

ment Services Circular No. 10

Department of Management Services,
Ministry of Finance & Planning,
The Secretariat Building,
Colombo 01.

26.12.2000.

All Secretaries of Ministries
Chief Secretaries of Provincial Councils
Heads of Departments
Chairpersons of Public Corporations/Statutory Boards

Recruitment of Staff for Project Management Units (PMU) of Projects Assisted by Foreign Financing Agencies and Their Emoluments

1. The Government has decided to implement the following procedure in respect of recruitment of staff for Project Management Units (PMU) of projects assisted by Foreign Financing Agencies and their emoluments. This circular will be effective from 01.01.2001.
2. **Recruitment of Staff for PMUs of Projects Assisted by Foreign Financing Agencies**
 - 2.1. The required cadre for the management of projects assisted by Foreign Financing Agencies should be identified at pre-appraisal / appraisal stage of a project depending on the necessity. Approval for the creation of such posts should be obtained in terms of F.R.71 using a simplified version of F.R.71 Form given in Annex I.
 - 2.2. To ensure smooth and quick preparation and implementation of a project, a team of identified 'Core Project Staff' as agreed with the Foreign Financing Agency may be recruited prior to the signing of the Loan / Grant Agreement. The procedure for the creation of posts and recruitment of such staff is varied as given in Paragraph 3 of this Circular.
 - 2.3. Appointment to all posts including "Core Project Staff" should be done only after calling for applications by open advertisements followed by interviews.
 - 2.4. The selection of Project Directors (also referred to as Project Manager / Coordinator) for projects of which loan / grant amount is over US \$ 10 million shall be done by the Ministry of Finance & Planning in consultation with the concerned Ministry. The selection of Project Directors for projects of which loan / grant amount is below US \$ 10 million shall be done by the Secretary of the line Ministry / Chief Secretary of the Provincial Council as the case may be.

- 2.5 (a) The interview board for the selection of Project Directors of projects over US\$ 10 million shall be chaired by the Secretary to the Ministry of Finance & Planning or his representative and for projects below US\$ 10 million by the Secretary of the line Ministry /Chief Secretary of the Provincial Council or his representative. In the case of the former, the other members of the interview board shall be the Secretary of the Line Ministry / Chief Secretary of the Provincial Council or his representative, Implementing Agency and a representative from the Ministry of Public Administration. In the case of the latter, a representative from the Treasury shall be included in the interview board.
- (b) The interview board for the selection of other senior staff of the PMU (Category B & C specified in para 5.1) shall be chaired by the Secretary of the line Ministry/Chief Secretary of the Provincial Council or his representative and consists of the Project Director, Head of the Implementing Agency and a Technical Specialist of the relevant field.
- (c) The interview board for the selection of project secretary and other senior staff of the PMU shall be chaired by the Project Director and consisting of representatives from the line Ministry/Provincial Council and Implementing Agency.
- 2.6 The appointing authority for the Project Director and senior staff of the PMU shall be the Secretary of the Ministry or Chief Secretary of the Provincial Council for projects implemented by the Ministry/ Provincial Council and Head of the implementing agency for projects implemented by Departments /Statutory Boards / Public Corporations. The Project Director shall be the appointing authority for all other posts.
- 2.7 All appointments should be on contract basis, with a three year term renewable annually subject to satisfactory performance appraisals as specified in Paragraph 8 of the Circular. Such contracts may be extended for further term subject to satisfactory performance.
- 2.8 Persons above the age of 60 years are considered only on exceptional grounds when technically competent people below 60 years of age are not found at the interview. Such appointments will require Cabinet approval.
- 2.9 The Schemes of Recruitment for PMU Staff (method of recruitment and salary scales) are included in this Circular. Specimen Job descriptions including educational and professional qualifications, experience and competencies required is given in Annex II.

3. Recruitment of Core Project Staff

- 3.1. The Core Project Staff, consisting of the Project Director and one post each of either Finance Manager or Project Accountant, Technical Specialist/Officer, Procurement Specialist/Officer and Project Secretary, may be recruited at pre-appraisal/appraisal of the project as agreed with the Foreign Financing Agency.
- 3.2. On a written request from the Director General External Resources the appointing authority may proceed to recruit the Core Project Staff, until formal approval is obtained for creation of new posts in terms of F.R.71.
- 3.3. If budgetary provision has not been made to incur the expenditure of PMU staff in the annual estimates, the Ministry/Provincial Council/Department/Agency should take action in advance to negotiate with Director General, National Budget to obtain necessary provision.

4. Appointment from the Public Service/Public Institutions

1. Subject to provisions of Paragraph 2.4 and 2.3 of this Circular officers confirmed in the Public Service/Public Institutions could be appointed to a PMU of a project assisted by a Foreign Financing Agency on the following basis:

(a) Released or Assigned to a PMU

or

(b) On no-pay leave
'No-pay leave' for a total period not exceeding five years as per Public Administration Circular No.13/99 dated 11th June 1999 - Amendment to Sub Section 16:1:4 Chapter XII of the Establishments Code of the Government of Sri Lanka.

- 4.2. A Public Officer appointed under Paragraph 4.1 (a) of this Circular may retire from the public service on reaching retirement age, with the approval of the appointing authority of his/her substantive post. Any obligatory period of service of the officer could be covered under such an appointment

4.3. Salaries and Benefits of Officers Recruited from the Public Service/Public Institutions.

- 4.3.1. Remuneration of the Public Officers released/assigned to a PMU under Paragraph 4.1 (a) shall be the salary of the substantive post plus an allowance not exceeding 50% of that salary.

- 4.3.2. Remuneration of the Public Officers appointed to a PMU under Paragraph 4.1(b) should be decided on the criteria given in Para 5.1 of this Circular.

- 4.3.3. Employees of Public Corporation and Statutory Boards appointed to PMUs of Foreign Financing Agency assisted Projects may be paid an allowance not exceeding 50% of the salary of the substantive post, subject to the approval of the respective governing body of the Corporation/Statutory Board.
- 4.3.4. Public Officers released/assigned to a PMU of a Foreign Financing Agency assisted project will continue to have their normal privileges and obligations.
- 4.3.5. No payments should be made for officers working in PMUs on part time basis for projects above the value of US\$ 5 million.
5. Remuneration of PMU Staff Recruited from Outside the Public Service or on No-pay Leave.
- 5.1. Remuneration of the senior staff of the PMU and the Project Secretary are given in the following table:

	Staff Category	Monthly Salary According to the Loan/Grant Amount in US Dollars	
		US \$ 5 to 10 million	Above US \$ 10 Million
A	Project Director	Rs.50,000	Rs.75,000
B	Deputy Project Director Finance Manager Technical/Procurement Specialist	Rs.45,000	Rs.70,000
C	Project Accountant Technical / Procurement Officer	Rs.40,000	Rs.60,000
D	Project Secretary	Rs.20,000	Rs.25,000

- 5.2. Staff managing projects with a value below 5 million US Dollars are not entitled to the salaries specified in Paragraph 5.1 of this Circular.
- 5.3. (a) All limits given in Paragraph 5.1 of this Circular should be treated as maximum limits and it should not be treated as an entitlement. The appointing authority should determine a suitable salary, considering qualifications and experience of the officer. Approval of the Department of Management Services should be obtained if there is any variation from this Circular.
- (b) Salaries of support staff, recruited from outside the public service, should be based on salary scales of similar posts in the Public Service plus a maximum limit of 50% of the salary of such post depending on the qualifications, experience and other requirements.

- (c) Adjustment of salaries of PMU staff may be specified under their respective letters of contract subject to maximum limits. Such adjustments should be based on the annual performance appraisal referred to at paragraph 8.

5.4

- (a) The PMU staff recruited from outside the Public Service should contribute to the Employee Provident Fund (EPF). The employer's contribution to the EPF and ETF shall be in terms of the relevant statutes.
- (b) The PMU staff recruited from the Public Service in terms of Paragraph 4.1(a) should continue to contribute his or her W&OP Contribution.
- (c) Employer should pay 25% of the consolidated salary of the substantive post to the Treasury as pension contribution of Public Officers released/assigned to a PMU of a Public Corporation /Statutory Board.

6. Other Benefits to Project Management Staff

6.1

- (a) The PMU staff above the category of Technical/Procurement Officer who are required to visit project sites may claim reimbursement of actual cost of accommodation not exceeding Rs. 600/= per day subject to prior concurrence of the appointing authority and availability of funds or subject to reimbursement by the foreign financing agencies.
- (b) The actual cost of accommodation may be reimbursed when PMU Senior Staff have to accompany officials of foreign financing agencies for field visits subject to prior concurrence of the appointing authority.

6.2 The Project Directors are permitted to use an official vehicle for official purposes and travelling between the office and the residence. In this instance maximum distance between the residence and the office should not exceed 40 kilometres. The Project Directors are entitled to use the official vehicles for their private travelling as well on payment of Rs.100 per month, within the monthly fuel allocation of 120 litres for petrol vehicles or 145 litres for diesel vehicles as in the case of Heads of Departments.

6.3 The PMU Staff should be full time employees of the unit to be eligible for aforesaid salaries and benefits.

7 PMU Staff of Projects Financed Under Special Counterpart Funds.

7.1 The provisions of this Circular shall also be applicable for project staff recruited for implementation of projects funded with proceeds of Special Counterpart Funds maintained under Foreign Financing Agency funded commodity grant aid programmes.

8. Performance Appraisals

- 8.1 All project management staff should be subject to annual performance appraisal, the criteria for which may be developed in consultation with the Foreign Financing Agency. The Appointing Authority is responsible for the conduct of performance appraisal and the assistance of the Foreign Financing Agency may also be obtained for such appraisals.

9 Recruitment Of Consultants For Projects Assisted By Foreign Financing Agencies

- 9.1 This Circular will not govern the procedure for recruitment of consultants for the implementation of projects assisted by Foreign Financing Agencies. The procedure for recruitment of consultants would be according to the provision of:

- (a) The Loan/Grant Agreement of the project and / or Revised Guidelines on Government Tender Procedure.

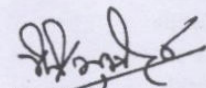
10 Salaries Of Project Management Staff Of On-Going Projects

- 10.1 A committee comprising the Secretary of the Ministry/Chief Secretary of the Provincial Council, Head of the implementing agency and a representative each from the Treasury and Ministry of Public Administration should review remuneration of Project Directors and senior project management staff of on-going projects and make suitable adjustments. Such adjustment in the service contract should be made after the performance appraisal referred to at Paragraph 8 is undertaken.

- 10.2 For the other project management staff a committee comprising a representative of the Secretary of the Ministry/Chief Secretary of the Provincial Council, Head of the implementing agency and the Project Director should review the remuneration and other conditions in the service contract of the other staff on the same basis as in Paragraph 10.1.

11. Earlier Budget Circular 79 dated 29.09.1998 and its amendment, Budget Circular 79(I) dated 12.03.1999, on the same subject, are hereby repealed.

12. The relevant sections of the Establishments Code and Financial Regulations, incorporating the new arrangements, will be amended in due course by the Ministry of Public Administration and the Ministry of Finance and Planning.



P.B. Jayasundera
Secretary to the Treasury and
Secretary, Ministry of Finance & Planning.

**CREATION OF POSTS FOR PROJECT MANAGEMENT UNITS (PMUs) OF
PROJECTS ASSISTED BY FOREIGN FINANCING AGENCIES**

1.	Ministry	
2.	Department/Corporation/Statutory Board	
3.	Name of the Programme/Project and Time span	
4.	Core activity	
5.	Title of the post	
6.	Number of Posts required	
7.	Salary Scale	
8.	The basis on which posts are required (Casual/Temporary/Contract) and the period	
9.	Main responsibilities of the Post	
10.	Requirement of the post (whether expansion of existing activity or a new activity)	
11.	Source of funding for payment for the Cadre	
12.	Certificate of the Head of the Department/Corporation/Statutory Board	I hereby certify that the information given in Para 1 to 11 above are true and accurate. Signature Name: Post:

Part II – Views of the Ministry

13.	Is the proposal in terms of any Directives from the Ministry, or any other authority (if so give details):-	Source of the Directive: Date: Reference No:
14.	Whether the post/s has/have been identified in the Loan/Grant Agreement or Memorandum of Understanding (MOU) signed with the Foreign Financing Agency.	
15.	Recommendation of the Secretary:-	Creation of Posts is recommended/not recommended. Signature of the Secretary to the Ministry

Annex II

SPECIMEN JOB DESCRIPTIONS OF PROJECT STAFF

1. Project Director

Duties:

The incumbent who functions as the Head of the Project Management Unit (PMU) is responsible for managing/co-ordinating the full range of project activities during the project cycle from preparation, implementation to completion reporting and winding up.

Specifically, the incumbent should:

- Efficiently manage the PMU with proper delegation of responsibilities to the PMU Staff, co-ordination and supervision of their activities and performance appraisal of them.
- Prepare project implementation and disbursement plans with clearly defined responsibilities for project activities
- Implement the project with due diligence to achieve the agreed development objective and in conformity with the Loan /Grant Agreement
- Effectively organise, co-ordinate and monitor the implementation of project activities
- Attend project procurement matters as specified in the Government Procurement Guidelines including the functions of Secretary of Technical Evaluation Committee.
- Ensure preparation of annual budget estimates and submit to the relevant authorities in time.
- Maintain an appropriate financial management system that will produce monthly / quarterly / annual financial statements in compliance with the Government Accounting Standards and procedures.
- Ensure timely withdrawal / reimbursement of funds from the foreign financing agency for project expenditure.
- Fulfil audit requirement of the Loan / Grant Agreement.
- Identify problems promptly as they arise during implementation and take timely remedial actions.
- Submit project progress and other reports as required by the Loan / Grant Agreement and as requested by higher authorities.
- Establish and maintain close and cordial relationships with the Foreign Financing Agency and other stakeholders pertaining to the implementation of the project.

Required Qualifications and Experience:

- Bachelors Degree in the field of Engineering, Science, Law, Economics, Commerce, Agriculture, Business Administration / Management, Accounting or any other relevant field with 12 years experience of which 8 years in Senior Management level preferably in the implementation of development projects funded by Foreign Financing Agencies.

or

- Bachelor's Degree and a Postgraduate Qualification (Masters/Diploma) in the relevant field or Corporate Membership of a recognised professional institution in the relevant field with 8 years experience of which 5 years preferably in the implementation of development projects funded by Foreign Financing Agencies.

Professional Competencies:

- Ability to plan and implement a project with complex and diverse activities.
- Ability to promote stakeholders' participation and commitment for effective implementation to ensure long term sustainability of the project
- Ability to effectively organise and lead the work of a multi-disciplinary team
- Effectiveness in analysing and resolving project implementation issues
- Strong communication, and negotiating skills and good interpersonal relations
- Familiarity with Government procedures and regulations
- Computer literacy
- High level of proficiency in written and spoken English

2. Deputy Project Director.

The duties, required qualifications and experience, professional competencies are similar to that of the Technical Specialist. The incumbent is responsible for handling of a main component of a project or a geographically demarcated area of the project independently.

2 Finance Manager

Duties:

The incumbent is responsible for establishing and maintaining financial management systems, including accounting systems, internal control, planning, budgeting and financial reporting systems and auditing systems. Specifically the incumbent should:

- Establish sound accounting practices and systems to manage resources available to the project.
- Provide accurate, complete and timely financial information for managing and monitoring project activities,
- Prepare annual budget estimates and disbursement plans of the project.
- Ensure accountability and promote the efficient use of financial resources allocated for the project based on Government and Foreign Financing Agency procedures.
- Ensure timely withdrawal / payment / reimbursement of funds from the foreign financing agency for project expenditure.
- Prepare monthly, quarterly and annual financial statement in time and comply with audit requirement.
- Establish and maintain closer relationship with other Government agencies involved in the disbursement of funds under foreign financing agency funded projects.

Required Qualifications and Experience:

- Corporate membership of recognised Professional Institution in the field of financial or management accountancy (CIMA / ACCA / ICASL) and minimum of 8 years experience preferably in Financial Management of Foreign Financing Agency Funded Development Projects.

Professional Competencies:

- Good knowledge on current international / local accounting standards and generally accepted accounting practices
- Good knowledge on accounting policies and practices in force in Sri Lanka; knowledge of and experience with, public sector accounting and expenditure control systems
- Experience in the design, documentation and implementation of accounting systems at a project and/or entity level.
- Computer literacy.
- High level of proficiency in written and spoken English

4 Project Accountant

Duties:

The incumbent should be responsible for establishing and maintaining financial management systems, including accounting systems, internal control, planning, budgeting and financial reporting systems and auditing systems. Specifically the incumbent should:

- Establish sound accounting practices and systems to manage resources available to the project.
- Provide accurate, complete and timely financial information for managing and monitoring project activities,
- Prepare annual budget estimates and disbursement plans of the project.
- Ensure accountability and promote the efficient use of financial resources allocated for the project based on Government and Foreign Financing Agency procedures.
- Ensure timely withdrawal / payment / reimbursement of donor funds for project expenditure.
- Prepare monthly, quarterly and annual financial statement in time and comply with audit requirement.
- Establish and maintain closer relationship with other Government agencies involved in the disbursement of funds under donor funded projects.

Required Qualifications and Experience:

- Class 1 Officer of the Government Accountancy Service with 10 years experience preferably in Financial Management of Foreign Financing Agency funded Development Projects.
- or
- Corporate membership of recognised Professional Institution in the field of financial or management accountancy (CIMA / ACCA / ICASL) and minimum of 5 years experience preferably in Financial Management of Foreign Financing Agency Funded Development Projects.
 - Proven analytical ability to evaluate bid proposals.
 - Good communication (written/oral) and interpersonal relations.
 - Demonstrated skills in working resourcefully, consistently and with perseverance in the procurement field.
 - Computer literacy
 - High level of proficiency in written and spoken English

5 Technical Specialist in the field of

Duties:

The incumbent should provide relevant technical inputs in the area of required specialisation and handle all aspects of project preparation and implementation as detailed out in the Loan/Grant Agreement and the Project Implementation Plan.

Required Qualifications and Experience:

- Bachelors Degree in the relevant field and 12 years experience in a job related to the required technical speciality.

or

- Bachelors Degree and a Postgraduate qualification (diploma / masters) in the relevant field or corporate membership of recognised Professional Institution in the relevant field with minimum of 8 years experience in a job related to the required technical speciality.

Professional Competencies:

- Ability to deliver technical services as required by the project and advice Project Director.
- Proven ability to handle project activities related to the required area of specialisation independently.
- Ability to function effectively in a team environment inspiring trust and co-operation of other team members
- Ability to analysis and resolve implementation problems related to his field.
- Computer literacy.
- Ability to communicate effectively orally and in written.
- High Level of proficiency in written and Spoken English

Professional Competencies:

- Good knowledge on current international / local accounting standards and generally accepted accounting practices
- Good knowledge on accounting policies and practices in force in Sri Lanka; knowledge of and experience with, public sector accounting and expenditure control systems
- Experience in the design, documentation and implementation of accounting systems at a project and/or entity level.
- Computer literacy.
- High Level of proficiency in written and spoken English

6 Technical Officer in the field of

Duties:

The incumbent will provide technical inputs and handle all aspects of project preparation and implementation in the area of required specialisation.

Required Qualifications and Experience:

- Certificate / Diploma in the relevant field offered by a recognised institution and 10 years experience in the required area specialisation.

or

- A Bachelors degree or Corporate Membership of a recognised Institution in a relevant field and a minimum of 5 years experience in the required area of specialisation.

The incumbent should have a broad knowledge on the functional speciality and possess an in-depth understanding of the particular area.

Professional Competencies:

- Ability to deliver technical services as required by the project and advice Project Director.
- Proven ability to handle project activities related to the required area of specialisation independently.
- Ability to function effectively in a team environment inspiring trust and co-operation of other team members
- Ability to communicate effectively orally and in writing
- Ability to analyse and resolve implementation problems related to his field.
- Computer literacy.
- Proficiency in written and spoken English

7 Procurement Specialist

Duties:

The incumbent should assist the Project Director in carrying out of project procurement in conformity with the Foreign Financing Agency and the government procurement guidelines and provisions in the Loan / Grant Agreement.

Required Qualifications and Experience:

- A Bachelors Degree and 12 years experience of which 8 years should be in procurement / contract management in the public or private sector.

or

- A Bachelors Degree and 10 years experience in procurement / contract management in the public or private sector with Diploma offered by the Institute of Supplies and Material Management of Sri Lanka.
- GCE Advance Level and Diploma offered by the Institute of Supplies and Material Management of Sri Lanka with 15 years experience and demonstrable ability in procurement / contract management in public or private sector.

Professional Competencies:

- Knowledge on government and Foreign Financing Agency procedures related to international/local procurement.
- Ability to plan and execute project procurement.
- Ability to understand scrutinises and prepares different bidding and contract documents.

8 Procurement Officer

Duties:

The incumbent assist the Project Director in carrying out of project procurement in conformity with the foreign financing agency and government procurement guidelines and provision in the Loan / Grant Agreement.

Required Qualifications and Experience:

- A Bachelors degree, and 8 years experience of which 5 years work experience in procurement contract management in the public / private sector.

or

- GCE Advance Level and Diploma offered by the Institute of Supplies and Material Management of Sri Lanka with 10 years experience in procurement / contract management in the public or private sector.

Professional Competencies:

- An overall working knowledge of donor procurement procedures and practices as related to the specific project activities
- Ability to handle the whole procurement process covering planning and monitoring, bid document preparation, bid evaluation, contract award and administration
- Demonstrated communication (written/oral) and consultation skills
- Demonstrated skills in working resourcefully, consistently and with perseverance in the procurement field.
- Proficiency in written and spoken English

9 Project Secretary

Duties:

The incumbent should manage all secretarial support functions to run an efficient project office and to support the Project director and technical staff.

Required Qualifications and Experience:

- (a) Pass in all (three or four, as the case maybe) subjects at the GCE A/L with a secretarial course from a recognised institution or pursuing examinations leading to Chartered Secretary with five years experience
- or
- (b) a Chartered Secretary.

Professional Competencies:

- Excellent command of English and computer literacy.
- Good communication skills (written and spoken) and ability to attend to correspondence independently
- Ability to establish and maintain office systems, such as filing, correspondence, logistics of office staff and office procedures
- Maintenance of office equipment, including maintenance contracts and regular back up of computers
- Ability to function effectively in a team environment inspiring trust and co-operation of other team members and to promote good public relations
- Ability to manage and achieve tight deadlines and to work under pressure