

3. Roles and Responsibilities in the Implementation Stage

3.1 Introduction

The principal agencies which are always involved in the implementation stage of every project include:

- The executing agency
- The implementing agency or agencies
- National Planning Commission
- Ministry of Finance, Ministry of General Administration
- Financial Comptroller General's Office (FCGO) and District Treasury Comptroller Office (DTCO)

Other agencies may become involved in a project depending upon the nature of the project and its scope of work and impact upon the environment and people in the project area. For example, land acquisition, forest clearance, or coordination with other sectoral development will require the cooperation of other ministries and local bodies. The possible involvement of these agencies is discussed in this chapter.

The project must have an executing agency to initiate the project and take overall responsibility for its management, outputs and achievement of objectives. In the Nepalese context the executing agency is normally the concerned line ministry, a statutory body or a local body.

3.2 Executing Agency

The executing agency is required to initiate the project and take overall responsibility for its management, outputs and achievement of objectives. Following the planning stage, as described in Part I Chapter 2 the executing agency is to complete the following arrangement before the implementation can commence:

3.2.1 Finalisation of the Project Implementation Plan

- Finalises the project implementation plan before proceeding with detailed arrangements for appointing the implementing agency and staffing the project office.
- Confirms the detailed objectives of the project.
- Develops the project components in sufficient detail to determine project staff requirements, use of consultants, contractors, social and environmental assessment and budget requirements
- Develops the project organisation in sufficient detail to identify project office positions, coordination committee or other coordination requirements.

3.2.2 Designation of Implementing Agency

- Determines the department or agencies to be responsible for the day-to-day implementation of the project.

3.2.3 Formation of Co-ordination Committee

- If necessary, establishes a project coordination committee to provide project coordination with other ministries and departments and to provide direction to the implementing agency and project office.

- Coordinates project implementation with other agencies and examines whether or not project implementation is to the satisfaction of beneficiaries and other stakeholders.

3.2.4 Project Staffing

- Makes arrangement for the staffing of the project through (a) assigning government employees (b) hiring contract staff (c) using international or domestic consultants contracted for some aspect of the project.
- Makes arrangement for the capacity building of the staff through in-house and external training and higher education abroad.
- Assigns employees to the project according to the approved position establishment, and details the job description of the employees.
- Carries out performance evaluations of the gazetted level employees in the manner prescribed in civil service regulations.
- Transfers gazetted level employees from one project to another.

3.2.5 Development of Programmes

- Prepares the annual programme for the coming fiscal year and allocates money for the project in the budget.
- Forwards the list of projects to MOF and NPC on the basis of their feasibility and economic, technical and administrative appropriateness.

3.2.6 Financial Arrangements

- Issue budget authorisation letter to domain office.
- Obtains the approval of MOF to receive any type of cash or commodity assistance from any foreign organisation, institution, agency or country.
- Informs the project office when the whole or part of the budget of any project or office is withheld.
- Receives monthly expenditure statements from all offices (including projects) and prepare a central appropriation account.
- Submits the financial statement to FCGO for preparing central account and AGO for audit and forwards a copy of the audited financial statement to FCGO.
- Obtains the approval of MOF for any budget required in addition to the approved budget or transfer of the approved budget from one head or subhead to another for any project and forwards a letter of authorisation.
- Makes adequate arrangement for the counterpart fund in the project.

3.2.7 Settlement of Audit Objection

- Monitors and makes arrangement for the settlement of audit objection in all the offices under its umbrella.

3.2.8 Contractual Arrangements

- Approves awards for contracts for amounts authorised by FAR.
- Approves variation orders as authorised by FAR.
- Approves design and changes in design.
- Directs and supervises project offices to comply with financial disciplines, rules regulation and directives of HMG/N.

3.2.9 Progress Monitoring

- Provides technical services and guidelines for planning, design, construction, maintenance and operation of infrastructure facilities.
- Monitors and evaluates progress and impacts of the project in accordance with the project implementation plan and logical framework and take action where necessary to correct problems when they occur.
- Monitors the implementation of the project in terms of its quality, standards and time frame.
- Makes periodic inspections of the project to obtain first hand information of progress.

3.2.10 Control of Time Overruns in Contracts

- Initiates actions and corrective measures to expedite project implementation activities based on the project monitoring reports.
- Approves within the provisions of the contract and delegation of the authority liquidated damages on contracts which are delayed and downstream works are affected.
- Initiates actions to expedite activities (obligations of the Employer in contracts) in time so that the contractors may not make claims based on lack of access to the work site or tardiness of other Employer approvals or actions.
- Facilitates third party technical audits and remedial actions as suggested in the auditor's recommendations.

3.2.11 Assist the Technical Audit

- Render all assistance to the agency authorised to conduct a technical audit of the project and initiate all necessary measures to correct non-compliances identified by the technical audit.

3.2.12 Use and Evaluation of Consultants

- Approves the terms of reference and appointment of consultants as requested by the department/project office.
- Carries out performance evaluations of the consultants in the manner prescribed in service agreements.

3.3 Implementing Agency

The department is the main implementing agency and as such it has numerous roles and responsibilities at the implementation stage of a project.

3.3.1 Development of Standards

- Develops technical standards and norms applicable for the specific sector such as infrastructure classification system, design standards, standard specifications, norms, etc.
- Provides technical guidelines for planning, design, construction, maintenance and operation of infrastructure facilities.
- Issues specific modifications to standards and guidelines as the case arises during the implementation process and maintains a record of such modifications.
- Initiates periodic amendments on the standards and updates them.
- Adopts of standard developed by other agencies.

3.3.2 Development of Programmes and Budgets

- Instructs and backstops the division/district/project staff with the necessary technical, planning and development experts for furnishing surveys, drawings, designs, cost estimates and annual work programmes as specified in FAR.

- Guides/helps project staff for preparing budgets for on-going central level projects and on-going and new district level projects within the timeframe specified elsewhere in the PWD.
- Reviews, analyses and revises the budgets and programmes submitted by the subordinate offices and submits to the ministry for approval, ensuring compliance with ministerial guidelines.
- Participates in the internal budget discussion with the ministry and NPC and provides justification for the budget and programme submitted.
- In response to requests of project offices, recommends to the ministry for complementary budget or transfer of approved budget from one head or subhead to another.

3.3.3 Quality Management

- Develops quality management procedures and manuals for use by projects, regional and divisional offices.
- Develops quality management policies and strategies.
- Ensures the availability of laboratories in the different regions and divisions.
- Facilitates project implementation with essential day-to-day testing facilities and services.
- Provides laboratory staffing and training of technical personnel.
- Provides guidelines for statistical quality procedures or quality assurance procedures within the department.
- Encourages consultants and contractors in maintaining the quality standards of the works.

3.3.4 Land Acquisition and Social Action Plan

- Obtains general approval of HMG/N to initiate the land acquisition process.
- Authorises the appropriate official to undertake the land acquisition process and provides Terms of Reference to complete the process within specified time frame.
- Initiates preliminary process of land acquisition including public notification.
- Estimates and arrange funds required for the land acquisition process from HMG/N funds. Donors usually do not provide funds for land acquisition, considering that it is the duty of the borrower to provide land and space for project implementation.
- Monitors the land acquisition process and provides guidance and support to the acquisition, compensation and resettlement officer.
- Obtains the final report on the land acquisition process along with the transfer of land ownership to the department, including both the ownership certificate and clear demarcation in the field.

3.3.5 Staffing

- Obtains sanction for the "position establishment" in the project.
- Makes requests to the Public Service Commission, Ministry of General Administration and the line ministry that vacant posts be filled.
- Assigns employees to the project according to the approved position establishment.
- Transfers non-gazetted level employees from one project to another.
- Directs and supervises project offices to comply with financial rules, regulations and directives of HMG/N.
- Assigns job responsibilities and delegation of authorities to the Project Manager and key staff.
- Carries out performance evaluations of employees in the manner prescribed in civil service acts and regulations.

- Hires community volunteers for short period/training orientation.
- For a complete description of staffing, reference should be made to the Civil Service Act and corresponding regulation.

3.3.6 Control of Time Overruns in Contracts

- Initiates actions and corrective measures to expedite project implementation activities based on the project monitoring reports.
- Approves within the provisions of the contract and delegation of the authority liquidated damages on contracts which are delayed and downstream works are affected.
- Initiates actions to expedite activities (obligations of the Employer in contracts) in time so that the contractors may not make claims based on lack of access to the work site or tardiness of other Employer approvals or actions.

3.4 National Planning Commission

The following are chief roles and responsibilities of NPC during implementation:

- Approves the project and programme.
- Approves any changes in the project and programme as mentioned in FAR.
- Monitors the monthly progress of core projects (priority projects) and trimester progress of core programmes.
- Organises the review meeting of priority projects every trimester.
- Prepares guidelines, prescribes forms and formats for monitoring and evaluation of the project. Holds the meetings of National Development Action Committee (NDAC) every trimester under the chairmanship of the Prime Minister to monitor the progress made during the implementation of programmes.
- The Technical Audit Branch conducts technical audits to verify the extent to which a project has followed HMG/N rules, regulations and the PWD, following the directives laid down in the Technical Audit Manual as approved by HMG/N.

3.5 Ministry of Finance

MOF is the highest financial authority in HMG/N. It controls all financial affairs of HMG/N from budget preparation to actual expenditures incurred. As such, MOF has the following responsibilities pertaining to project implementation:

- In consultation with NPC and the concerned ministry, finalises the budget to achieve the objectives prescribed in the five-year plan of the ministry.
- Adjusts budgets accordingly in case of alterations.
- Presents the annual/supplementary budget to the parliament.
- Issues the budget authorisation letter to line ministries.
- Informs FCGO, DTCO and the concerned ministry of the withholding of whole or partial release of the budget.
- Makes arrangement for additional budget requirement by any concerned ministry for the project.
- Approves the transfer of approved budget from one head or subhead to another.
- Releases the budget accordingly within the limits of the Appropriation Act.
- Presents a statement of the revenue and expenses allocated to each ministry in the previous financial year and an assessment as to whether the objectives of the expenses have been achieved.

3.5.1 Duty and Tax Exemptions

- Approves specific project proposals case by case that include exemption of taxes and duties for construction materials, goods and equipment.
- May relax VAT and other taxes to foreign nationals and firms based on such clauses in the project and contract agreements.

3.5.2 Foreign Exchange Provision

- Allows foreign currency provision in a project for payments to be made for foreign materials, goods, equipment and expertise as envisaged and documented in the project agreement or project approval.
- Permits contractors and consultants to bid in foreign currencies in the case of donor assisted projects as per the project agreement.
- Permits the rates of exchange at the time of bidding or date specified in the contract irrespective of the variation in the rate of exchange.
- Allows the payment in foreign currencies in the proportion tendered by the contractor.

3.5.3 Import of Special Items

- MOF has the authority to approve import of special items for the project. The implementing agency's project office should seek the approval for such imports from MOF well in advance.

3.6 Financial Comptroller General's Office

FCGO is responsible for enforcing financial discipline in all governmental offices and as such has an important role in the financial administration of the project.

- Assigns FCGO accounting personnel to the line ministries, departments, district and project offices.
- Assigns FCGO personnel to fulfil the accounting functions in all project offices.
- Provides training to accountants, including sending personnel to other countries for higher training.
- Maintains project financial accounts and reports in prescribed forms through accounting personnel deputed by FCGO to the project.
- Releases budgets to all government offices including project offices through DTCO.
- Enforces financial regulations and directives to provide an efficient financial system.
- Advises and settles any disputes arising in financial administration during implementation.
- Maintains records of irregularities.
- Ensures that all government accounts including the project's are duly closed at the end of financial year and arranges for the remaining appropriated budget to be deposited in the consolidated fund.
- Inspects project offices as required to verify the accounts and balances of appropriation, revenue, deposits and inventory, and the observance of financial rules.
- Conducts internal audits of expenditures, revenues and deposits in all project offices.
- Resolves problems raised in fiscal administration and notifies project offices.
- In collaboration with the project office, carries out performance evaluations of accountant staff in the project.
- Prepares and enforces guidelines for the project in the sphere of services, public works and public goods.

- Recommends to MOF any necessary amendments in FAR.
- Certifies the unaudited project account to be submitted to donor agencies within three months after the end of each fiscal year.
- Gives approval to the project to open a special or imprest fund account in accordance with the agreement with the donor agency.
- Forwards application to donor agency to replenish fund to the special or imprest fund account.

3.7 Auditor General's Office

- Receives a copy of agreements between HMG/N and donor agencies, budget statement and letter of authorisation from MOF.
- Conducts an external financial audit, and also a performance audit that includes economy, efficiency and effectiveness and an audit of the property of the project.
- Receives an annual financial statement from ministries.
- Prescribes the forms for governmental accounting system.
- Provides opinion on audit aspects of foreign assistance.
- Gives opinion on the project account and financial statement based on which funding agencies disburse funds for works, goods, services and special account.

3.8 Ministry of Industries, Commerce and Supplies

The Ministry of Industries, Commerce and Supplies has the authority to issue and approve the following, which are related to project implementation:

3.8.1 Import and Export Permits

- Issues permit for import, export of goods and materials for any project or office as per the contract between the HMG/N agency and the contractor.
- Issues permits to receive commodity aid from foreign agencies.

3.8.2 Duty and Tax Exemption

- Formulates policy for exemption of taxes and duties for import of goods and materials for the use of the development projects.
- Issues permits for import of constructional plants for the construction period with the condition that they will be re-exported after completion of the construction.
- Advises the respective Project Manager to keep track of goods, materials and equipment imported with duty and tax exemption and ensure that they are utilized for genuine project use.

3.9 Ministry of General Administration

The Ministry of General Administration has the following responsibilities relating to project implementation:

- Prepares a manpower development plan to meet the requirement of the periodic development plan in collaboration with NPC and sectoral ministries,
- Approves the organisational structure of governmental agencies.
- Develops and approves position establishments based on requests from different ministries.

- Maintains personal records and performance records of each employee (at Nijamati Kitabkhana).
- Maintains an inventory of filled and vacant posts and recommends to the Public Service Commission for recruitment of the staff to fill vacancies.
- Transfers non-gazetted employees from one ministry to another or places and maintains staff transfers records.
- In collaboration with the concerned ministry, prepares a list of gazetted employees working with different government agencies for promotion based on the performance evaluation of each employee and recommends to the promotion board.
- Issues policies and procedures for appointment of time bound contract staff in projects.

3.10 Ministry of Population and Environment

The Ministry of Population and Environment has a key role to accept or reject projects on the ground of environmental factors. These roles are in conformity with the Environment Protection Act and corresponding Regulation.

- May recommend HMG/N to frame necessary rules for proposal, IEE and EIA procedures, standards, biological diversity and natural heritage, pollution, waste management, operation of environmental conservation fund etc.
- Specifies the extent of environmental study in projects with different sizes and complexities.
- Receive a copy of IEE report approved by the concerned agencies for projects requiring IEE only.
- Arranges transmittal of submitted EIA reports for obtaining opinions and suggestions from the general public.
- May form a committee of experts of the concerned agencies to render opinions and suggestions on EIA report and assign functions, duties and powers of the committee.
- Approves the environmental scoping document which describes the scope of EIA required in a project.
- Approves the work schedule proposed by the proponent.
- Grants approval to implement a proposal within 90 days from the date of receipt of the proposal.
- Conducts tests of the environmental impact of the implementation of the proposal.
- May stop any activity contrary to the Environmental Act and Regulation.
- May delegate powers to the concerned HMG/N agencies as necessary.
- Prepares and updates a list of standard laboratories.
- Prepares and updates a list of persons possessing special knowledge and experience in environmental matters.

3.11 Ministry of Forest and Soil Conservation

The Ministry of Forest and Soil Conservation has the following responsibilities relating to project implementation:

- May grant approval for use of forest land for implementation of national priority projects, which do not have other options and do not have adverse impact in the environment.
- May provide movement of vehicle, labour and other heavy machines through the forest area and issues licences to obtain natural endowments such as sand, stone, pebbles, coal, and lime from the forest areas.

- Marks the trees to be removed for implementation of the project and permits the duly authorised licensee to remove such trees at the cost of concerned project.
- May provide technical support for nursery establishment, selection of plant species, plantation and bioengineering works at the request of the project.

3.12 Ministry of Home Affairs

The Ministry of Home Affairs and the district administration office has the following roles and responsibilities relating to project implementation:

- Provides security arrangements in the project area as required.
- Provides permission to issue classified maps and information required for the project.
- permits limited use of radio, VHF and similar communication bands for internal communication within project area.
- Grants permission to carry out aerial photography or helicopter flights in restricted and sensitive areas.
- Permits procurement, storage and security arrangements for use of explosives in the project as required.
- Represents in the public bidding process.
- Takes lead in public related issues such as land acquisition, payment of compensation and settlement of public unrest related to the project.
- May grant financial assistance in the event of natural calamities.
- Helps to recover governmental dues from agencies or individuals.

3.13 Ministry of Defence

The Ministry of Defence has some role in the project implementation process as follows:

- Grants permission for aerial photography and helicopter flights in restricted and sensitive areas.
- Maintains custody of maps and information at border areas and other restricted and sensitive areas and provides limited use to projects where necessary.
- Grants permission to issue explosive to projects where security arrangements are under the custody of Ministry of Home.