

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

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Dated. 12.09.2019

From

**Shri A.K.Tripathy, IAS
Chief Secretary**

To

**Additional Chief Secretary /Principal Secretary/
Commissioner –cum-Secretary
All Departments**

Sub: Establishment of PMU/TSU and Engagement of Consultants

Madam/Sir,

This is to bring to your notice that owing to shortage of manpower at different levels in the past the Administrative Departments were allowed to establish PMUs/TSUs and engage external consultants to provide necessary support to the Departments in critical areas. Finance Department issued guidelines vide OM No. 42280/F., dtd. 26.09.2011 and subsequently enhanced the powers to sanction expenditure and approve engagement of consultants vide FD Notification No. 22393/F., dtd. 08.06.2012. A comprehensive circular on the same subject has been issued by Finance Department vide OM No, 37323., dtd. 30.11.2018. Accordingly, many departments have put in place PMUs/TSUs and engaged external consultants for different purposes. It was intended to be an ad hoc mechanism and strengthen the capabilities of the officers in technical spheres. However, it is observed that in many cases they have been engaged for routine nature of work without contributing to the institutional memory and capacity building in the respective Departments. More and more, the departments are becoming dependent on outside resources not utilising the manpower available in the internal system.

2. In the last few years substantial recruitments have been made in different cadres and Government has been able to attract talents having experience and expertise in various technical domains. Presently, there is a need to effectively utilise their services and groom them to shoulder better responsibilities in future. They could be utilised in various critical

assignments and thereby inhouse capacity in the Government would increase in the long run. There has been a notion that a PMU/TSU needs to have external consultants. This is a misnomer in the sense that even PMUs could be run by internal human resources with minimal help from outside. Therefore, we need to strategise the engagement of PMUs/TSUs in such a manner that it could effectively contribute to in house capacity building of the departments and in future the regular officers should be able to take over these responsibilities independently. In that direction, creation of new PMUs/TSUs with external resources should be discouraged and in rarest of the rare cases it may be established for short term duration with minimum outside support. Renewal of their engagement should be reviewed at the highest level in the Department on need based approach and not as a routine matter. These PMUs/TSUs and consultants should not function independently and must work with Government officers at the level of Joint Secretary/Additional Secretary while supporting/supplementing junior Government employees for developing better coordination, capacity building and institutional memory.

3. Simultaneously, the Departments should try to identify suitable talents at lower and middle level government employees having basic technical knowledge and right aptitude and utilise them by constituting PMUs/TSUs within the Government system to handle assignments of technical nature in critical sectors. They may be groomed properly through suitable training in reputed institutions within and outside the State to equip them with necessary knowledge and exposure. The Departments can operate PMUs/TSUs internally with these officers and a senior officer having knowledge in the concerned field may head the unit, if required. Short term external consultancy could assist such a unit for a fixed duration with well-defined scope of work, mainly to create on-the-job capacity building for government staff.

4. All the Departments are requested to follow these instructions and advise the Heads of Department and other agencies under them to abide by the same. Further, the existing PMUs/TSUs may be reviewed in light of the above instructions.

Yours faithfully,

**Sd/-
Chief Secretary**