existing training programmes and to develop new training programmes for improving the quality and relevance of training in these institutions.

The funding to institutions would be made available through transparent and competitive funding mechanism. The potential of the institutions to cater to the market demands will be the major requirement. The institution will also require implementing some institutional reforms to ensure private sector support and participation in the training activities. The institutional reforms will include establishing one Institute Management Committee at institute level and an Advisory Group for each program.

The project will finance revision, upgradation and development of up to 70 market driven training programmes. Individual institute may submit proposals for maximum of three programmes but would only be eligible to be funded for a maximum of two programmes. Certificate and Diploma program with minimum 06-month duration to 3-years would be covered. 70% of the total programmes to be upgraded or newly developed will be Certificate Courses (6 – 12 months) and remaining 30% will be Diploma Courses. All vocational Commercial, institution (Monotechnic and Polytechnic) will be eligible to apply for funding

under the project. The funding for each program would be up to \$ 65,000/-. The funding will be utilized mainly to cover the expenditure on:

- Provide Technical Staff to participate in Advisory Groups to revise the existing and develop new curriculum/ Competency Standards.
- Modernizing machine & equipment, existing Workshop / Laboratories.
- Small renovation / construction of workshops / class rooms to support training as per revised curriculum up to 20% of the cost of project.
- Providing new equipment / machine for upgraded and new programmes.
- Recruiting new instructors and training of existing instructor and new instructors to upgrade their skills for imparting skills training and knowledge in the revised as well as newly developed programmes.
- Carry out local Survey to identify the skills market requirements, assess the quality & relevance of training and to know employment of passed out trainees respectively.
- Consumable Training material to be used for training and institute administrative cost including overhead expenditure.

### 3. MINIMUM ELIGIBILITY / CRITERIA OF INSTITUTIONS:

In order to qualify for the funding, the institutions will be required to meet the following minimum criteria.

#### **3.1 Administrative Control:**

The Institutions functioning under the Administrative Control of Sindh Technical Education and Vocational Training Authority will only be considered for funding under this component. All institutions offering Certificate and Diploma Courses (6-months – 3 Years duration) will be eligible to participate in the program. Bachelors program are not covered.

#### **3.2 Industry Institution Linkages:**

The Institutions must have explicit Private Sector support to assist and manage the implementation of training programmes. There must be one employer led Institute Management Committee. Advisory Group comprised of experts from relevant industry, lead instructor and TTB where required for each proposed program where

required. Composition and responsibilities / functions of Institute Management Committee and Advisory Group are given at Annexure – A & B.

### **3.3 Basic Infrastructure:**

- Institution must have its own custom built building (not rented) with all utilities intact i.e. the institute must be functioning.
- Institutions must have atleast 30% of the sanctioned teaching staff including visiting faculty and 25% equipment & machinery required in case of courses to be upgraded. Complete list of required machine, equipment and staff in case of new programmes. The institution will submit the list of the required machine and equipment to be procured and staff to be engaged with estimated cost before the commencement of training.

### **3.4 Database:**

The institute must have complete student profile including cell numbers of trainees graduating after June 2011. The information about employment of the passed out trainees will also be encouraged. The proforma to maintain student profile is given at **Annexure - C.**

## **4. PROPOSAL SUBMISSION REQUIREMENT:**

All the institutions that meet the minimum eligibility criteria and interested to avail funding to upgrade and develop new market driven training program will be required to submit a detailed proposal on the prescribed application form given at **Annexure - D.** The proposal will be developed by the principal of the institute under the guidance of IMC and in consultation with local industry, business and lead instructors of the institution. Institution will submit four original copies of the proposal duly signed by the Principal of the institute and in electronic form to Regional Office of the STEVTA within one month after the briefing session and date of announcement of program.

The institution may submit proposals for maximum three programs and each proposal must be self contained and submitted separately. Institution can only be awarded grant for maximum of two programs. The programs may either be Certificate or Diploma level with minimum 06-months to 03-years duration. Vocational training and commercial institutes may submit proposal for training programs from 6-months to 1-year Certificate level whereas

monotechnic and polytechnic may submit proposal for both Certificate i.e. 6-months to 1-year and Diploma program of 3-years duration.

The Proposal should not be more than 15 pages; however necessary annexure may be added beyond 15 pages limit. The proposal must cover in details the following areas:

- Name of the participating institution.
- Address, phone number, fax and e-mail.
- Name & address with phone number of Focal Officer.
- Detailed description of minimum eligibility criteria as given at No.3 i.e. Administrative Control of the institution, linkages with industry mentioning major initiatives taken to establish linkages with achievements, career counseling and placement services, details about available infrastructure including staffing position and database of trainees. The institute must attach Annexure and documents in support of statement where required.

**Description of weighted criteria:**

The details of item covered under weighted criteria for each item is given as under;

- **Is Program Market Driven:**
  - Is there shortage of skilled people in the proposed trade?
  - Identification of potential employer.
  - Has employers shown support for on-job training and hiring of passed out trainees.
  - Has institution carried out consultations with local employers to get their feedback on the program (minutes and outcomes must be attached).
  - Has employer shown commitment to participate in IMCs and Advisory Group?
  - Any other institute providing same type of training.
  - What are the opportunities for self employment?
  
- **Overall Performance of the Institute:**
  - Are the training facilities appropriately utilized (indicate last two years intake position)?
  - What were the pass percentage and employment ratios?

- Is institute offering any short term or customize courses as per need of local industry (details of the courses).
- How are you monitoring the efficiency of trainees and employment ratio?
- **Teaching Staff:**
  - What percentage of teaching positions in the proposed programs is filled?
  - Have the instructor undergone any instructor training.
  - Is teaching staff capable to conduct training in the upgraded program? If not, what are the skill gaps and how will you arrange training for them.
  - What mechanism have you developed to expose teaching staff with emerging technology / technology used in the industry?
  - Identification of existing staff that can be engaged in new technology with little training.
- **Career Counseling and Job Placement:**
  - What kind of career services will be provided to trainees?
  - What mechanism will you develop to collect information about jobs and type of industry in the catchment area?
- **Implementation of Agreed Reforms:**
  - What consideration / plan, institute has developed to ensure stakeholders participation.
  - How will we use IMCs to strengthen your training activities through on job training?
  - Developing institute programme and strategy for future goals.
- **Location of the Centre:** What are the socio economic condition and poverty level of the area in which institute is located and the poverty level of the youth to be admitted in the centre. 50% should be from rural area.

## 5. EVALUATION OF INSTITUTIONAL PROPOSAL:

- The institutional proposals received within given time limit at the Regional Offices of STEVTA will be reviewed to ascertain conformity with proposed guidelines. The proposal submitted after the given date will not be considered.
- The regional office will forward the eligible proposal to Project Management unit, STEVTA with additional comments / recommendations from regional office, if required within 10 days after the receipt of proposal.
- The proposals will be finally evaluated by five members Proposal Evaluation Committee comprised of representatives from Industry, Trade Testing Board and STEVTA. Three members representing industry, Trade Testing Board and PMU, STEVTA will act as evaluator and make the evaluation independently based on the given checklist. The checklist covered all the mandatory requirements and weighted criteria. The proposals that do not meet any of the mandatory criteria or secure less than 60 score out of 100 on the weighted criteria will be rejected. The institute rejected will be intimated reasons of rejection in writing.
- The evaluation made by the individual evaluator will be discussed jointly in a Committee for calculating average score and determining ranking of each institute.
- The name of the top ranking 40 – 50 institutes depending on the number of program allowed to each institute (maximum two programs to one institute) will be submitted to Steering Committee for approval of funding under the project (maximum 70 programs). Justification shall be provided in case of the rejected institutes.
- The Evaluation process will be completed within 30 days after the proposal are received in Project Management Unit, STEVTA.
- The top ranking institutes selected for funding under the project will be invited for negotiation to discuss, i) clarification on any technical item / information as may be required, ii) proposed budget requirement including cost of consumable training material, renovation of lab, faculty cost etc.
- On successful negotiation the STEVTA will sign the MoU with the successful institute. Project Coordinator will sign on behalf of STEVTA and Principal on behalf of the Institute.
- The MoU will include general item of agreement and agreed technical & financial proposals. In case, negotiation is failed due to non-clarity of proposal / information given by the institution, the next ranking institute will be considered for negotiation.

- The Project Director / Project Coordinator or designated Technical Officer will physically visit the institution to confirm all commitment / information made by the institute before signing off MoU.
- Minimum 50% of the institutes selected for funding will be taken from rural areas to provide rural people employment oriented training to improve their employability and eliminate poverty without compromising on criteria and other terms & conditions.
- Minimum 70% of the programs to be upgraded or newly developed will be Certificate level and remaining 30% Diploma level. Minimum 5% of the total programmes upgraded or newly developed would be female oriented.
- Vocational, Commercial, Polytechnic, Monotechnic, College of Technology will be eligible to submit proposal for securing financing under the project.
- The list of the selected institutes showing ranking position and process of evaluation will be send to World Bank for seeking NOC before signing MOU.
- The Selection Committee will overview the equity and quality of programme.

<b>CHECK LIST</b>	
<p>I. Name of the Institution.</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>II. Name of the Principal with Phone Number and Address.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>III. Minimum / Mandatory Criteria (All must be complied or the proposal is rejected).</p>	
<ul style="list-style-type: none"> <li>• Administrative Control by STEVTA</li> </ul>	<p>Yes /</p> <p>No</p>
<ul style="list-style-type: none"> <li>• Functional CMC / IMC and Technical Committee</li> </ul>	<p>Yes /</p> <p>No</p>
<ul style="list-style-type: none"> <li>• Career Counseling and Placement</li> </ul>	<p>Yes /</p> <p>No</p>
<ul style="list-style-type: none"> <li>• Basic Infrastructure</li> </ul>	<p>Yes /</p> <p>No</p>
<ul style="list-style-type: none"> <li>• Funding</li> </ul>	<p>Yes /</p> <p>No</p>
<ul style="list-style-type: none"> <li>• Database</li> </ul>	<p>Yes /</p> <p>No</p>
<p>IV. Weighted Criteria (Minimum qualifying score 60 or proposal is rejected)</p>	
<ul style="list-style-type: none"> <li>• <b>Is Program Market Driven?</b> <ul style="list-style-type: none"> <li>○ Is there shortage of skilled people in the proposed trade?</li> <li>○ Identification of potential employer.</li> <li>○ Has employers shown support for on-job training and hiring of passed out trainees.</li> <li>○ Has institution carried out consultations with local employers to get their feedback on the program (minutes and outcomes must be</li> </ul> </li> </ul>	<p>30</p>

<p>attached).</p> <ul style="list-style-type: none"> <li>○ Has employer shown commitment to participate in IMCs and Advisory Group?</li> <li>○ Any other institute providing same type of training.</li> <li>○ What are the opportunities for self employment?</li> </ul>	
<ul style="list-style-type: none"> <li>● <b>Overall Performance of the Institute:</b> <ul style="list-style-type: none"> <li>○ Are the training facilities appropriately utilized (indicate last two years intake position)?</li> <li>○ What were the pass percentage and employment ratios?</li> <li>○ Is institute offering any short term or customize courses as per need of local industry (details of the courses).</li> <li>○ How are you monitoring the efficiency of trainees and employment ratio?</li> </ul> </li> </ul>	10
<ul style="list-style-type: none"> <li>● <b>Teaching Staff:</b> <ul style="list-style-type: none"> <li>○ What percentage of teaching positions in the proposed programs is filled?</li> <li>○ Have the instructor undergone any instructor training.</li> <li>○ Is teaching staff capable to conduct training in the upgraded program? If not, what are the skill gaps and how will you arrange training for them.</li> <li>○ What mechanism have you developed to expose teaching staff with emerging technology / technology used in the industry?</li> <li>○ Identification of existing staff that can be engaged in new technology with little training.</li> </ul> </li> </ul>	20
<ul style="list-style-type: none"> <li>● <b>Career Counseling and Job Placement:</b> <ul style="list-style-type: none"> <li>○ What kind of career services will be provided to trainees?</li> <li>○ What mechanism will you develop to collect information about jobs and type of industry in the catchment area?</li> </ul> </li> </ul>	10
<ul style="list-style-type: none"> <li>● <b>Implementation of Agreed Reforms:</b></li> </ul>	20

<ul style="list-style-type: none"> <li>○ What consideration / plan, institute has developed to ensure stakeholders participation.</li> <li>○ How will we use IMCs to strengthen your training activities through on job training? <ul style="list-style-type: none"> <li>○ Developing institute programme and strategy for future goals.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Location of the Centre:</b> What are the socio economic condition and poverty level of the area in which institute is located and the poverty level of the youth to be admitted in the centre. 50% should be from rural area.</li> </ul>	10
<b>Total of Weighted Criteria</b>	<b>100</b>

\_\_\_\_\_  
Signature of Evaluator

\_\_\_\_\_  
Date



## 6. ADMINISTRATION AND MANAGEMENT:

The Provincial Steering Committee under the Chairmanship of Managing Director would be the body to provide leadership, policy direction and guidance for steering the project. It will include senior level representation from the industry (employers), trade union and STEVTA. The composition and Terms of Reference (ToR) of the Steering Committee are annexed at **Annexure - D**.

A full fledged Project Management Unit having experienced Project Coordinator, Deputy Project Coordinator (Finance), Deputy Project Coordinator (Procurement), Deputy Project Coordinator (Monitoring) and Deputy Project Coordinator (MIS) with supporting staff has been established. The Unit is supervised by a Project Director. The unit will work closely with other Directors to take their feedback and support on related issues. The Project Management Unit will be responsible for project implementation, day to day management and coordination and develop work plan & budget for consideration of Provincial Steering Committee quarterly. The Unit will directly work under the Managing Director, who is also Chairman of the steering committee and will report its activities to Steering Committee through Managing Director. The structure & composition and responsibilities of the PMU are given at **Annexure - E**.

At the institutional level there will be one institute Management Committee (IMC) under the Chairmanship of local employer / business / private sector person. The STEVTA will constitute and notify Institute Management Committee for each institute. The Committee will be constituted in consultation with the respective Principal. The employers already involved / supporting the training activities by providing on-job training and employment to trainees would be given preference. The Employers' Federation of Pakistan and the respective trade body will be requested to nominate their members having interest and knowledge of TEVT to be the Chairman / member of the Institute Management Committee. The Institute Management Committee at the institutional level will manage the implementation of program and will be given sufficient autonomy and authority in administrative, financial and management matters to take certain decision necessary for the smooth implementation and promotion of program.

To ensure uniformity and to develop competency standards / curriculum for each new program or programs to be upgraded, the STEVTA will constitute Advisory Group. Each group will be comprised of lead instructors of the trade from respective training institutions,

industry experts and representative from Trade Testing Board / Sindh Board of Technical Education. The Advisory Group will be responsible to define competency standards, training standards, machine & equipment with specification and training material for each training program. Besides, performance & knowledge assessment criteria to ensure quality and linkages with international standards. The respective Principal will identify and forward the name of the lead instructor and expert from local industry to be the member of the Program Advisory Group.

For better understanding and clarity of Component – II and build the capacity of Principals, IMC members and lead instructors to develop proposal for funding, the STEVTA will organize training program and proposal development workshop. Besides, the participating institution will also be assisted in promoting and implementing institutional reforms including development and strengthening of Public Private Partnership in training activities, Labour Market Information, knowledge sharing on best practices in the region or developed countries that will help institution to implement the reforms particularly working of IMCs, advisory groups and career guidance & job placement activities. For this purpose STEVTA will engage on the basis of requirements individual consultants or firms under short and long term assistance. The engagement would be made strictly in accordance with the given criteria and procedures provided by the World Bank and specified in the procurement plan.

Short term and long term technical assistance as per requirement will be contracted for this purpose. The expertise available within the STEVTA will also be utilized and the Officers engaged for particular assignment or training program will be paid accordingly.

To ensure international linkages and equivalency with international standards, occupational standards will be developed to fulfill the requirement of international standards. Technical assistance to built capacity of lead instructors, advisory group in developing competency standards would be sought. Development of standards with international bench mark will help to produce workforce of international standards that will help to export trained workforce to other countries and earn foreign remittance. TOR for the Technical Assistance

## **7. INVITATION OF REQUEST FOR PROPOSAL:**

To publicize the availability of funding to all the institutions under the administrative control of STEVTA an advertisement inviting proposals will be released. Letters giving

complete details and procedure to apply will also be sent to all the institution functioning under the administrative control of STEVTA.

To built capacity of the STEVTA Staff and Principals of participating institution, IMC members and to create better understanding of the Project particularly Component – 2, the STEVTA will arrange briefing session, training programs and workshops on proposal development process and implementation of programs. Institutions will be given detailed information on how to apply for funding including explanation of guidelines for follow-up.

The institutions will be given 30 days after the briefing session and issuance of letter to prepare and submit the proposal to the regional office of STEVTA. The regional office after initial scrutiny will forward the proposal to Project Coordinator, STEVTA within 10 days after the proposal are received.

## 8. FINANCIAL PROCEDURES:

### **A) Accounting Entities**

The Accounting Entities of Sindh Technical Education & Vocational Training Authority (STEVTA) under the project shall include;

- a) Office of the STEVTA HQ
- b) DTE, DVT, Regional Directorates and selected Colleges/Institutes (field accounting entities) funded by STEVTA Fund Account. (Cost Centers)

STEVTA HQ is Centralized Accounting Entity and cost centers are called Subsidiary Accounting Entities (SAEs).

The accounting functions shall be made for STEVTA Fund Account or for these entities only by STEVTA. The accounting functions are made by the Finance Department of STEVTA. The Head of Finance Department is the Director Finance.

The STEVTA HQ and SAEs shall be separate accounting and reporting entities. The DDOs as mentioned below shall be declared in each entity. Each entity operates separate bank account. Each DDO operates accounting functions independently and report to Managing

Director administratively and Director Finance functionally. The DDO of each SAE shall maintain accounting records at their field offices and audit function shall also be made at each DDO office.

STEVTA incorporates accounting records of STEVTA HQ as well as accounts of SAEs under the project. The consolidated accounts in the prescribed format shall be submitted to the Managing Director.

## **B) Responsibilities**

The STEVTA ACT 2009 set out the primary accounting requirements of the STEVTA and the role and responsibilities of the Managing Director and Board of Governors of STEVTA.

- The ***Managing Director*** is the Principal Accounting Officer has overall responsibility for the Financial Management of STEVTA. The Managing Director provides the Combined Annual Accounts of the STEVTA to the Board of Governors (BoG) and Government. The Managing Director shall run the affairs of the project having authority over academic, administrative and financial affairs and shall ensure that the provisions of the agreement, regulations and rules are faithfully observed in order to promote the general efficiency and good order of the funds placed at his disposal and for that purpose the Managing Director shall have all powers including the full financial and administrative powers. The Managing Director shall ensure that the funds under the project are expended for the purposes for which they are provided.
- The ***Drawing and Disbursing Officer*** (DDO) of the project shall be ***Project Director*** of the project. The ***Project Coordinator*** shall also be the DDO at STEVTA in support of Project Director. They shall be responsible for the cash, expenditures, receipts and personnel functions of the project entities. The ***Principal*** of the selected College/Institute (SAE) shall be the DDO of that subsidiary accounting entity. The DDOs have the authority to sanction and approve the bills for payment as per delegation of powers and report to the Managing Director. Each DDO shall be held responsible for all sources and uses of funds placed at their disposal in accordance to the rules, regulations and procedures prescribed by the Government amended from time to time.

- The **Director Finance** reports to Managing Director. He has the overall responsibility of maintenance and recording of the accounts and provides combined Annual Accounts of STEVTA Fund to the Managing Director.

The Director Finance, STEVTA supported by the Deputy Project Coordinator (Finance) and other accounting staff shall be responsible for maintaining adequate books of accounts including cash book in accordance with acceptable accounting standards as adopted in Pakistan using computerized accounting system.

The Deputy Project Coordinator (Finance) at STEVTA HQ and Accounts Officer/Accountant at SAEs of the project shall have the authority of authorization of payment against properly sanctioned, approved and pre-audited vouchers.

- The **Regional Accountants** (RA) are responsible for transactions at the Regional level. Each Regional Accountant is responsible for the accounting and reporting functions within their respective region, under the authority of the Director Finance. They receive accounts and reports from their respective SAEs operate under their control and provide Annual Accounts and Monthly Accounts to the Director Finance. The accounts of the project shall be consolidated by respective Regional Accountant.
- **Account Officers/Accountants** of select Colleges/Institutes under the project shall be responsible for the accounting functions of their respective institute/colleges. They shall maintain their accounts and submit report to Regional Accountant. The accounting functions of each selected institute/Colleges under the project shall be made by the Accounts Officer/Accountant of that institute/college.
- The **Internal Auditor** is responsible for the pre-audit of payment/receipts and post audit of the accounts of each accounting entity. He/she shall also ensure that funds are utilized for the purpose for which they are provided and have the accounts of the STEVTA audited annually by the external auditor and Government auditor. The payments and receipts of project funds shall be pre/post audited by the Internal Auditor. The Internal Auditor shall report to the Audit Committee constituted by the Board. The audit report shall be submitted to Audit Committee.

**C) Delegation of Powers**

Managing Director, (*The Principal Accounting Officer*) will run the affairs of the project through Project Director and Project Coordinator. Managing Director will exercise full administrative and financial powers and accord permission for the opening of bank accounts for the operation of funds under the project. Managing Director shall declare Drawing & Disbursing Officer (DDO) and may delegate administrative and financial powers to the DDOs. These DDOs are delegated financial powers prescribed by Government.

Director Finance and Internal Auditor shall have the full Authorization and Pre/Post (Certification) Powers respectively. The full authorization powers are also delegated to Deputy Project Coordinator (Finance) for payments under the project. The project funds shall be Sanctioned and Approved for payment by the DDOs, Certified (pre audited) by the Internal Auditor and Authorized by the Deputy Project Coordinator (Finance).

**D). STEVTA Fund**

According to STEVTA Act 2009 under section 12 (1), the STEVTA fund is called Sindh Technical Education & Vocational Training Authority (STEVTA) Fund. All receipts of the Authority from any source whatsoever including annual grants from the Government shall be credited to the fund. STEVTA Fund shall comprises of funds received by STEVTA and its accounts maintained by the STEVTA only. The funds released by the Government to Accountant General Sindh for expenditure of STEVTA controlled institutions and its accounts maintained by AG Sindh shall not comprise the STEVTA Fund. The funds received under the project shall also be the part of STEVTA fund.

**E) Sources of Project Fund**

- i) IDA credit
- ii) Counter part funding by Government.

**F) Budget**

Overall project budget for the components under STEVTA control is depicted below:

<b>Project Components</b>	<b>Project cost US \$</b>	<b>IDA Financing US \$</b>	<b>GoS Financing US \$</b>
<b>1. Establish, Improve or Upgrade Market-Driven Institutional Training Programs. (Component 2)</b>	<b>5.00</b>	<b>3.75</b>	<b>1.25</b>
<b>2. Strengthening the Institutional Capacity of STEVTA including management and operating costs. (Component 3)</b>	<b>1.25</b>	<b>1.25</b>	<b>0.00</b>
<b>Total Financing Required</b>	<b>6.25</b>	<b>5.00</b>	<b>1.25</b>

Expenditures shall be made against detailed budget prepared by the STEVTA and approved by the Managing Director in accordance to overall budgetary framework as aforementioned for the component 2 and 3.

**G) Collection and operation of Project Fund**

- a) The funding of Component 3 shall be received in Designated Account (DA) specifically opened with National Bank of Pakistan as per procedure prescribed by Government.
- b) The funding of Component 2 shall be received in separate non lapsable bank account specifically opened with National Bank of Pakistan.
- c) Each SAE of the project shall operate a separate bank account for the project operation of project funds.
- d) Any receipts generated under the project shall be received into bank account opened for component 2.
- e) The balance remaining in the bank account under component 2 may earn profit if provided by the bank.

- f) The project bank accounts shall be operated jointly by the authorized persons – Managing Director or DDO and Director Finance or Deputy Project Coordinator (Finance).

## **H) Internal Control System**

The term internal control system refers to the policies and procedures adopted by the entity to assist in achieving, as far as practicable, the financial management and accountability objectives of the Authority.

The Principal Accounting Officer in conjunction with the Internal Audit Officer will be responsible for ensuring that a proper system of internal control exists within the entity. This includes ensuring:

- the orderly and proper conduct of its function adherence to accounting policies and procedures
- stewardship of assets
- prevention and detection of fraud and error
- accuracy and completeness of accounting records
- timely and proper preparation of accounting information.

The following objectives are essential in the establishment of proper internal control:

- all transactions are executed in accordance with the rules and regulations issued by the Government.
- all transactions and other events are promptly recorded in the correct amount, in the appropriate accounts and in the proper accounting period so as to permit preparation of accounting information in accordance with the accounting policies and procedure
- recorded assets are compared with the existing assets at reasonable intervals and appropriate action is taken regarding any differences

## **D) Expenditures**

### **1) General Policies**

The expenditures shall be made as per rules, regulations and procedures as prescribed by the Government amended from time to time except where bank rules override the Government rules under specific rules of Government. The payments shall only be made if the voucher is sanctioned, approved, pre-audited and authorized by concerned entities by using voucher system. All payments shall be made within the budget allocations. Every payment shall be recorded and accounted for before issuance of cheque. Reconciliation of bank statement with accounting records shall be made on weekly basis.

The following key steps are required to be followed in all expenditure transactions except where prescribed for specific types of expenditures:

- Requisition approval
- Sanction of expenditure including issuance of Purchase/Work Order
- Submission of Invoice/bill by the supplier/contractor
- Goods received/work completion certificate including stock entry note
- Preparation of claim voucher (bill) for payment
- Approval of expenditure/claim voucher (bill)
- pre-audit of claims (certification)
- Authorization of claim
- Issue of payment
- Recording of expenditure in the accounting records.

### **2) The following documents are required for the payment of expenditures relating to goods/services.**

- Requisition Form
- Tender clipping (if any).
- Evidence for receipt of bid security (if any)
- Tender/bid document /quotations of all participating suppliers (if any)
- Comparative statement and recommendations of Procurement Committee (if any).
- Sanction of the expenditure by the competent authority.

- Award of Supply Order
- Contract agreement with stamp duty (if any).
- Performance Security (if any)
- Inspection Report and Services/Goods Received Certificate
- Delivery Challan (If any)
- Invoice of supplier
- Sales Tax Invoice (If any)
- Claim Voucher
- And other related document

**3) Contractor/Work Payments:**

The following records shall be maintained for contractor/work payments.

- a) Requisition by User
- b) Administrative Approval
- c) Detailed Estimates
- d) Drawing, Plan, Specification or Designs etc.
- e) Technical Sanction
- f) Tender in the Newspaper/website (if any)
- g) Standard Tender Documents with evidence of bid security (if any)
- h) Comparative Statement and recommendations of Procurement Committee (if any)
- i) Expenditure Sanction Order
- j) Standard Contract Document with evidence of Stamp Duty
- k) Evidences of Performance Security
- l) Work Order
- m) Revised/Supplementary Estimates and Revised Technical Sanction, Expenditure Sanction. The full justification/reasons for revision.
- n) Measurement Book duly prepared in all respects.
- o) Running/First & Final Bill properly signed by contractor
- p) Recommendation of consultants if appointed
- q) Detailed Completion Report & Certificate. Work must be completed in stipulated period, if not; penalty is imposed as per contract.
- r) Certificate by User
- s) Inspection Report

t) Approval of Payment

**4) Use of petty cash fund - for expenditures below the specified limit:**

Managing Director shall sanction an amount of Rs.25,000/- as petty cash to be paid to Project Coordinator and who incurs expenditures from the petty cash fund and maintain a petty cash account in accordance to lay down procedure. Claim below Rs.1000 may be paid from petty cash Account. No cheque shall be issued for claims below one thousand rupees.

A petty cash book must be maintained by the project coordinator. Original vouchers must be produced to support the claim for reimbursement. These accounts shall be subject to audit at any time. Petty cash will be issued / reimbursed through crossed cheque in the name of project coordinator.

**5) Mode of payment:**

All expenditures apart those met from imprest account will be paid through crossed cheque.

**6) Currency:**

All expenditures must be measured in Pakistani Rupees as well as relevant foreign currency as deemed necessary.

**7) Deduction against Payment**

Deductions made against claim (e.g. withholding tax, security, adjustment of advances, penalties etc.) shall be carried out at the time of making the payment in accordance with amount as identified on the claim voucher and as per relevant rules.

**8) Consolidation of Expenditures**

The quarterly accounts of SAEs shall be submitted to Regional Director of their respective regions. The Regional Accountants through Regional Directors shall consolidate the accounts of their region and submit their consolidated accounts to Director Finance. The region wise consolidated accounts shall be consolidated by Deputy Project Coordinator by incorporating STEVTA H.Q. The consolidated account then be submitted to Managing Director.

## **J) Books and Accounting System**

### **1) Key principles of the accounting system**

The key aspects of the accounting system shall be:

- double entry bookkeeping
- Modified Cash (NAM)/ or Accrual basis of accounting

### **2) Accounting Principles and Standards**

Generally Accepted Accounting Principles (GAAP) or Manual of Accounting Principles/Accounting Policies and Procedures Manual prescribed by the Auditor General of Pakistan or International Public Sector Accounting Standards (IPSAS).

### **3) Rules and Regulations**

- Rules, Regulations and Procedures prescribed by the Government amended from time to time.

### **4) Key accounting objectives and respective controls**

The accuracy, completeness, validity, economy, effectiveness, efficiency and to minimize risk of fraud & corruption shall be the key control objectives. The objectives shall be addressed by;

- Budgetary control procedures
- A proper sanction, approval, certification and authorization process for payments
- A regular, complete and up-to-date bank reconciliation
- Maintenance of physical assets register
- Reconciliation of the general ledger to sub-ledgers, registers and source documents
- Detailed Chart of Accounts for classifying transactions

- A regular pre/post-audit process, by internal auditor and post audit by external auditors.
- Recognition of significant commitments
- Reconciliation of receipts
- A systematic and verifiable consolidation of accounts from subsidiary ledgers, registers and source transactions.
- Claims shall be stamped as paid on authorization for payment
- Audit trail from the payment to the source documents supporting the claim
- A competitive procurement process
- Clearly defined responsibilities, scheme of delegation and reporting lines
- Issue of payment through crossed cheques
- Use of imprest system for small payments
- Segregation of duties, wherever possible, so that certain functions should be performed by different officers.

#### **5) The Chart Accounts**

STEVTA follows charts of accounts as prescribed by the Government under PIFRA (Project for Improvement in Financial Reporting & Auditing) Standard based on New Accounting Model (NAM) with some modifications to meet the specific objectives of STEVTA.

The CoA provides ready information about entities, programs, projects and geographical distribution of resources etc. The new CoA is expected to also provide a uniform basis for classification of Receipts, Expenditure, Assets, Liabilities and Equity (Residual Value). With the introduction of a uniform new CoA, it is expected that timely, accurate, comprehensive and reliable information will be available to the decision makers and for enforcing effective accountability and better financial governance. Increased financial reporting requirements will also be met through timely and reliable information for better:

- Budgetary Management
- Financial Control

- Cash Forecasting and Trend Analysis
- Administration and
- Financial and Management Reporting

The financial information of the project shall be reported under the prescribed chart of accounts of STEVTA.

**6) Recognition of Receipts, Expenditure, and Liabilities**

Where payment is made by cheque, expenditure will be recognized and recorded in accounts on the date the cheque is issued. In the case of inter-office transfers, expenditure/receipt will be recognized on the date the transfer is made by the transferor. For direct payments into a Government employee's bank account, expenditure will be recognized on the date the payment advice is issued to the bank. In the case of payments made from imprest monies, the expenditure will be recognized when the required claim vouchers are submitted and the imprest account is reimbursed. The financial year to which a payment should be charged is determined by the date on which a cheque or payment advice is issued. Liabilities and receipts shall be recorded on the accrual basis of accounting.

**7) Recording of Financial Information**

All the transactions related to each Object (Accounting) Element (Expenditure, Receipts, Assets, Liability, and Equity) shall be recorded from their source documents in to sub- ledgers/General ledger through claim payment voucher. All the relevant supporting documents (Vouchers, Invoices, PO, Requisitions, etc) of each transaction are prepared, and maintained as hard copies.

**8) Maintenance of Accounts**

**i) General policies**

The following policies shall be applicable to all accounting records:

- Accounting records are not to be maintained in loose-leaf form
- In the preparation and processing of transactions, and in all accounting and related entries, pencil is not to be used
- Erasures (including the use of correction fluids or chemicals) are not permitted in any accounting record
- Under no circumstances pages will be removed from an accounting record
- Where corrections are necessary the word or figure to be removed shall be ruled through and the correction initialed by the officer making it. The correct entry will then be inserted above the correction.
- All electronic records will be backed up on a regular basis (preferably daily and at least weekly). All backups will be stored in a secure location. Periodic backups (monthly) will be made and stored at a secure off-site location.

**ii) Student Accounting**

The expenditure in relation to the students shall be maintained and recorded in each entity concerned. A subsidiary ledger shall be maintained for each student.

**iii) Inventory and Fixed Assets Accounting/Management**

**a) Accounting for Stores**

These are subsidiary accounts shall be kept by the In charge of the store for the purpose of recording and maintaining stores.

All stores should be examined, by procurement section, on receipt of goods to ensure that there is a valid purchase order, that the correct quantities and qualities have been received and inspected by the committee so prescribed (if any), and that they are in good condition. The procurement officer shall submit

a certificate in this respect. Appropriate action should be taken by the procurement section if unsolicited goods are received or if quantities or qualities are wrong, or if the goods are not in good condition. The stores then should be received by the In charge store and make entries in to the stock register. One technical person should also certify the quality and condition of the store (if required).

### **Issue of stores**

The indent form must be signed by the head of cost centre. The indent form shall be approved by the delegated officer for the issuance of store.

### **b) Stocktaking**

The in-charge stores shall ensure that the balances recorded in stores accounts are regularly checked by stocktaking, at least once in a year. The condition of goods should also be examined. The immediate purpose of stocktaking is to deter and detect losses by theft and fraud, to verify the accuracy of stock records, and to identify any weaknesses in custody arrangements.

The stocktaking will be carried out under the overall supervision of Internal Auditor.

Discrepancies between stock take and store accounts should be investigated and any adjustment to store accounts shall be made with prior approval of the competent authority. Such adjustments shall be supported by reference to the relevant stocktaking reports and to the authority for the adjustments. A copy of the stocktaking report shall be sent to Managing Director and Director Finance.

### **c) Fixed Assets Accounting**

#### **Recording of fixed assets**

The Fixed Assets Register shall be maintained by the Administration Department and reconciled with the accounting records.

### **Responsibility for fixed assets recording:**

The officer concerned of Administration shall ensure that the Fixed Assets Register kept in his/her department is properly maintained and is up-to-date. Departments/entities will regularly review their holdings of fixed assets (including land & building, plants, machinery, furniture & fittings, office equipment, computers etc.) in order to match with the fixed assets records and to identify surplus assets. Every entry in the fixed assets register will require a sign of delegated officer. No item will be removed from the register except under proper authority. When an item is removed the record should be noted to show the date and reasons for removal and the reference of the relevant written authority. The fixed assets register should be reconciled with the accounting records on yearly basis.

#### **iv) Accounting Period**

Accounting period will be the financial year commencing 1 July and ending 30<sup>th</sup> June, and will consist of twelve monthly periods.

#### **v) Accounting records:**

Accounting records are any book of account upon which transactions are recorded or any other document issued or used in the preparation and processing of the transactions of accounting entities. "Books of account" are any account, deed or any other document or record however compiled, recorded or stored whether in written form, printed form, microfilm, or electronic form.

The following primary books of account must be maintained at each accounting entity kept under safe custody.

- a) Cash Book :The cash book for the designated account (DA) shall be maintained in a columnar format showing Pak Rupees and equivalent US Dollars, converted at the weight average rate, as advised by the State Bank of Pakistan. This cash book at the month end will be signed

by the approving authority and Director (Finance) and reconciled with the DA bank statement.

- b) Budget & Expenditure Register
- c) Advance Register
- d) Stock Registers
- e) Fixed Assets Register
- f) Dead Stock Register
- g) General Leger
- h) Cheque Register
- i) Trial Balance
- j) Voucher Files
- k) Bank statements and Bank Reconciliation Statements
- l) Sub Ledger
- m) General Ledger

**vi) Minimum Period of Retention:**

All accounting records will be retained either in their original form or suitable substitute for a period of ten years from the date of audit of the latest entry by audit or review by the PAC (whichever is latest). Some records may be destroyed after a period of ten years.

**9) Computerized processing of accounting records**

The accounts of the STEVTA fund shall be recorded and processed through Oracle Enterprise Resource Planning (ERP). In addition to hard copy maintained and kept in proper custody, the ERP shall also maintain soft copy of each transaction. The ERP is based on workflow management. At each stage the process routed from one competent authority to another competent authority and supporting document may be scanned and will be attached to each transaction in the same manner as hard copy i.e. file of the transaction is processed by the officers concerned. The Oracle Enterprise Resource Planning shall have the following Modules.

### **i. Human Resource, Payroll and Employee Self Service Modules**

The module captures information about the human resource employed in STEVTA including their payroll. The modules provide broad based information regarding employee, payroll, employee related expenditure including budgeting, actual and budget variance analysis etc. The soft copy in addition to hard copy of personal employee file can be captured and maintained easily. Every employee may be provided self services facility for effective communication and improved efficiency, performance besides improved internal control system.

### **ii. General Ledger Module**

The Oracle General Ledger (GL) module of Oracle Applications is the central repository of all financial transactions that occur in the organization. The main purpose of a general ledger system is to record financial activity of the authority and to produce financial and management reports to help people inside and outside the organization for decision making. The overall functionality of the module can be broken down as follows:

- Journal Entries
- Inquiry/ Reporting
- Budget Maintenance and Tracking
- Consolidation of Accounts

The sub-ledgers, Oracle Payables, Oracle Receivables, and Oracle Fixed Assets, will initiate transactions to the Oracle General Ledger.

### **iii. Accounts Receivable Module**

The Oracle Receivables module is a sub ledger that handles all Receivable related activities and seamlessly integrates it with the General Ledger (GL).

The overall functionality of the Receivables module includes:

- Miscellaneous Receipts Maintenance
- Customers Base
- Transactions and related Receipts processing

- Reporting and Online Inquiry

The core functionality of Oracle Receivables includes the Customers (Trading Community Architecture), Transaction Processing (billing the customers), and Collections (receipts against customer bills) and Miscellaneous Receipts.

#### **iv. Accounts Payable Module**

Oracle Payables will track all invoices and their payments. The Oracle Payables (AP) module of Oracle application will facilitate the completion of procurement cycle and maintenance of supplier related transactions. Oracle Payable is a sub ledger that is maintaining all the detail records of suppliers, invoices and payments. These sub ledger consolidated figures are maintained at the General Ledger. As the Oracle Supply Chain Management is also being implemented at **STEVTA**, Oracle Purchasing module will be recording and maintaining the complete purchasing activities. Oracle Payable integrates with the Oracle Purchasing through an AP Interface Table. After the goods are received, their bills or invoices will be recorded automatically in Oracle Payables against the Goods Received Note (Grins). Invoices are entered from Oracle Purchasing and Oracle Payable from where they are posted to General Ledger. The payments against these invoices are also posted to GL. All the payments are generated through Oracle Payable. Encumbrances will be created by system as soon as the invoices are validated, approved and accounted, this will be the trigger point for Oracle Payables module. Taxes once defined will be automatically calculated and deducted from the invoices. These invoices, which are ready for payment, can be put to hold at any point in time (before payment). Throughout the period preliminary reports and ad-hoc inquiries will be generated from Oracle Payables.

#### **v. Inventory Management**

Oracle® Inventory Management can improve inventory visibility, reduce inventory levels and control inventory operations. All material in each line of business and stage of the inventory lifecycle can be tracked in a single system.

## **vi. Fixed Assets Management**

Oracle Assets will track all of Seta's assets, their movements, depreciation, and their retirement or disposal. The Oracle Assets is a complete asset management solution that helps to maintain an accurate asset inventory and can assist in selecting the best accounting strategy in the organization. The Oracle processes will ensure the online availability of updated asset position at all times. The overall functionality can be broken down as follows:

- Addition
- Maintenance
- Period end procedure
- Capital expenditure
- Retirements/Disposals and Transfers

## **vii. Project Costing**

Oracle® Project Costing helps to improve the bottom line for projects by integrating and controlling global project costs. We can effectively manage project budgets, streamline processing, automate resource sharing administration, and capitalize assets more efficiently. Oracle Project Costing is an integrated part of Oracle Projects suite, a comprehensive set of solutions that can predictably and successfully deliver global projects by integrating, managing and providing insight into enterprise project information. Oracle Projects is part of the Oracle E-Business Suite, an integrated set of applications that are engineered to work together. Oracle Project Costing creates a single, up-to-date view of all project costs by streamlining the collection of raw costs from multiple enterprise applications, seamlessly applying overhead costs, and creating accurate and timely accounting entries for finance department. Oracle Project Costing enables to capture costs according to specific business requirements. We can classify expenditures based on the type of cost incurred on a project, such as administrative, overtime, or lodging. We can then group the project costs into specific expenditure categories – such as Materials and Labor – for increased visibility

and control of project costs. With Oracle Project Costing, we have multiple ways to enter project expenditures.

#### **viii. Project Management**

Oracle® Project Management provides project managers the visibility and control they need to deliver their projects successfully. All elements of the project lifecycle including planning budgets and forecasting costs and revenue, managing issues and change requests, and managing project performance, are integrated and stored in one repository, enabling project managers to operate more efficiently and effectively. Oracle Project Management is an integrated part of Oracle Projects, a comprehensive set of solutions that can help predictably and successfully deliver global projects by integrating, managing, and providing insight into enterprise project information.

#### **ix. Treasury Module**

Oracle® Treasury, is a solution for managing global treasury operations while improving visibility, profitability and control. The ever changing global economy creates a complex financial environment for all companies. With Oracle Treasury and Oracle Risk Management, we can proactively monitor and adjust currency and interest rate exposure across entire enterprise while complying with internal risk policies. These sophisticated tools enable to make informed investing and borrowing decisions on a timely basis. It helps to achieve greater profitability by eliminating undesirable positions, minimizing funding costs, and maximizing investment returns.

#### **x. Purchasing Module**

Oracle® Purchasing is the application for professional buyers that drives operational excellence in Procurement processes. It is a key component of Oracle Advanced Procurement, the integrated suite that dramatically cuts supply management costs. It has the following functionalities.

- Automated Purchasing that Controls the procurement activities
- Automate the Entire Procure-to-Pay Cycle

- Speed Receiving and Settlement with Procure-to-Pay Integration
- Improves Supply Base Management
- Centralize and Manage Supplier Information with Supplier Master, ASL and Supplier Item Catalogs

#### **xi. Grants Management**

Oracle® Grants Accounting provides the ability to completely track grants and funded projects from inception to final reporting. Oracle Grants Accounting provides a fully integrated system that supports multi-funded projects and the required compliance terms and conditions by award. Oracle Grants Accounting supports validation of allowable costs as well as flexible budgetary controls to ensure fiscal responsibility. Reporting is comprehensive, supporting internal and external reports and queries needed to effectively manage funded projects. Oracle Grants Accounting is part of the Oracle E-Business Suite, an integrated set of applications that are engineered to work together. To effectively manage funded projects, Oracle Grants Accounting includes award templates that provide an easy method of recording the appropriate level of data and assists in maintaining consistency and standardization of award details.

#### **xii. Cash Management**

The Oracle Cash Management system is a complete enterprise Cash management solution that enables to manage authority's liquidity, cash position, and cash cycle effectively and efficiently. It also enables to identify surplus cash that can be put to use. Its Bank Reconciliation functions help to ensure liquidity and improve profitability. The overall functionality can be broken down as follows:

- Manage and control cash cycle
- Create all bank accounts centrally
- Manage Bank, Bank Branch and Bank Account Information
- Reconcile bank statements

- Transfer funds between bank accounts manually or automatically
- Forecast Cash Needs

These modules provide better and enhanced reporting facilities as well as improved Internal Control System.

**K) Funds Flow Mechanism**

Currently STEVTA HQ is operating a non-lapsable bank account maintained at National Bank of Pakistan. This is operated jointly by the Managing Director and the Director (Finance). Funds are physically transferred to this account against budget releases. Requests for budget releases to the Finance Department are routed through the Chief Minister's Secretariat.

Payments of all public institutions under STEVTA's administrative control are done by the respective District Accounts Offices, however, payments of STEVTA HQ are being made by Managing Director through Director (Finance)

The IDA Credit funding under this project, is a mix of Report-based disbursement method and on achieving Disbursement Linked Indicators (DLIs). The funds will be released on submission of duly completed Withdrawal Application(s) to World Bank. As per new disbursement arrangements, all Bank disbursements will be made from the IDA Credit account to the Sindh Government Consolidated Fund Account No. 1 (Non-Food).

For Component 3 it is debited by the State Bank by giving credit to Revolving Fund Account/Designated Account (DA) maintained for the project by the National Bank of Pakistan. The segregated Designated Account will be operated jointly by authorized persons of STEVTA. The DA shall be opened by following the procedure laid down by the Finance Division, Government of Pakistan relating to the maintenance and operation of revolving fund accounts of IDA/IBRD/ADB credits and loans. The currency of the DA shall be US Dollars which will be translated into equivalent Pak Rupees at the weighted average exchange rate as advised by the State Bank of Pakistan.

For Component 2, disbursements will be conditional on achieving progress against DLIs<sup>1</sup>. IDA Credits for this Component will be transferred to the Sindh Government Consolidated Fund Account No.1 (Non-Food) by submitting the Eligible Expenditure Programs (EEPs).

The Eligible Expenditure Programs are as detailed below;

- a) A01- Employee related Expenditures of all STEVTA's controlled Institutions including STEVTA HQ
- b) A033- Utilities of all STEVTA's controlled Institutions including STEVTA HQ
- c) \_\_\_\_ - Market Driven Institutional Training Program.

The detailed budget of Market Driven Institution Training Programs shall be prepared and approved by Managing Director. The expenditures shall be made and accounted for by STEVTA.

The above IDA Fund Flow mechanism is demographically depicted in Annexure 1.

#### **STEVTA Headquarter to Institutions:**

1. The Proposal for Funding (PfF) for qualification of Selected Programs (SP) will be submitted by STEVTA Controlled Institutes. The PfF must contain costing sheet as per NAM and monthly tranches of funds requirement. The cost sheets will be treated as "Budget Estimates".
2. The Institutes will be selected among the pool of institutes who submitted the PfF of SP. After selection of Selected Institute (SI), the detailed budget as aforementioned will be allocated by STEVTA from one line approved budget of the project to SI by entering the budget of the SI head wise into the FMIS/ERP of STEVTA H.Q. STEVTA H.Q will provide access control to SI for using the privileges' of ERP as per user role assigned.
3. The Principal of the SI concerned will be declared as DDO by Managing Director STEVTA.

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<sup>1</sup> DLIs not met in each semester of six months remain eligible for disbursement in the following two semesters. For example, if 70% of the selected programs do not succeed in revising curriculum and getting them approved in the 2nd semester, the DLI can be met in the 3<sup>rd</sup> semester or 4<sup>th</sup> semester and will be eligible for disbursement. However, DLIs are only "rolled over" for more than two semesters.

4. The DDO of each SI will apply to PMU for opening of Bank Accounts in branch of National Bank of Pakistan.
5. The DDO of SI and an Officer designated by PMU will be the joint signatories of a cheque to draw money from the Bank Account.
6. The DDO of SI will ensure that funds shall be utilized for the purpose for which they have been allocated and no transaction will be carried out other than SI
7. The DDO of SI shall not use DDO account for other receipts.
8. The DDO will submit head wise requirement on monthly basis based on approved tranche in Pff.
9. STEVTA H.Q will release funds on monthly basis to DDO of SI.
10. The funds will be transferred to DDO of SI from STEVTA's Bank Account specifically opened for the project by way of issuing cheques as per monthly requirements and after justification of utilization of previous releases through monthly/cumulative expenditure statement , cheque wise details of payment, bank statement, and Bank Reconciliation Statement.
11. The DDO of SI will utilize the funds as per approved parameters/limits.
12. The DDO will be given access control to FMIS/ERP of STEVTA for proper accounting of the utilization of funds as per role assigned to him.
13. The DDO of SI will draw funds as per Financial and SPPRA Rules prescribed by the Government of Sindh from time to time and subject to pre audit conducted by internal auditor of STEVTA. Each and every voucher shall be routed to Internal Auditor of STEVTA for pre audit.
14. The disbursement report of expenditure incurred up to 21<sup>st</sup> of current month will be submitted to DDO by 25<sup>th</sup> of the month.
15. The expenditure report will be evaluated by the STEVTA in association with the quarterly audit report submitted by Internal Auditor of STEVTA. Internal Auditor of STEVTA shall conduct quarterly audit of each SI and submit quarterly audit report to the PMU.
16. The PMU, STEVTA shall only release the amount of next tranche by withholding the expenditures objected till the rectification is submitted.
17. The DDO of SI will submit Monthly Expenditure Statement on prescribed format monthly having object details as per NAM. It also includes bank statement of reporting month.
18. The DDO of SI will maintain all registers and record of payment in accordance with the rules prescribed by the Government of Sindh.

**L) Reporting**

Interim Unaudited Financial Reports (IUFRRs) including two quarterly cash forecast on the format attached as annex ---, will be prepared by the STEVTA accounting section and shall be submitted to World Bank along with Withdrawal Application for disbursement of funds. The IUFRRs shall cover the period of three month (July to September, October to December, January to March and April to June) and shall be prepared and furnished to the Bank not later than forty-five (45) days after the end of each calendar quarter.

Annual Financial Statements shall be prepared within three months of the closing of the financial year.

**M) Audit**

The STEVTA Fund Account maintained by STEVTA shall only be audited by the following Auditors.

- (a) **Statutory audit:-** A firm of Chartered Accountant appointed by the Board.
- (b) **Government audit:-** The audit committee of the Office of the Director General Audit Sindh.
- (c) **Internal audit:-** Internal audit including pre/post audit, check and confirmation of internal control, performance audit, evaluation, special investigation etc shall be carried out by the Internal Auditor of STEVTA.
- (d) **Grants/loan audit:-** Audit of loan/grants received by STEVTA may be carried out by the Auditors of the World Bank to the extent of project funding.

The Financial Statements of the project shall be audited in accordance with the provisions of section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year (July 01 to June 30), commencing with the fiscal year in which the first withdrawal was made. The audited financial statements for each period shall be furnished to the Bank not later than six (6) months after the end of the period.

Semester	Disbursement Indicators DLI	Linked	Disbursement	Documents	Verification
1.	Preparation and competitive selection		None		
2.	<b>1<sup>st</sup> tranche capped (IDA 0.75 million): Successful implementation of reforms and adequate preparation (December, 2011)</b>				
	Establishment of IMC for the proposed program.		Min 70% institutions need to achieve all three DLI.	Composition of IMC	Sample visit to 10% of institutions
	Complete requirement of teaching staff for the supported programs are identified			List of teachers	
	Complete work plan to upgrade selected program. MoU signed between STEVTA and participating institution as per bank guidelines.			Work Plan prepared according to MoU template	
3.	<b>2<sup>nd</sup> tranche capped (IDA 1.0 million): Successfully achieved the educational revision (September, 2012)</b>				
	Revised competency standards /curriculum assessment process is developed and approved. Requirement/ specification for material and equipment to be purchased prepared.		Min 70% of programs	Advisory group, SBTE OR TTB approval of curriculum and standards for programs	Verification of documents/copy of approval
4.	<b>3<sup>rd</sup> tranche capped (IDA 1.0 million): Successfully acquired the necessary teachers and facilities (June, 2013)</b>				
	Facilities renovated / upgraded according to plan. Learning equipment Procured and installed according to approved curriculum. Teachers Placed and trained according to plan and curriculum.		Min 70% of programs need to achieve all three DLI.		Sample visit of 25% institutions by independent third party
5.	<b>4<sup>th</sup> tranche capped (IDA 1.0 million): Successfully initiated the Program (December, 2013)</b>				
	Trainees are selected and classes started with minimum of 80% of the planned capacity. At least 1/3 of students are		Min 70% of program (disbursement equal to success rate * cap		Sample visit of 25% institutions by independent third party

	girls (overall for the submitted programs)	amount)		
<b>6.</b>	<b>Semester to catch-up</b>	2013-2014		

## 9. PROCUREMENT STANDARD OPERATING PROCEDURES

This manual will cover the implementation arrangements for the procurement of goods works, and services by Sindh Technical Education and Vocational Training Authority (STEVTA), and their subsidiary institutions. The manual shall be updated in agreement with the Bank as and when required.

### **I. Procurement Plan:**

It is a legal requirement for STEVTA to prepare, and update the procurement plans on which the bank's approval shall be taken. Deputy Coordinator Procurement shall be responsible for preparation and updating of the procurement plan, after receiving feedback from the relevant directors. The drafts shall be reviewed by the project coordinator and sent to the Bank for clearance after every update. Bank's response shall be given within seven days. The plan shall also be posted on the project web-site. No procurements, irrespective of their values can be made unless the Plan is updated, and approved by the Bank.

### **II. Project Procurement Website:**

STEVTA will be responsible for maintaining a procurement web-site. The web-site [www.stevta.gos.pk](http://www.stevta.gos.pk) shall have updated information on procurement plan, notices for inviting consulting and non-consulting services, information for bidders (IFB) for goods and works, summary of bid/ proposal evaluation reports, contract award data, complaints, and response to complaints. Procurement plans shall be updated on the website within three days of their approval. Invitation notices shall be posted simultaneous to the press publications. Summary of bid evaluation reports (BERs) /contract award data for goods shall be posted within two weeks of Banks issuance of NOL (guidelines 2.60), and contract award data for consultancy services shall be posted within three days of the award of the contract (guideline 2.28). In

case of the procurements subject to ex-post review, the summary of BERs/ contract award data shall be published on the web-site after the approval from Managing Director STEVTA.

### **III. Procurement of Consultancy Contracts:**

Deputy Coordinator Procurement will be responsible for preparing the RFP/ Invitation for all consultancy contracts after seeking relevant technical information from the concerned directors. No objection from the Bank shall be obtained on the RFP for all procurements subject to prior review. No Objection Letter (NOL) shall be given within seven days. Project Coordinator shall send the advertisement out for press publication, and simultaneously have it posted on the web-site. ToR for the Technical Assistance Consultant and Technical Support for Curriculum Development and Assessment are attached at annexure J.

The proposals/applications/interests shall be received in STEVTA and opened by the evaluation committee comprising:

- i. Project Director (Chairman)
- ii. Project Coordinator (Member/Secretary)
- iii. Deputy Coordinator Procurement (Member)
- iv. Rep from Finance (Member)
- v. Rep from P&D (Member)

External members (P&D and F) shall be informed of the opening date at least three days in advance and the proceedings of evaluation committee would not be delayed due to absence of these members. The evaluation committee will prepare a report within fifteen days. The report shall be forwarded for the approval of the MD. For procurements subject to prior review, the Project Coordinator shall send the report to Bank. NOL/OL shall be issued within seven days.

In case of consultancy assignments where cost is also a factor of evaluation, financial proposals shall be opened by the above committee, and combined evaluation report (CER) shall be prepared within fifteen days. The CER shall be sent to the MD for approval.

The evaluation committee shall negotiate contract with the selected firm/individual in seven days, and forward to the MD for approval. The PC will forward the negotiated contracts to the Bank for procurements subject to prior review. Bank will issue NOL/OL in seven days after which the concerned director shall sign contracts with the firm/individual. The Bank's RFP and evaluation report formats shall be used.

#### **IV. Procurement of Goods:**

Most of the goods envisaged to be procured are for the use of various institutions. The PC shall coordinate with various eligible institutions for needs assessment, and the Deputy Coordinator Procurement shall prepare a procurement plan for goods keeping in view adequate packaging. In case of NCB/shopping of goods, the following 7-member committee shall be formed:

- i. Director to be nominated by MD (Convener)
- ii. Regional Director
- iii. Project Coordinator
- iv. Deputy Project Coordinator (Procurement)
- v. Three principals (Institutions' goods) nominated by MD.

IFBs and bid docs would also be posted on the website, and in case shopping, the RFQ may be posted on the web-site as well as faxed to potentially interested suppliers. PC will receive all the responses, and the comparative statements /evaluation report signed by the evaluation committee shall be forwarded to the MD for approval. For the procurements subject to prior review, the bid docs, RFQs, and evaluation reports shall be sent to the Bank for NOL. Contracts shall be signed by relevant director/PC.

#### **V. Procurement of Works**

The civil works shall be for minor repairs/upgradation of institutions, and shall be through institution specific contracts signed by the principals. The principals will prepare bid docs /RFQs in consultation with Director W&S STEVTA, which shall be approved by PC. Bids/quotes shall be received in the concerned institutions, and be evaluated by the following committee:

- i. Principal (Chairman)
- ii. Vice Principal/Registrar (Member/Secretary)
- iii. Two members of IMC
- iv. Representative of Director Works & Services

The principal shall forward the evaluation report within seven days of bid opening to the PC for approval. For prior review cases PC shall take the Bank's approval. Director Works & Services, STEVTA shall depute his staff for supervision of works contracts at major milestones and for certification of payments.

## **VI. Complaints Redressal Mechanism:**

PC shall forward all complaints to the Bank for information, and post them on the website. The PMU shall review the complaint and prepare a response within 10 days of receiving the complaint. The response shall be provided to the complainant, copied to the Bank for information. In case of any observations the Bank shall respond within 5 days. The second tier of appeals is established with the Managing Director. In case if the complainant does not agree with the complaint resolution, an appeal may be placed with Committee comprising two members of STEVTA Board. The decision shall be taken in 5 days. This Bank shall be kept informed on all correspondence, and copied on the final decision. The summary of the complaint resolution shall be posted on the STEVTA website.

## **PROCUREMENT SOPs for STEVTA INSTITUTIONS**

### ***Procurement Planning:***

- 1 Principal shall be responsible developing a procurement plan for all the goods and works.
2. This plan shall be prepared for each fiscal year and will include all identified goods and works procurements.
3. Adequate packaging shall be done to ensure economies of scales.
4. The plan shall be sent to the PMU, STEVTA for approval before commencing implementation on any of the activity.

## Procurement of Goods

### ***Petty Purchases:***

1. Goods estimated to cost up to Rs. 25,000 can be procured as petty purchases. These would generally include consumables and requirements for day to day operations, repairs and maintenance. These would be indicated as an overall category in the procurement plan.
2. Principal shall be responsible for all such purchases. A market survey report shall be prepared for identifying the costs and potential suppliers and record shall be kept of cost, source and date of such purchases. A monthly summary of such purchases shall be reviewed by principals and submitted to PMU for approval.

### ***Shopping:***

1. Goods costing between Rs. 25,000 and Rs. 100,000 shall be procured through shopping.
2. RFQ shall include the details of requirements, specifications, qualification criteria, and delivery schedule and response time.
3. Specifications shall be broad and balanced to allow for market completion while ensuring quality of the required goods.
4. RFQ shall be visibly posted on the institute's notice board for a minimum of seven days.
5. RFQs shall be sent (in writing) to at least three suppliers of different brands.
6. Quotes shall be received by the principal/vice principal. The Evaluation Committee comprising principal/Vice principal and two committee members nominated by Principal (Accounts Officer / HOD or Registrar) shall open and evaluate the quotes.
7. for all goods costing more than 100,000 the RFQ and evaluation reports shall be sent to the PMU, STEVTA for approval.
8. Award shall be made to the lowest evaluated qualified, responsive quote, using the documents as approved by SPPRA/agreed with STEVTA.
9. the principal shall sign the work order, and the Evaluation Committee shall be responsible to receive and certify the receipt of goods as per the specified quality.

### ***Petty Repairs:***

1. Works estimated to cost up to Rs. 25,000 can be procured as petty purchases. These would generally include small repairs and maintenance works. These would be indicated as an overall expenditure in the procurement plan.
2. Principal shall be responsible for all such contracts. A market survey report shall be prepared for identifying the costs and potential contractors/service providers and record shall be kept of cost, source and date of such works. A monthly summary of such expenditures shall be reviewed and approved by the Evaluation Committee comprising principal/Vice principal and two committee members nominated by Principal (Accounts Officer / HOD or Registrar).

### ***Shopping:***

1. Works costing between Rs. 25,000 and Rs. 100,000 shall be procured through shopping.
2. RFQ shall include the details of requirements, specifications, qualification criteria, and delivery schedule and response time.
3. Specifications shall be broad and balanced to allow for market completion while ensuring quality of the required goods.
4. RFQ shall be visibly posted on the institute's notice board for a minimum of seven days.
5. RFQs shall be sent (in writing) to at least three contractors.
6. Quotes shall be received by the principal/vice principal. The Evaluation Committee comprising principal/Vice principal and two committee members nominated by Principal (Accounts Officer / HOD or Registrar) shall open and evaluate the quotes.
7. For all works contracts costing more than Rs. 100,000/- the RFQ and evaluation reports shall be sent to the PMU, STEVTA for approval.
8. Award shall be made to the lowest evaluated qualified, responsive quote, using the documents as approved by SPPRA/agreed with STEVTA.
9. The principal shall sign the work order, and the Evaluation committee shall be responsible to certify the completion of works as per the specified quality.

**NCB:**

1. Works costing more than Rs. 100,000 shall be procured through NCB, using the SPPRA SDBs or bid docs agreed with STEVTA.
2. NITs along with bid documents for works costing equal to or above Rs 1 million shall be sent to PMU, STEVTA for posting of NIT on STEVTA and SPPRA website (up to RS. 1 mn), or publication (above Rs. 1 mn). Deputy Coordinator Procurement shall prepare NIT and bid docs.
3. PMU, STEVTA shall be responsible to ensure that the NIT and bid docs are in compliance of rules, and shall provide a no objection to it.
4. A response time of 15 days shall be provided and bids received up to the deadline shall be opened the same day in public (not more than an hour after the deadline for submission).
5. Bid opening and evaluation committee shall comprise:
  - v. Principal/Vice Principal
  - vi. Two members HOD / Accounts Officer or Registrar
  - vii. Rep from Director Works and Services
  - viii. Deputy Coordinator Procurement
6. Minutes of bid opening shall be prepared on the format prescribed by STEVTA.
7. Principal would forward the evaluation report to Director Works & Services /PMU, STEVTA for approval before award.
8. The Principal shall sign the work order, and a representative of Director Works & Services, STEVTA shall assist in supervision of the contract by certifying the works done at various milestones.

**PROCUREMENT PLAN FOR PROCUREMENT OF CONSULTANT SERVICES**

<b>Procurement Steps For Consultants</b>	<b>Curriculum Development</b> Est . cost \$ 300,000 Method of procurement QCBS Planned / Actual Dates	<b>Industry Institution Linkages</b> Est . cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<b>Career Counseling</b> Est . cost \$ 100,000 Method of Procurement CQS Planned / Actual Dates	<b>Tracer Study</b> Est . cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<b>Training Needs Survey</b> Est . cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<b>Activity 6</b> Est . cost ____ Method of procurement ____ Planned / Actual Dates
Preparation of TORs/Cost Estimates/EOI	Feb 15, 2011	Feb 15, 2011				
Bank's No-objection to TORs and EOIs (for prior review cases only)	Feb, 28, 2011	Feb 28, 2011				
Advertising for Expression of Interests National Newspapers. Additionally advertising in UNDB required for contracts above \$200,000	Mar 5, 2011	Mar 5, 2011				
Receipt of Interests from Firms	Mar 31, 2011	Mar 20, 2011				
Preparation of Short List	April 21, 2011	Mar 31, 2011				
Bank's No-objection to Short List (For prior review cases only)	<i>April 30, 2011</i>	<i>Apr 7, 2011</i>				
Preparation of RFP	<i>Mar 31, 2011</i>	-	-			
Bank's no-objection to RFP (for prior review cases)	<i>April 30, 2011</i>	-	-			
Issuance of RFP to Short-listed Firms	<i>May 5, 2011</i>	-	-			
Receipt of Technical and Financial proposals	<i>Jun 5, 2011</i>	-	-			

<i>Procurement Steps For Consultants</i>	<u>Curriculum Development</u> Est . cost \$ 300,000 Method of procurement QCBS Planned / Actual Dates	<u>Industry Institution Linkages</u> Est . cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<u>Career Counseling</u> Est . cost \$ 100,000 Method of Procurement CQS Planned / Actual Dates	<u>Tracer Study</u> Est. cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<u>Training Needs Survey</u> Est . cost \$ 100,000 Method of procurement CQS Planned / Actual Dates	<u>Activity 6</u> Est . cost ____ Method of procurement ____ Planned / Actual Dates
Completion of Technical Evaluation	<i>Jun 25, 2011</i>	-	-			
Bank's No-objection to Technical Evaluation (for prior review cases)	<i>Jul 2, 2011</i>	-	-			
Opening of Financial Proposals	<i>Jul 7, 2011</i>	-	-			
Completion of Combined/Final Evaluation	-	-	-			
Bank's Clearance of Combined/Final Evaluation (for prior review cases)	-	-	-			
Negotiations/ Preparation of Draft Contract	<i>Jul 21, 2011</i>	<i>April 21, 2011</i>	<i>13/04/2009</i>			
Bank's No-objection to draft Contract (for prior review cases)	<i>Jul 25, 2011</i>	<i>Apr 27, 2011</i>	<i>13/04/2009</i>			
Contract Signing	Jul 31, 2011	Apr 30, 2011	20/04/2009			
Contract completion	<i>9 months</i>	<i>9 months</i>	<i>20/04/2012</i>			

\* Specify the applicable method of selection of Consultants as per the Loan/Credit Agreement (Quality and Cost Based Selection – QCBS/Quality Based Selection – QBS/Selection Based on Consultants' Qualification – SBCQ etc.)

**PROCUREMENT OF GOODS**

Procurement Steps for Goods	Activity 1  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>	Activity 2  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>	Activity 3  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>	Activity 4  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>	Activity 5  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>	Activity 6  Est. Cost____ Method ____  <i>Planned / Actual Dates</i>
Preparation of Bidding Documents / (Request for Quotations in case of Shopping)						
Bank's No-objection to Bidding Documents  (for prior review cases)						
Advertisement of Invitation for Bids						
Bid Submission/Opening Date						
Completion of Evaluation and Recommendations						
Bank's No-objection to Evaluation and contract award  (For prior review cases only)						
Award of Contract						
Copy of signed contract sent to Bank  (for prior review cases)						
Completion of Contract						

**PROCUREMENT OF CONSULTANT SERVICES – INDIVIDUAL CONSULTANT**

<b>Procurement Steps For Consultants</b>	<b>Capacity building of Principals and Training</b>	<b>Activity 2</b>	<b>Activity 3</b>	<b>Activity 4</b>	<b>Activity 5</b>	<b>Activity 6</b>
	Est . cost \$ 12,000	Est . cost ____	Est . cost ____	Est . cost ____	Est . cost ____	Est . cost ____
	<i>Planned / Actual Dates</i>	<i>Planned / Actual Dates</i>	<i>Planned / Actual Dates</i>	<i>Planned / Actual Dates</i>	<i>Planned / Actual Dates</i>	<i>Planned / Actual Dates</i>
Preparation of TORs/Cost Estimates	<i>Feb.1, 2011</i>					
Bank's No-objection to TORs (for prior review cases – Threshold given in the Legal Documents)	Feb 10, 2011					
Expression of Interest/CVs invited	Feb 11, 2011					
Evaluation of CV's of at least 3 candidates / Recommendation for Award to most qualified candidate	Feb 25, 2011					
Bank's No-objection to Evaluation of CV of the Recommended Candidate (for prior review cases)	Mar 1, 2011					
Negotiations/Preparation of Draft Contract (use Bank's Sample Format for Contract Agreement, Negotiations on price may be carried out )	Mar 15, 2011					
Bank's No-objection to draft contract (For prior review cases)	Mar 20, 2011					
Contract Signing	<i>Mar 21, 2011</i>					
Contract Completion	<i>4 months</i>					

Method of Selection as per Section V of the Consultants Guidelines

Three tier Monitoring & Evaluation mechanism Provincial, Regional and Institute level, based on physical on site visit and MIS based electronic & manual reporting system has been evolved to ensure smooth implementation of project activities, good governance and transparency in procurement & financial management. This will include pre-project monitoring, monitoring during the project and finally the post project monitoring to confirm the achievement of key performance indicators of the project.

The Management Information System (MIS) will be created for consolidating periodical reports tracking progress of each activity against disbursement link indicators and monitor performance. All institutions, STEVTA, Govt. of Sindh and World Bank will have online access. Website will also be developed to post information including reporting system, progress on institutional reforms and progress against agreed indicators.

- The designated Officers from STEVTA directly and through regional offices will undertake on site visits of all the potential institutions to verify and confirm. Technical, management and financial aspects committed by the institute in the proposal.
- These on site visit will be carried out proposal evaluation and signing of MoU.
- The Officers made responsible for the implementation of project i.e. Project Director / Focal Officer, Project Coordinator and monitoring staff will make regular on site visit to each selected institute to monitor the implementation process particularly with regards to institutional reforms i.e. IMC, Career Counseling & Employment Unit.
- The Principal of each institute will provide monthly progress reports both electronic and manual on agreed performance indicators. The funding to the institution will be made after completion and verification of disbursement link indicators.
- The Principals of each institute will report on the working, work plan and recommendations made by IMC / Advisory Group to improve the functioning of the institution whereas, STEVTA will provide to training institutions requisite staff, training to build capacity of staff and necessary guidance to make use of these committees.
- The project steering committee will make periodical review to ensure timely implementation of project.

- There will be 3<sup>rd</sup> party independent validation against the agreed indicators and key performance indicators.
- STEVTA will also hire Consultant / consulting firm to provide training to implement institutional reforms, project implementation and carry out tracers studies and employers surveys.
- STEVTA will submit a summary of proposal evaluation procedures and result of evaluation with ranking of the institutes to World Bank before signing MoU with institutes for seeking no objection certificate.

**INSTITUTE MANAGEMENT COMMITTEES**

**OBJECTIVES:**

The Institute Management Committee has been constituted to manage the training activity of Training Centre with a view to ensuring that training meets the skills need of local industry, cost effective and leads to employment or to the opportunity for further training by establishing strong links with industrial enterprises.

**COMPOSITION:-**

- |  |    |
|--|----|
| ➤ Employer representatives including chairman    | 04 |
| ➤ Trade Union/ renowned NGO representatives/ PTA | 02 |
| ➤ STEVTA Representatives                         | 03 |
| • STEVTA Headquarter/Region                      |    |
| • Manager Employment Exchange                    |    |
| • Principal of Institution (Member/ Secretary)   |    |

The Employers, workers & NGO representative will be taken from the most represented and accredited organization of employers & workers on the basis of the past contribution and interact.

**FUNCTIONS:**

The Institute Management Committee of a Training Centre/Institute shall be responsible for:-

- i. Provide guidance and oversee all strategic decision to be made at the Institutional level.
- ii. Prepare annual training plan and regularly assess the overall performance & operation of the institute.
- iii. Establishing linkages with local industry and collecting requirements of skilled workforce from employers.
- iv. Review and approve the budget of the institution, generating, retaining and utilizing all the funds other than fee to be deposited in the Government treasury.
- v. Monitor the staffing and faculty performance and professional development.

- vi. Facilitating placement of trainees in industry for on-the-job training and instructional staff for skill upgradation and exposure to latest technological development.
- vii. Reporting on quarterly basis and being accountable Director of respective stream of STEVTA that i.e. Vocational Training & Technical Education.

**ADVISORY GROUP**

Advisory Group comprised of the following Technical Experts to assist in the development of competency standards / curriculum for the trade of \_\_\_\_\_.

**COMPOSITION:**

- |                                    |            |
|------------------------------------|------------|
| • Technical experts from Industry  | 04 Members |
| • Lead instructor from institution | 02 Members |
| • Representative form TTB/SBTTs.   | 01 Member  |

**FUNCTION:**

1. Collect information from industry to know their skill needs and suggest changes.
2. Define occupational / training standards/ competency standards.
3. Review and revise the existing curriculum and develop new curriculum as per industry need.
4. Prepare list of required tools, equipment and machinery with specification.
5. Calculate minimum requirement of training material on the basis of curriculum.
6. Determine and prepare skills knowledge assessment criteria / mechanism.
7. Develop short-term skill upgradation program for already employed to upgrade their skills on new technology, machines etc.

## Sindh Skill Development Program

### SECTION-A: INSTITUTE EVALUATION

#### 1 - General Information:

1.1 Name of Institute \_\_\_\_\_

1.2 Year of Establishment \_\_\_\_\_

1.3 Mailing Address \_\_\_\_\_

\_\_\_\_\_

1.4 Name of Principal \_\_\_\_\_

1.5 Contact Information Phone No. \_\_\_\_\_

Cell No. \_\_\_\_\_

Fax No. \_\_\_\_\_

E-mail \_\_\_\_\_

#### 2- Facilities in Institute:

2.1 Building  Own  Rented

2.2 Total covered or Buildup area of Institute. \_\_\_\_\_

2.3 Number of Class Rooms. \_\_\_\_\_

2.4 Number of Labs/Workshops \_\_\_\_\_

#### 2 - Management Committee/Board

3.1	Is Institute Management Committee established	Yes	No
-----	---	-----	----

3.2	Name & Occupation of Chairperson	
-----	----------------------------------	--

3.3	Percentage of Employers Representatives	
-----	---	--

3.4	Number of Meetings held	
-----	-------------------------	--

**Type of the Programme:**

Programme to be upgraded:

New Programme:

**Staffing Position:**

5.1 Administration Staff:		
Principal	YES	NO
Supporting Staff	YES	NO
Admin & Account	YES	NO

5.2 Teaching Staff in the proposed programme:					
S #	Proposed Program	Sanctioned Strength if Upgraded	In-post	Require new teachers	Faculty require Training

**TRAINEE'S INFORMATION**

S #	Name	Father's Name	CNIC No.	E-mail	Cell No.	Course Name	Year of Passing	Date of Completion of Training	Address	Employment Position
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10										

**APPLICATION FOR FUNDING UNDER THE PROJECT**

**Instruction:**

1. An institute can apply for 3 Programmes maximum
2. Separate application shall be filled for each proposed programme
3. Application must reach within the given time frame to respective Regional director in order to qualify for funding.

- Name of the programme: \_\_\_\_\_
- Name of the Institution: \_\_\_\_\_  
\_\_\_\_\_
- Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Name of the Institution: \_\_\_\_\_
- Contact Details: Ph: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_
- Description of Eligibility criteria (follow guideline):
  - Administrative Control \_\_\_\_\_
  - Industry Institute Linkage
    - Institute Management Committee – Attach copy of Notification
    - Advisory Group – Attach copy of Notification
  - Database
- Description of weighted criteria (follow guideline):
  - Is programme market driven
  - Overall performance of Institute
  - Teaching Staff
  - Location of Centre
- Proposed programme – Indicate whether to be upgraded or new:
  - i. \_\_\_\_\_

- Cost estimated:

Cost Category	Year 1		Year 2		Year 3	
	Initial Investment	Recruitment	Initial Investment	Recruitment	Initial Investment	Recruitment
Staff Salaries						
Consumable Training Material						
Machine & Equipment						
Facility Upgradation						
Teaching Aids						
Non-durable Good						

1) \_\_\_\_\_

2) \_\_\_\_\_

**STEERING COMMITTEE**

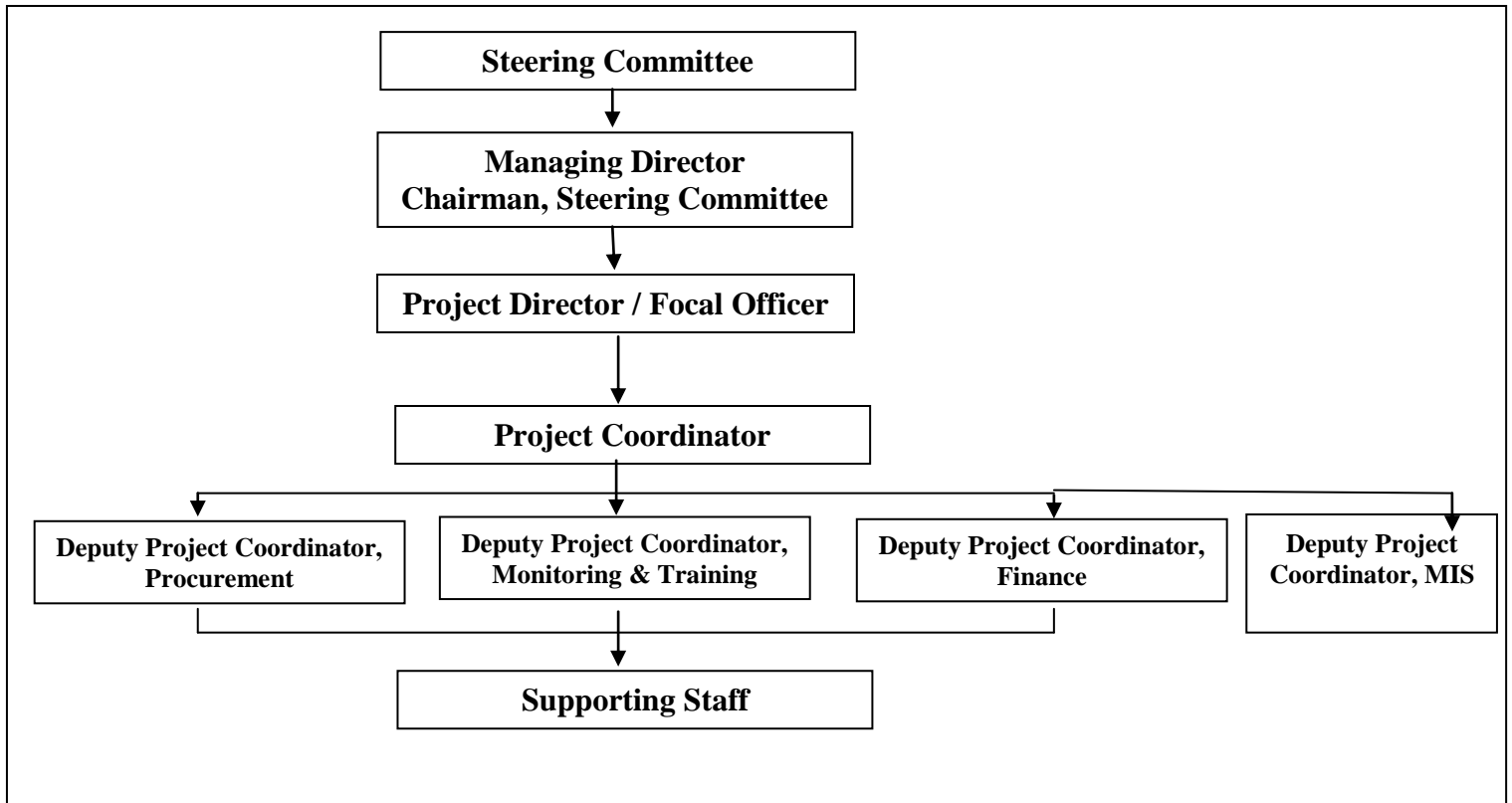
**COMPOSITION:**

- |  |                  |
|--|------------------|
| • Managing Director  | Convener         |
| • Director, Technical Education Wing   | Member           |
| • Director, Vocational Training Wing   | Member           |
| • Three representatives from Industry to be nominated by the Employers' Federation of Pakistan / Trade body / Karachi Chamber. | Member           |
| • One representatives from Trade Union to be nominated by WEBCOP   | Member           |
| • Project Coordinator  | Member Secretary |

**ToR OF THE COMMITTEE:**

- Provide leadership, guidance and overall support for the program.
- Provide policy directions and monitor the project activities including IMCs, Advisory Group, and Career Counseling & placement unit.
- Review the project implementation progress periodically.
- Review & approve work plan and financing of the Institution and Project Management Unit.
- Approving proposal for consultancies, procurement and training / study tour of staff of PMU & Institutions.
- Guiding the work of Project Management Unit.
- Meeting quarterly or more frequently as required to facilitate the project.
- Submit report to Government of Sindh and World Bank.

THE STRUCTURE AND COMPOSITION OF PROJECT MANAGEMENT UNIT



**Responsibilities of Project Management Unit (PMU)**

- Oversee the Project implementation, day to day management and coordination.
- Prepare annual work plan, including operational, budgets for consideration and approval of the steering committee.
- Meeting the administrative and legal requirements of Govt. of Sindh and the World Bank.
- Prepare progress & expenditures reports and ensure timely disbursement to institution as per policies & guidelines approved by the World Bank.
- Organizing / arranging periodic workshops to assist and provide guidelines to institutions on all aspects of project implementation including proposal development, procurement and financial issues.
- Periodically monitor progress of implementation, collect and maintain monthly progress & implementation reports from the selected institutions and submit report on quarterly basis to steering committee.
- Maintain MIS database to monitor and keep record of each activity. Create & maintain website to provide all information related to project.

**SINDH SKILL DEVELOPMENT PROJECT (SSDP)**

**PERFORMA FOR MONITORING & EVALUATION**

Name of Institute: \_\_\_\_\_

Name of Principal: \_\_\_\_\_

Course / Trade: \_\_\_\_\_

Course / Trade Timings: \_\_\_\_\_

**1. Students / Trainees Data:**

Course Trade /	No: of Students enrolled	No: of trainees present	No: of Trainees absent	Remarks

**2. Availability of facilities (Faculty / Equipment / books / kits / life line facility / safety).**

**FACULTY & SUPPORT STAFF**

a) Teacher / Tutor			Remarks
No: of teachers required	Teacher Available	Teacher absent	
b) Equipment:			Remarks
Available	Procured	Repair	
Yes / No	Yes / No	Yes / No	

<b>c) Books:</b>			<b>Remarks</b>
Provided:	Yes	No	
<b>d) Stipend:</b>			
Provided	Yes	No	
<b>e) Tool Kit:</b>			
Purchased	Yes	No	

**1. Raw Material:**

<b>Available</b>	Yes	No	<b>Remarks</b>

**2. LIFE LINE FACILITIES & SAFETY:**

<b>a) Wash Room</b>	Working / Not working	<b>Remarks</b>
<b>b) Electricity</b>	Available / Not Available	
<b>c) Fire extinguishers</b>	Available / Not Available	
<b>d) Drinking Water</b>	Available / Not Available	

**3. FUNDS:**

<b>Released up to date</b>	Yes	No	<b>Remarks</b>

**4. STATUS OF TRAINING:**

(a) **Course:**

- i) Teaching aids available (Yes / No)
- ii) Weekly Plan Available (Yes / No)
- iii) Teacher daily dairy Available (Yes / No)
- iv) Percentage of Completion with respect to weekly plane = %

**5. IMC / PTA**

Committees Meeting (weekly / monthly / quarterly. (✓)

Actions taken.

(Yes / No)

6. Over all Comments of Monitoring and evaluation Team / officer.

**Suggestion:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**SINDH SKILL DEVELOPMENT PROJECT (SSDP)**

**WEEKLY ATTENDANCE REPORT FROM INSTITUTE FOR  
MONITORING & EVALUATION**

Department: \_\_\_\_\_

Name of District: \_\_\_\_\_ Taluka: \_\_\_\_\_

Name of Institute: \_\_\_\_\_ Institute ID: \_\_\_\_\_

Report for the period from: \_\_\_\_\_ to \_\_\_\_\_

S. #	Name of Institute	CNIC	Attendance			Remarks
			No: of working days	P	A	
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**SINDH SKILL DEVELOPMENT PROJECT (SSDP)**

**DETAILS OF TRAINEES ON BASED FOR MONITORING & EVALUATION**

**Details of Trainees Joined:**

<b>S#</b>	<b>Name of Trainee</b>	<b>CNIC</b>	<b>Registration No:</b>
1.			
2.			
3.			
4.			
5.			

**SINDH SKILL DEVELOPMENT PROJECT (SSDP)**

**MONTHLY ATTENDANCE REPORT FROM INSTITUTE FOR MONITORING & EVALUATION**

Department: \_\_\_\_\_

Name of District: \_\_\_\_\_ Taluka: \_\_\_\_\_

Name of Institute: \_\_\_\_\_ Institute ID: \_\_\_\_\_

Report for the period from: \_\_\_\_\_ to \_\_\_\_\_

S. #	Name of Institute	CNIC	Attendance			Remarks
			No: of working days	P	A	
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						



**TORS FOR TECHNICAL ASSISTANCE:**

Short Term support to Training Institutions to develop proposals for financing of market driven training programmes.

Technical assistance will be for a period of 4-months effective from April 1, 2011. The Consultant will provide support and carry out identified task. The task and responsibilities of Consultant would include:

- Initial meetings with STEVTA staff engaged in the project and training institutions to access their capacities / capabilities to develop the proposal and implement new / revised programme.
- Review of guidelines of Component II and suggest improvement.
- Give orientation to Principal / Incharges and IMCs to create awareness and to better understand about;
  - Labour Market Information and skill gaps identification.
  - Training needs / skills need surveys.
  - Career counseling and employment.
- Develop training programme in consultation with STEVTA to build the capacity of Principal to understand market driven training programme and develop proposals for financing under Component II.
- Conduct training programme at all the five regions for Principals / departmental heads, IMC and PAG member.
- Provide ongoing assistance to individual institute as and when required either on phone or through on site visit in the development of proposal or other related issues.
- Assist in the development of proposal evaluation process based on criteria and scoring defined in the guidance of Component II.

**Outcomes:**

- Suggestions on the guidelines.
- Training orientation plan for orientation & training programme.

**ToR**

- Review occupational standards of programme selected for development.
- Identify and develop working group for each programme in consultation with STEVTA. The working group will be comprised of lead instructors, experts from relevant industry, TTB / SBTE.
- Develop methodology, procedure and templates for defining occupational standards, related training standards, equipment & instructional material support, performance assessment instruments for each selected curriculum.
- Develop capacity through training of lead instructors, experts from industry and TTB / SBTE staff on methodology and procedure. Develop of competency based training standards and assessment system like DACUM.
- Develop or define occupational standards.
- Develop or define training standards and curriculum with related assessment instrument up to 35 programmes range 6-months to 3-years duration.
- Prepare complete list of tools and equipment and training material requirement for each programme.
- Develop specification of tools & equipment needed for each programme for procurement.
- Develop knowledge, performance test instruments and skill verification / assessment mechanism.
- Identify best practices and schedule in consultation with STEVTA study tour for selected lead instructors, CMC / Advisory Group member / STEVTA staff.
- Training to TTB / SBTE staff and lead instructors on quality assurance in testing & examination process / mechanism and use of new training technologies to support the governance / system.

**DRAFT MEMORANDA OF AGREEMENT BETWEEN STEVTA AND WINNING PROGRAMS / INSTITUTIONS**

This contract is made at Karachi on this        day of        2011

The Sindh Technical Education and Vocational Training Authority (STEVTA) hereinafter referred to as (The Client), of the first part,

And

(Name of the VTI), having their Principal office situated at (location of the VTI), which term shall include their successors in office, legal representatives, assigns and partners (hereinafter referred to as TRAINING INSTITUTE), of the second part.

**WHEREAS** the CLIENT (STEVTA) required the services for following training / activities and the Training Institute / Organization has been agreed to provide required training / services / carry out activities as specified in the table below:



AND WHEREAS the Training Institute has offered to provide the services / training, as detailed in Appendix I attached to this Contract and the Client has accepted the offer subject to the terms & conditions hereinafter appearing. The Contract and the Appendices (Appendix) are to be read as one document and made integral part of the Contract.

NOW, THEREFORE, this contract witness as follows:

**1. Duration:**

The Training Institute shall upgrade the existing or develop new program within 24 months from the date of signing of this agreement or any other period as may be subsequently agreed by the parties in writing unless it is prematurely terminated by either of the parties for the reason recorded in writing or extended based on terms and conditions agreed by both the parties.

**2. Skill and Care:**

The Training Institute undertakes to provide all the required skills, knowledge, care and diligence in the provision of training as specified in the Terms of Reference attached as **Appendix II**, to this contract to the trainees selected for imparting training in the institution.

**3. Performance Standards:**

The Training Institution undertakes to perform the service with highest standard of professional and ethical competency and integrity. The Training Institution shall promptly replace any employee assigned under this contract whose performance is considered unsatisfactory by the monitoring team. The Training Institute shall be responsible for quality of modules / material of training as per standards specified by the Certificate / Diploma giving authority i.e. TTB / SBTE.

**4. Training Material and Equipment:**

Training Institute shall be responsible for preparing all training material including occupational and training standards for the proposed program, modular competency based curriculum, specifications for purchase of machines & equipments, software, and performance and knowledge assessment for the program. The criteria for performance and skills / knowledge assessments will be developed by the Sindh Trade Testing Board / Sindh Board of Technical Education or other legally certification body, in cooperation with the Institution. STEVTA will provide technical assistance to assist in the development of all training material, standards etc.

The Training Institution will prepare complete list of tools, equipment and training software necessary for the imparting quality training to trainees and will submit the said list of equipment and training software to be procured to STEVTA. The STEVTA will make the procurement after observing all caudal formalities and requirements of World Bank to the satisfaction of training institute.

**5. Reporting:**

The Training Institute undertakes to produce and submit all required report as specified in the guidelines. These reports shall be submitted in electronic and hard copies to the Client. Any further advice of the Client thereon shall be binding upon the Training Institute/

**6. Working Days / Training Hours:**

The usual working days will be six days of the week, atleast five hours a day or minimum 30 hours per week. However, for those institutions which work five days a week, completion of 30 hours per week will be allowed. However, it is expected that the Training Institute shall work in excess of these hours when required by the Client or if required to complete the training hours specified in the curriculum.

**7. Release of Lead Technical Expert:**

The Training Institute undertakes to release or assign lead Technical Instructor to assist in the development of training material / curriculum / competency stands for a period of 6-months during the duration of project period. This lead Instructor will work with Advisory Group / Technical Assistance firm as a team member and with lead Instructor from other institutions developing similar programs.

**8. Financial Reporting and Invoicing Instructors:**

The Training Institute shall be responsible to provide to STEVTA monthly financial statement giving complete details of expenditures incurred. Institute shall also be responsible to ensure that;

- a) All invoices must contain details of the expenditures which have or are to be made and must be presented in original. Details of expenditures shall be clearly stated in the invoice.
- b) All invoices should be endorsed as follows;

“We certify that amounts claimed in the invoice  
have been wholly and necessarily incurred for the

purpose of developing the agreed training program and have not been claimed before”.

- c) All invoices / claims shall be supported with relevant documents and the assignment reports.

#### **9. Copyright and Confidentiality:**

- a) The Training Institute shall not during the contract period or after the expiration, thereof, disclose any proprietary or confidential information relating to this contract or the client’s business or operations without the prior written consent of the client.
- b) The intellectual property including studies, reports, other material, graphic, software, training modules etc produced as an exclusive and direct consequences of its funding shall be the property of Client and the Training Institute has no right whatsoever on the said intellectual property.

#### **10. Dissatisfaction:**

- a) If for any reason the Client is dissatisfied with any aspect of the services provided under this contract by the institute, it may withhold a sum of money proportionate to the deficiency for that activity only. In this event, Client shall notify the Training Institute in order to identify the particular work with which it is dissatisfied together with the reason for its dissatisfaction in writing.
- b) In case of dissatisfaction of services or non-completion of work within the stipulated time or any shortcoming in the services deemed so, the Client will forfeit the amount of Performance Guarantee and / or permanently deduct the proportionate cost of training and / or 2% over and above penalty of the total cost of service will also be imposed.

#### **11. Governing Law:**

This Contract shall be governed by and construed in accordance with the laws of Islamic Republic of Pakistan. The Communication language shall be English.

#### **12. Payment:**

Training Institution could receive eligible payments from STEVTA in trances as follows: a 25% after completion of approved upgraded or new standards and curriculum, 25% on finalization of equipment and software purchases and staff

training, and 25% on enrollment of the first group of trainees in the new / revised program (at 80% capacity).

**13. Payment Condition:**

Government tax, if any, applicable shall be deducted at source before making any kind of payment.

**14. Termination of Contract:**

Either party can terminate contract giving cogent reasons with one month notice.

**15. Dispute Resolution:**

Any dispute arising out of the Contract which cannot be amicably settled between the PMU and the Institution shall be referred to Managing Director; STEVTA whose decision is the matter will be final.

**IN WITNESS WHEREOF** the Parties hereto set their hands and subscribed signatures hereunto at Karachi, on the day, month and the year first above mentioned in presence of the witnesses.

\_\_\_\_\_  
**Project Coordinator**  
**Project Management Unit, STEVTA**

\_\_\_\_\_  
**Principal, Training Institution**  
**OF THE SECOND PART**

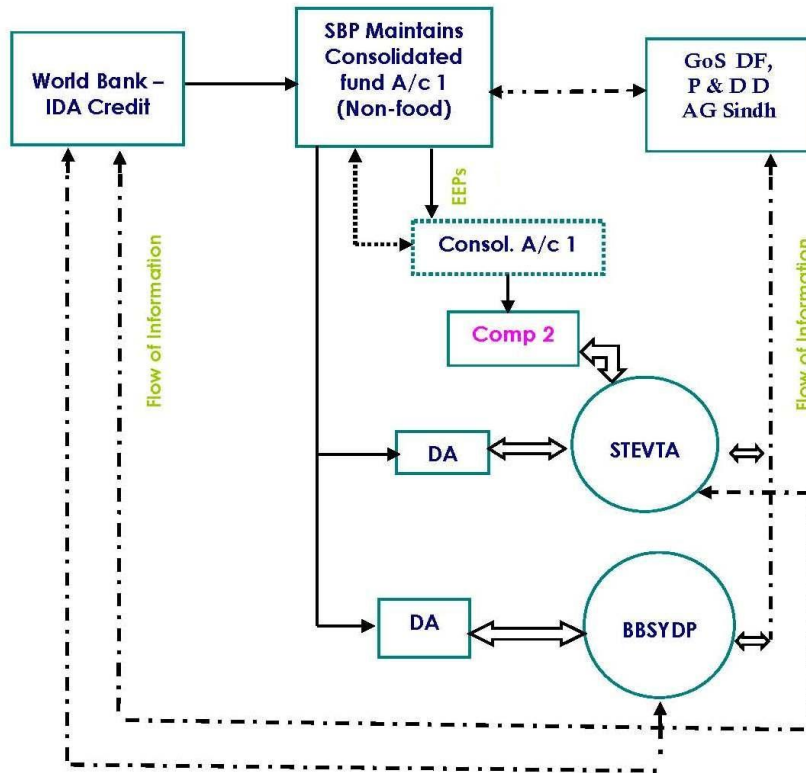
WITNESSES

1) \_\_\_\_\_

2) \_\_\_\_\_

**Sindh Skill Development Project**  
**Fund Flow Mechanism for Disbursement of Funds:**

- STEVTA (for component 2 and 3)
- BBSYDP (for component 1)



- - - - - State Bank of Pakistan (SBP) internal adjustment
  - Fund flow
  - ↔ Action by implementing agencies
  - - - - - Flow of information/ documents/ reporting
  - Comp 2 Component 2: Establish Market-driven Institutional Training Programs. Funds under this component will be disbursed based upon progress as measured by four DLIs
- Project Implementing Agencies: STEVTA, BBSYDP

**Sindh Skill Development Project - STEVTA Component 3**

**IDA Credit No.**

**Summary Statement**

**Designated Account Expenditure for Contracts NOT Subject to Prior Review**

**For the Quarter Ended: MM/DD/YYYY**

Disbursement Category	Total Expenditure	% Financed	Eligible for IDA Financing	Total Amount Paid from DA
1. Consultancy services				
2. Goods				
3. Operating costs				
<b>Total</b>				

## Sindh skill Development Project - STEVTA Component 3

IDA Credit No.

Cash Forecast for Next 2 Quarters Ending: MM/DD/YYYY

Disbursement Category/Description	Eligible %	For the 1st Quarter	For the 2nd Quarter	Cash Requirement for the next 2 Quarters	Cash Requirement for the next 2 Quarters in US \$
		Rs	Rs	Rs	US\$
1. Consultancy services	80%	xx	xx	xx	xx
2. Goods	80%	xx	xx	xx	xx
3. Operating Costs	80%	xx	xx	xx	xx
		<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>

**Sindh skill Development Project - STEVTA Component 3**

**IDA Credit No.**

**Designated Account (Revolving Fund) Activity Statement**

**For the Quarter Ended: MM/DD/YYYY**

**US \$**

**US \$**

	US \$	US \$
<b><u>PART I</u></b>		
1 Cumulative Advances by IDA to the end of Current Disbursement Period **		XX
2 <b>Cummulative Expenditure at the beginning of Current Disbursement Period</b>		XX
3 Outstanding Advances to be accounted (Line 1 minus Line 2)		XX
<b><u>PART II</u></b>		
4 Opening DA balance at the beginning of Disbursement Period		XX
5 <b>Add/Less Cumulative Adjustments, if any</b>	XX	
6 Advances from Fund during Disbursement Period	XX	
7 <b>Sub-Total of Advances and Adjustments</b>		XX
8 Outstanding Advances to be accounted for (Line 4 plus Line 7)*		XX
9 <b>Closing DA balance at the end of Current Disbursement Period</b>		XX
10 Add/Less Cumulative Adjustments, if any	XX	
11 Expenditure for the Current Disbursement Period	XX	
12 <b>Sub-Total of Adjustments and Expenditure</b>		XX
13 Add Line 9 and 12		XX
14 Difference if any (Line 8 minus Line 13)		XX
<b><u>PART III</u></b>		
15 Total forecasted amount to be paid by the Fund		XX
16 Less: Closing DA balance after adjustments	XX	
17 Imprest Cash balance	XX	
18 Direct Payments/ SC payments	XX	
19 <b>Sub-Total</b>		
20 Cash Requirement from the Fund for next 12 months (Line 15 minus Line 19)		XX

\* *Unadjusted Advances from the Designated Account*

\*\* *Disbursement period is the 6 monthly period at the end of which a Withdrawal Application will be submitted*