

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
পরিকল্পনা কমিশন  
কার্যক্রম বিভাগ

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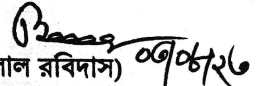
তারিখঃ ১৯ শ্রাবণ, ১৪৩০  
০৩ আগস্ট, ২০২৩

বিষয়ঃ **Public Investment Management (PIM) Guideline প্রেরণ।**

পরিকল্পনা কমিশনের কার্যক্রম বিভাগ কর্তৃক প্রণীত Public Investment Management (PIM) Guideline এর কপি সদয় অবগতি ও কার্যার্থে নির্দেশক্রমে প্রেরণ করা হলো।

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প্রোগ্রামার
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১৪. সিনিয়র সচিব, জননিরাপত্তা বিভাগ, স্বরাষ্ট্র মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
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১৬. সচিব, স্বাস্থ্য সেবা বিভাগ, স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
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১৯. সচিব, শিল্প মন্ত্রণালয়, শিল্প ভবন, মতিঝিল বা/এ, ঢাকা।
২০. সচিব, তথ্য ও সম্প্রচার মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২১. সচিব, অর্থনৈতিক সম্পর্ক বিভাগ, অর্থ মন্ত্রণালয়, পরিকল্পনা কমিশন চত্বর, শেরে বাংলা নগর, ঢাকা।
২২. সচিব, পল্লী উন্নয়ন ও সমবায় বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
২৩. সচিব, পরিকল্পনা বিভাগ, পরিকল্পনা মন্ত্রণালয়, শেরে বাংলা নগর, ঢাকা-১২০৭।
২৪. সচিব, পার্বত্য চট্টগ্রাম বিষয়ক মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২৫. সচিব, সেতু বিভাগ ও নির্বাহী পরিচালক বাংলাদেশ সেতু কর্তৃপক্ষ, সেতু ভবন, বনানী, ঢাকা-১২১২।
২৬. সচিব, লেজিসলেটিভ ও সংসদ বিষয়ক বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
২৭. সচিব, শ্রম ও কর্মসংস্থান মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২৮. সচিব, মৎস্য ও প্রাণিসম্পদ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।



# Public Investment Management (PIM) Guideline

**Programming Division**  
Bangladesh Planning Commission  
Government of the People's Republic of Bangladesh

**June 2023**



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**June 2023**

**Published by**

Programming Division  
Bangladesh Planning Commission  
Government of the People's Republic of Bangladesh  
Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh.

First Published: June 2023

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**A Note on this Edition:**

This document will be available in the Bangladesh Planning Commission Website for general access:  
<http://www.plancomm.gov.bd/>

*Cover Page Design*

1. JICA Expert Team (JET), SPIMS Project


## Preface

I am pleased to present the Public Investment Management (PIM) Guideline intended for the use of government officials in Bangladesh. This Guideline has been developed to offer valuable assistance to public officials for carrying out essential functions of PIM effectively and efficiently. They provide detailed explanations of the three stages of PIM, namely Planning, Allocation, and Implementation. For each stage, the Guideline outline the most recent legal, regulatory, and policy frameworks governing public investment management, along with the roles and responsibilities of relevant organizations and the administrative procedures involved in performing key PIM functions.

The preparation of the PIM Guideline was carried out under the Strengthening Public Investment Management System (SPIMS) Project, led by the Programming Division of the Bangladesh Planning Commission in collaboration with the Japan International Cooperation Agency (JICA). Prior to the launch of SPIMS in 2014, an extensive study on PIM was conducted by the World Bank, which prompted the Planning Commission to initiate various reform projects, including the SPIMS Project. In 2018, the International Monetary Fund (IMF) conducted the Public Investment Management Assessment (PIMA) in Bangladesh, identifying crucial issues that needed to be addressed and providing a set of recommendations. Since 2018, PIM reform has been implemented as an integral part of comprehensive Public Financial Management (PFM) reforms.

I would like to emphasize that the scope of PIM extends beyond project management. Within the PIM Guideline, readers will discover that PIM encompasses not only the management of individual projects but also the management of national and sectoral planning, as well as resource allocation for development projects. All aspects of PIM should be closely interconnected to effectively and efficiently achieve planned goals and objectives within the available budgetary resources in the short- to medium-term.

The Programming Division of the Planning Commission is responsible for regularly revising the PIM Guideline on behalf of the government. These Guidelines should be viewed as a dynamic document that requires periodic updates to reflect the progress of PIM reform in the years to come. I sincerely hope that the PIM Guideline will provide officials with valuable insights and enable them to enhance the management of public investment in a more effective and efficient manner.

  
26/04/23  
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and  
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## List of Abbreviations

<b>ACC</b>	Anti-Corruption Commission
<b>ADB</b>	Asian Development Bank
<b>ADP</b>	Annual Development Programme
<b>AIMS</b>	Aid Information Management System
<b>AMS</b>	ADP/RADP Management System
<b>APRA</b>	Annual Progress Review of Annual Development Programme
<b>AWP</b>	Annual Work Plan
<b>BC</b>	Budget Circular
<b>BCS</b>	Bangladesh Civil Service
<b>BDT</b>	Bangladeshi Taka
<b>BMRC</b>	Budget Monitoring and Resource Committee
<b>BPATC</b>	Bangladesh Public Administration Training Centre
<b>BPSC</b>	Bangladesh Public Service Commission
<b>CCEA</b>	Cabinet Committee on Economic Affairs
<b>CCGP</b>	Cabinet Committee on Government Purchase
<b>CGA</b>	Controller General of Accounts
<b>CPTU</b>	Central Procurement Technical Unit
<b>DIA</b>	Disaster Impact Assessment
<b>DPEC</b>	Departmental Project Evaluation Committee
<b>DPP</b>	Development Project Proposal
<b>DRIP</b>	Disaster Reduction Information Platform
<b>DRR</b>	Disaster Risk Reduction
<b>DSPEC</b>	Departmental Special Project Evaluation Committee
<b>ECNEC</b>	Executive Committee of National Economic Council
<b>e-CMS</b>	Electronic Contract Management System
<b>e-GP</b>	Electronic Government Procurement
<b>EIA</b>	Environmental Impact Assessment
<b>e-PMIS</b>	Electronic Project Management Information System
<b>ERD</b>	Economic Relations Division
<b>ETPC</b>	Estimated Total Project Cost
<b>FAP</b>	Foreign Aided Project
<b>FBE</b>	Forward Baseline Estimates
<b>FD</b>	Finance Division
<b>FYP</b>	Five Year Plan
<b>GDP</b>	Gross Domestic Product
<b>GED</b>	General Economics Division
<b>GFR</b>	General Financial Rules
<b>GIS</b>	Geographic Information System
<b>GoB</b>	Government of Bangladesh
<b>iBAS</b>	Integrated Budget and Accounting System
<b>IEE</b>	Initial Environmental Examination
<b>IFT</b>	Invitation for Tender
<b>IMED</b>	Implementation Monitoring and Evaluation Division
<b>IMPC</b>	Inter-Ministerial Programming Committee
<b>IRD</b>	Internal Resources Division
<b>IT</b>	Information Technology
<b>LDC</b>	Least Developed Country
<b>LGD</b>	Local Government Division

<b>LGI</b>	Local Government Institution
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MAF</b>	Ministry Assessment Format
<b>MARM</b>	Monthly Annual Development Programme Review Meeting
<b>MBF</b>	Ministry Budget Framework
<b>MDA</b>	Ministries, Divisions and Agencies
<b>MoE</b>	Ministry of Education
<b>MoEFCC</b>	Ministry of Environment, Forest and Climate Change
<b>MoF</b>	Ministry of Finance
<b>MoLGRDC</b>	Ministry of Local Government, Rural Development and Co-operatives
<b>MoP</b>	Ministry of Planning
<b>MoPA</b>	Ministry of Public Administration
<b>MoWCA</b>	Ministry of Women and Children Affairs
<b>MPR</b>	Monthly Progress Report
<b>MTBF</b>	Medium-Term Budget Framework
<b>MTMF</b>	Medium-Term Macroeconomic Framework
<b>MYPIP</b>	Multi-year Public Investment Programme
<b>NADA</b>	National Academy for Development Administration
<b>NAPD</b>	National Academy for Planning and Development
<b>NCC</b>	National Coordination Committee
<b>NEC</b>	National Economic Council
<b>NGO</b>	Non-Governmental Organization
<b>NPC</b>	National Plan Management
<b>NSC</b>	National Steering Committee
<b>OCAG</b>	Office of the Comptroller and Auditor General
<b>OP</b>	Operational Plan
<b>PAAS</b>	Project Assessment and Appraisal System
<b>PC</b>	Bangladesh Planning Commission
<b>PCR</b>	Project Completion Report
<b>PDPP</b>	Preliminary Development Project Proposal
<b>PEC</b>	Project Evaluation Committee
<b>PECT</b>	Program Execution and Coordination Team
<b>PFM</b>	Public Financial Management
<b>PFSP</b>	Proforma for Feasibility Study Proposal
<b>PIM</b>	Public Investment Management
<b>PIMG</b>	Public Investment Management Guideline
<b>PIMRP</b>	PIM Reform Program
<b>PIP</b>	Programme Implementation Plan
<b>PIT</b>	Program Implementation Team
<b>PMBMA</b>	Public Moneys and Budget Management Act
<b>PMIS</b>	Project Management Information System
<b>PMO</b>	Prime Minister's Office
<b>PPA</b>	Public Procurement Act
<b>PPP</b>	Public Private Partnership
<b>PPPA</b>	Public Private Partnership Authority
<b>PPR</b>	Public Procurement Rules
<b>PPS</b>	Project Processing, Appraisal and Management System
<b>PSC</b>	Project Scrutiny Committee
<b>QPR</b>	Quarterly Progress Report
<b>RADP</b>	Revised Annual Development Programme
<b>RDPP</b>	Revised Development Project Proposal
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Quotation
<b>RPFS</b>	Revised Proforma for Feasibility Study Proposal
<b>RTAPP</b>	Revised Technical Assistance Project Proposal

<b>RTPP</b>	Revised Technical Project Proposal
<b>SAF</b>	Sector Appraisal Format
<b>SAP</b>	Sector Action Plan
<b>SDG</b>	Sustainable Development Goals
<b>SDPP</b>	Strengthening Digital Processing of Projects
<b>SID</b>	Statistics and Informatics Division
<b>SPEC</b>	Special Project Evaluation Committee
<b>SPEMP</b>	Strengthening Public Expenditure Management Programme
<b>SPIMS</b>	Strengthening Public Investment Management System Project
<b>SRM</b>	Sector Results Matrix
<b>SSP</b>	Sector Strategy Paper
<b>SWG</b>	Sector Working Group
<b>TAC</b>	Technical Advisory Committee
<b>TAPP</b>	Technical Assistance Project Proforma/Proposal
<b>TOE</b>	Table of Organizations and Equipment
<b>TPP</b>	Technical Project Proposal
<b>UNDP</b>	United Nations Development Programme
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America
<b>WB</b>	World Bank



# Chapter 1

## Introduction

### 1.1 Objectives and Scope of Public Investment Management Guideline

Public investment is the main instrument of the Government of Bangladesh (hereinafter called “the Government”) to achieve its development objectives as articulated in Bangladesh Delta Plan 2100, Bangladesh Perspective Plan 2021-2041, 8<sup>th</sup> Five Year Plan 2021-2025, and Sustainable Development Goals (SDGs) 2030.

The Government recognizes that Public Investment Management (PIM) is critical for achieving the development objectives in those national plans. Moreover, global challenges such as climate change, Covid-19 pandemic, and Russia’s war in Ukraine further enhanced the importance of PIM since public investment is one of the most powerful instruments to address those challenges. To achieve the national objectives and address the global challenges, the government will need to be able to identify, formulate and implement high-quality development projects effectively and efficiently and mobilize foreign funding as swiftly as possible.

The current Public Investment Management Guideline (hereinafter called “the Guideline”) are aimed to provide useful guidance for public officials to perform key functions of PIM effectively and efficiently. The Guideline explain the current legal, regulatory, and policy frameworks for managing public investment, roles and responsibilities of concerned organizations, and administrative procedures to perform key functions of PIM.

The Guideline focuses on development projects and programmes as stipulated in the *Procedures for Preparation, Processing, Approval, and Revision of Development Projects in the Public Sector 2022* (hereinafter called “Green Book 2022”) and are included in Annual Development Programme (ADP).<sup>1</sup> The Guideline explain self-financed projects of autonomous agencies and state-owned companies because they often require public funds in the forms of government loan, equity, and/or grant and are therefore recorded in ADP. The current Guideline, however, do not explain management of projects under Public-Private-Partnership (PPP) scheme of the government. This is because those projects are governed by a different set of laws, rules and regulations processed by the Public Private Partnerships Authority (PPPA), a specialized authority under the supervision of the Prime Minister’s Office. Only “PPP-link projects” financed by GoB are included in the ADP.<sup>2</sup> This guideline also does not explain management of projects under Bangladesh Climate Change Trust Fund (BCCTF) as those are governed by Climate Change Trust Act 2010<sup>3</sup> and programmes under operating budget which are govern by circular of Finance Division.

### 1.2 Definitions

**Public investment** is government spending on the creation or improvement of physical assets, including both economic infrastructure (such as airports, roads, railways, water and sewerage systems, electricity utilities and telecommunications) and social infrastructure (such as schools, hospitals and prisons). Public investment refers to the investment by the government to provide goods, services, and infrastructure that are of vital importance for development of the country. Public investment is executed

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<sup>1</sup> Planning Division (2022). *Procedures for Preparation, Processing, Approval, and Revision of Development Projects in the Public Sector*. Ministry of Planning.

<sup>2</sup> With regard to the PPP scheme, various useful documents and resources are available in the website of the Public Private Partnership Authority (PPPA), such as the Public Private Partnership Act (2015), Procurement Guidelines for PPP Projects (2018), and PPP Screening Manual (2020).

<sup>3</sup> climate Change Trust Act 2010 and Climate Change Trust Fund project management guideline.

through development projects and programmes in the public sector in the ADP. The development projects consist of investment projects, feasibility study projects, technical assistance projects, technical projects, and sector programmes.

### Types of public investment

Public investment is done by, i) projects and programmes in ADP ii) Public private partnership project ii) projects under Climate change trust fund and iv) programmes under operating budget

**Public investment management** (hereinafter called “PIM”) refers to the management of development projects and programmes at the three stages of the public investment cycle: planning, allocation, and implementation (see Section 1.3 for detail).

**Public investment management system** (hereinafter called “PIM system”) refers to an oversight system to manage development projects and programmes in the ADP. The PIM system is a major component of the Public Financial Management (hereinafter called “PFM”) systems of the government.

## 1.3 Overview of PIM system in Bangladesh

The backbone of the PIM system in Bangladesh is the national development planning framework as presented in Figure 1.

Vision 2041, Delta Plan 2100, and SDGs 2030 set out the national goals of Bangladesh. Perspective Plan 2021-2041 and Five-Year Plans lay out the long- and medium-term plans, respectively, to achieve the national goals of Bangladesh.

The Annual Development Programme (ADP) is the main budgetary instrument to implement Perspective Plan 2021-2041 and Five-Year Plans. The ADP consists of 15 sectors and, through the ADP process, development budgets are allocated for new and ongoing development projects and programs in those respective sectors to achieve the national goals of Bangladesh.

It is important to stress that PIM is a much broader concept than “project management”. This is because PIM encompasses management of: i) national development planning through Perspective Plan 2021-2041, Delta Plan 2100 and Five-Year Plans; ii) development budget allocation through ADP; and iii) development projects and programme. PIM aims to manage these three sub-systems in an integrated way to achieve national goals of Bangladesh. In other words, project management may be considered as an integral part of the larger PIM system of Bangladesh.

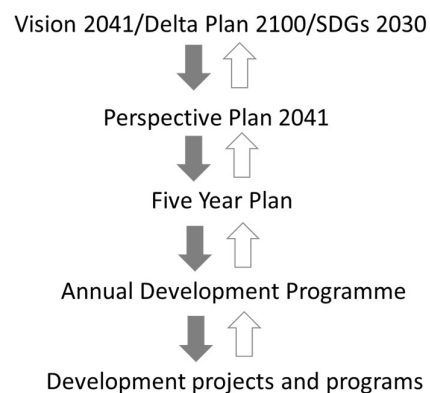


Figure 1 National development planning framework of Bangladesh

### 1.3.1 Legal and regulatory framework for PIM

**The Constitution of Bangladesh** (hereinafter called “the Constitution”) prescribes the mandates concerning PFM. Articles 81-92 in Part II of the constitution stipulate the fundamental principles, procedures, and responsibilities for PFM. Since the PIM system is a major component of the PFM systems, it shall be developed and operationalized in line with the mandates of PFM as prescribed in the constitution.

**Public Moneys and Budget Management Act 2009** (hereinafter called “PMBMA 2009”) is a law to further explain the mandates prescribed in the constitution. PMBMA 2009 provides the legal and regulatory foundations on which the PFM system shall be developed and managed.

**Allocation of Business among the Different Ministries and Divisions 1996** (Schedule 1 of the Rules of Business 1996 issued by the Cabinet Division; Revised in 2017; hereinafter called “Allocation of Business 2017”) mandates the Ministry of Planning to issue the rules and Guideline for preparation and processing of development projects at the national and Upazila levels.

**Procedures for Preparation, Processing, Approval and Revision of Development Projects in the Public Sector 2022** (issued by Planning Division, Ministry of Planning; Revised in 2022) stipulates the procedures to prepare, process, approve and revise development projects of the government.

### 1.3.2 Three stages of PIM: Planning, allocation, and implementation

PIM consists of three stages of the PIM cycle– planning, allocation, and implementation, and seven key functions under the respective three stages are explained in the following (see Figure 2).

#### *Planning stage of PIM*

1. **Strategic guidance:** The function of strategic guidance consists of two sub-functions: (i) macro-fiscal framework, and (ii) national and sectoral planning.

First, macro-fiscal framework is to ensure fiscal discipline, macroeconomic stability, and pro-poor growth, and provide clear guidance for medium-term planning of public investment through budget ceilings in the MTBF process (see Section 3.1.1 for detail).

Second, national and sectoral planning is to prepare national plans such as Bangladesh Delta Plan 2100, Bangladesh Perspective Plan 2021-2041, 8<sup>th</sup> Five Year Plan (8FYP), and sector plans and strategies to guide planning of development projects and programs by Ministries, Divisions, and Agencies (MDAs) (see Section 3.1.2 for detail). Strategic guidance ensures that all development projects and programmes are linked to achieve the national and sectoral goals and outcomes set out in those national plans, sector plans and strategies.

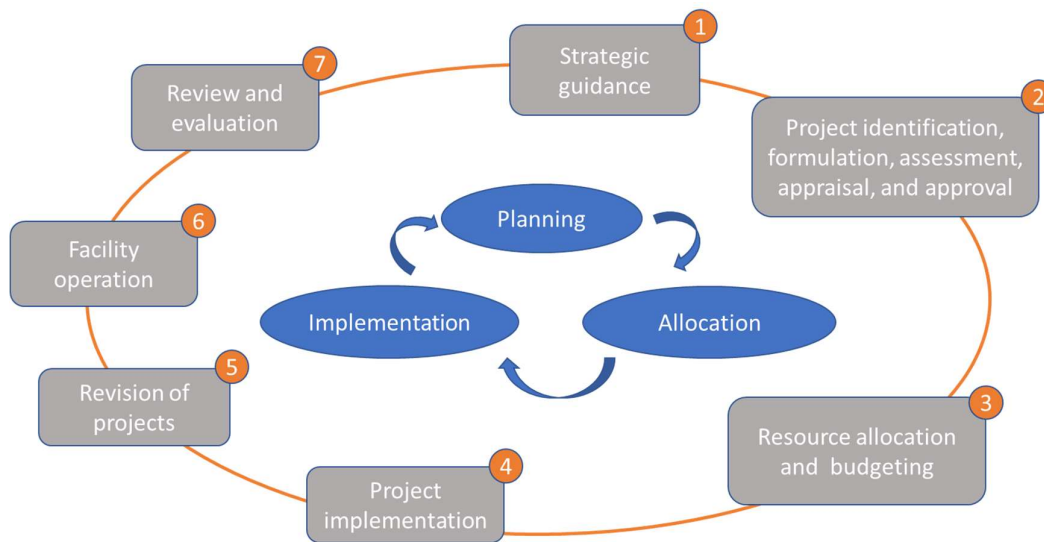


Figure 2 Three stages and seven functions of PIM

2. **Project identification, formulation, assessment, appraisal, and approval:** MDAs identify and formulate proposals of new projects and programmes (see Sections 4.1 and 4.2 for detail). This is followed by Ministries and Divisions conducting assessment of those proposals. This assessment at the Ministry/Division level is to be conducted based on a set of standardized criteria and formats to ensure that the quality of the proposals meets the standards set by the government, and that the proposals are processed efficiently through stipulated procedures (see Section 4.3 for detail).

Then, four Sector Divisions of the Bangladesh Planning Commission (hereinafter called “Planning Commission” or “PC”) appraise project proposals based on a standardized criteria and formats. Sector appraisal examines that project proposals are properly designed and clearly linked with sector goals and outcomes, within sectoral resource availability in the current and future fiscal years (see Section 4.4 for detail).

Finally, the Executive Committee of National Economic Council (ECNEC) or Minister/state Minister of Planning Ministry or Ministers of sponsoring Ministries approve projects including project costs, depending on the thresholds of project costs (for detail on thresholds of approval, see Section 4.5).

#### *Allocation stage of PIM*

3. **Resource allocation and budgeting:** The development budget (known as ADP/RADP) is prepared as part of the National Budget, considering national development needs through a process of reconciliation of resources available from both domestic and foreign sources (see Section 5.1.1 for detail).

The Programming Division of Planning Commission finalizes resource allocation to a particular project after approval by the competent authority as per ADP allocation under the MTBF ceiling of the respective sponsoring Ministries and Divisions, and considering availability of fiscal space in outer years, using Multi-Year Public Investment Programme (MYPIP) through ADP/RADP Management System (see Section 5.1.2 for detail).

The National Economic Council (NEC) makes final decisions on allocating development budget of the Government.

#### *Implementation stage of PIM*

4. **Project implementation:** Ministries and Divisions implement development projects through sound procurement planning and procedures, realistic timetables, and adequate project implementation monitoring systems. They conduct public procurement using e-Government Procurement (e-GP) system administered by Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning (see Section 6.1.2 for detail).

The IMED also conducts the monitoring of financial and physical progresses of approved projects and programmes, report the monitoring results for concerned stakeholders regularly (see Section 6.1.3 for detail).

5. **Revision of projects:** Ministries and Divisions ensure flexibility to allow for changes in project plan and disbursement profiles according to the changes in project circumstances. The PC examines and approves the adjustments proposed by Ministries and Divisions in accordance with the set rules for revision of projects (see Section 6.2.1 for detail).

The Government also manages non-performing development projects through the procedures set out in the Green Book (see Section 6.2.3 in detail).

6. **Facility operation:** Ministries, Divisions and Agencies (MDAs) ensure that new infrastructure facilities such as power plants, roads and bridges built under development projects are ready for operation and capable of delivering intended services sustainably. This requires proper management of public asset registers (see Section 6.3.1 for detail).

In addition, effective management of operation and maintenance and improvement of public assets (see Section 6.3.2 for detail).

7. **Review and evaluation:** The Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning (MoP) conducts a systematic review of all development projects and programmes at project completion (see Section 6.4.1 for detail).

Furthermore, the IMED conducts ex-post (or impact) evaluation of selected projects and programs to assess the extent to which project outcomes and impact have been achieved (see Section 6.4.2 for detail).



### 1.3.3 Key stakeholders of PIM

Many government organizations are involved in the PIM system in Bangladesh. Figure 3 below presents an overview of and linkages among the key stakeholders of PIM system in Bangladesh.

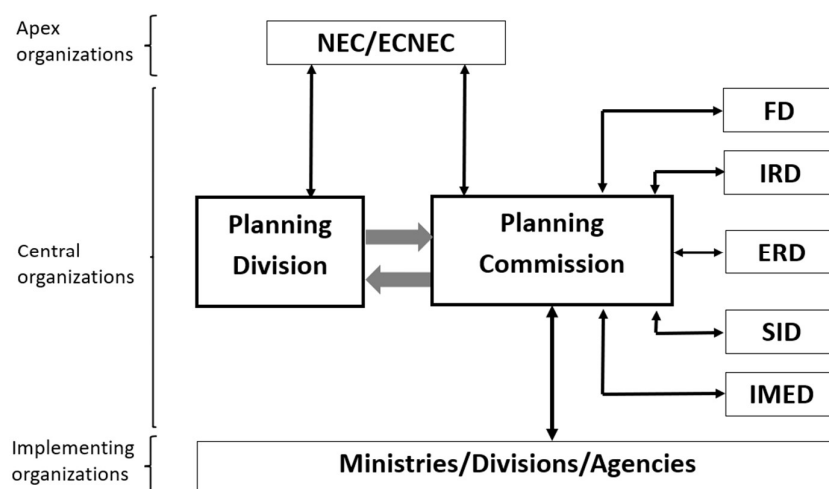


Figure 3 Overview of key PIM stakeholders

The key stakeholders of PIM consist of three broad groups of organizations:

**Apex organizations**– The National Economic Council (NEC) and Executive Committee of the National Economic Council (ECNEC) that make high-level decision on public investment and development policies.

**Central organizations**– The Bangladesh Planning Commission (PC), Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning (MoP), Finance Division (FD), Internal Resources Division and Economic Relations Division (ERD) of the Ministry of Finance (MoF), National Academy for Planning and Development of the Ministry of Public Administration that manage overall planning, budgeting, and monitoring and evaluation (M&E) of development projects and programs across the government.

**Implementing organizations**– Ministries, Divisions and Agencies (MDAs) that plan, implement and monitor development projects and programmes under a specific sector.

### 1.3.4 Role and responsibilities of organizations in the PIM system

An overall summary of the roles and responsibilities of the respective PIM stakeholders are presented in Table 1 below.

Table 1 Key organizations and their roles and responsibilities in the PIM system

Name of organization	Roles and responsibilities
<b>(1) Apex organizations</b>	
National Economic Council <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Provides overall guidance at the stage of the formulation of Perspective Plan, FYPs, ADP, and development policies.</li> <li>• Finalizes and approves plans, programmes, and policies.</li> </ul>
Executive Committee of NEC <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Considers and approves individual development projects.</li> <li>• Considers and approves development projects with investment expenditure above BDT 50 crore having prior recommendations from the PEC.</li> </ul>
<b>(2) Central organizations</b>	
Bangladesh Planning Commission	
Programming Division <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Prepares ADP and Revised ADP (RADP) within the framework of national plans and policies</li> <li>• Determines the sizes of ADP and sectoral allocations in consultation with FD and ERD</li> <li>• Oversees implementation and management of ADP and RADP.</li> </ul>
General Economics Division <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Prepares national, long-term plans such as Perspective Plan in accordance with social, economic and political objectives of the government.</li> <li>• Prepares medium-term development plans such as FYPs</li> </ul>
Sector Divisions <ul style="list-style-type: none"> <li>• Industry and Energy</li> <li>• Physical Infrastructure</li> <li>• Socio-economic Infrastructure</li> <li>• Agriculture, Water Resources and Rural Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Formulates sectoral plans consistent with the macro planning objectives.</li> <li>• Coordinates sectoral development programmes consistent with the sectoral plans.</li> <li>• Conducts development project appraisal and serve as the secretariat of the sectoral Project Evaluation Committee (PEC).</li> <li>• Prepares sectoral ADP in consultation with sector MDAs and Programming Division.</li> </ul>
Ministry of Planning	
Planning Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Provides secretarial support services to the apex and central organizations (NEC, ECNEC, PC).</li> <li>• Issues the rules and Guideline for preparation and processing of development projects.</li> </ul>
Implementation, Monitoring and Evaluation Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Monitors and evaluates the implementation of public investment projects included in ADP.</li> <li>• Manages matters relating to Central Procurement Technical Unit (CPTU).</li> </ul>
Statistics and Informatics Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Generates and provides official data and information for planning and development.</li> </ul>
Ministry of Finance	

Finance Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Formulates fiscal policies, Medium-term Macroeconomic Framework (MTMF), Medium-Term Budget Framework (MTBF) in consultation with other Ministries and Divisions.</li> <li>• Manages budgetary matters of development projects.</li> <li>• Manages matters relating to audit and accounts.</li> </ul>
Economic Relations Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Assesses, mobilizes, negotiates and allocates all multilateral and bilateral development assistance for implementation of development projects and programs.</li> </ul>
Internal Resources Division <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Raises necessary domestic revenues for the Government.</li> <li>• Administers matters relating to all taxes, customs, duties, fees, etc. including income tax, sales tax, excise duties, customs duties, fees, etc., other than land revenue.</li> </ul>
Ministry of Public Administration	
National Academy for Planning and Development	<ul style="list-style-type: none"> <li>• Develops and provides training programs for human resource development in the fields of planning and development.</li> </ul>
<b>(3) Implementing organizations (Ministries, Divisions and Agencies; MDAs)</b>	
Ministry/Division, Planning Wing/Cell <sup>(3)</sup>	<ul style="list-style-type: none"> <li>• Prepares ADP at the Ministry/Division level.</li> <li>• Examines and assesses DPPs/TAPPs/TPPs.</li> <li>• Processes fund release for projects and programs.</li> <li>• Monitors development projects implemented by Agencies under Ministry/Division.</li> </ul>
Agency/Department <sup>(3)</sup>	<ul style="list-style-type: none"> <li>• Prepares master plan of Agency.</li> <li>• Conducts studies (e.g., feasibility) for project planning.</li> <li>• Prepares/formulates project proposals in the form of DPPs/TAPPs/TPPs.</li> </ul>
Sources: (1) Bangladesh Planning Commission website ( <a href="http://www.plancomm.gov.bd/">http://www.plancomm.gov.bd/</a> ); (2) Cabinet Division (1996) (revised 2017) Rules of Business, Schedule I: Allocation of Business among the Different Ministries and Divisions; (3) Interviews.	



## Chapter 2

### Overall management and reform for PIM

#### 2.1 Overall management for PIM

##### 2.1.1 Organization responsible for updating PIM Guideline

**The Programming Division** of the Planning Commission is responsible for revising and updating the PIM Guideline on behalf of the Government.

The revision and updates of the Guideline should reflect all changes and improvements in the PIM system as described in the current Guideline. Those updates are aimed to ensure that the PIM Guideline provide the latest information about the current PIM system of the Government. For this purpose, the PIM Reform Wing of the Programming Division updates the PIM Guideline from time-to-time.

##### 2.1.2 Procedures to update PIM Guideline

The PIM Reform Wing of the Programming Division will follow the following three steps to update the PIM Guideline.

**Step 1 (Collecting data and information):** The PIM Reform Wing approaches key PIM stakeholders to collect data and information about changes or improvements of key functions in the PIM system. The appropriate timing of data and information collection may be in July-September because many, if not all, improvements of the PIM system are undertaken under the PFM Action Plan 2018-2023 and progress monitoring of the PFM Action Plan is carried out in this period (twice in a fiscal year in July and January).

**Step 2 (Updating and consulting revised PIM Guideline):** The PIM Reform Wing updates the PIM Guideline to reflect all changes or improvements in the PIM system described in the PIM Guideline. Then, the PIM Reform Wing organizes consultation meeting(s) of the revised PIM Guideline with concerned PIM stakeholders. It finalizes the revised PIM Guideline by incorporating the comments and feedback received on draft.

**Step 3 (Securing approval of revised PIM Guideline):** The PIM Reform Wing seeks approval of the government for the revised PIM Guideline.

#### 2.2 Management of PIM Reform

##### 2.2.1 History of PIM reform

The Government has been engaging in the PIM reform since a seminal PIM study that was conducted under the Strengthening Public Expenditure Management Programme (SPEMP) in 2011. With a few follow-ups diagnostic studies, the Government identified the key areas to improve the PIM system and has been implementing several projects to address them. The Government incorporated the PIM reform in the 7<sup>th</sup> Five Year Plan 2016-2020 for the first time and renewed its commitment to the PIM reform in the 8<sup>th</sup> Five Year Plan 2021-2025. The PIM reform has been implemented as an integral part of the PFM Action Plan 2018-2023 led by the Finance Division.

### 2.2.2 Progress of PIM reform

One of the critical developments of the PIM reform was the establishment of the PIM Reform Wing in the Programming Division of the Planning Commission in 2019. The PIM Reform Wing is envisaged to serve as the anchor for any such initiatives on PIM reform.

### 2.2.3 Implementation structure of PIM reform

The PIM reform is implemented as an integral part of the PFM Action Plan, and therefore, the implementation structure and procedures of PIM reform shall be consistent with those of the PFM Action Plan 2018-2023.

The Programming Division of the Planning Commission is tasked to perform the following functions regarding the PIMRP and PFM Action Plan.

- Formulate PIM-related policies, Guideline, circulars and so on to strengthen the PIM system in Bangladesh.
- Prepare and publish Annual Public Investment Report.
- Coordinate implementation, monitoring and update of PIMRP and Annual Work Plan (AWP) in association with Sector Working Groups (SWGs) and Technical Advisory Committee (TAC)
- Serve as the secretariat for National Coordination Committee (NCC), Steering Committee (SC) and TAC/SWGs for PIM Reform Program.
- Secure approval of PIMRP by SC and Minister of Planning/NCC (if required).
- Liaise with all stakeholders to organize PIM-related events such as seminars, workshops, and training.
- Accumulate knowledge, experiences, and skills for PIM as the knowledge center.
- Serve as members of Program Implementation Team (PIT) for PIM under the governance structure of PFM Action Plan.
- Liaise with Program Execution and Coordination Team (PECT) to coordinate with other Components of PFM Action Plan.
- Develop and update training programs, including manuals and Guideline to build capacity for public sector officials on PIM.

## Chapter 3

### Planning Stage of PIM

#### 3.1 Strategic guidance

##### 3.1.1 Macro-fiscal framework

The main functions of macro-fiscal framework are the following

- Ensure aggregate fiscal discipline for maintaining macroeconomic stability;
- Channel budgetary resources to achieve government's priorities;
- Provide clear guidance for medium-term planning of public investment from macroeconomic and aggregate fiscal perspectives.

Macroeconomic wing of the Finance Division is responsible for forecasting aggregate revenues and expenditures using a macro econometric model and providing an input to setting expenditure ceilings. The output of this forecasting exercise is the Medium-term Macroeconomic Framework (MTMF) which is a 3-year rolling forecast.

The procedures for preparing MTMF and MTBF are described in the chart in Figure 4.

MTMF Working Group, headed by the Additional Secretary of the Macroeconomic Wing of the Finance Division, prepares the draft MTMF. The Working Group comprises members from the Bangladesh Bank, Bangladesh Bureau of Statistics, Planning Commission, National Board of Revenue, Export Promotion Bureau etc. The draft MTMF then placed before the Coordination Council (CC) for approval. The Coordination Council was formed under the Bangladesh Bank Order, 1972 which is headed by the Honourable Finance Minister and includes Governor of the Bangladesh Bank. Once the MTMF is approved, the Budget Wing of Finance Division starts the work of preparing ministry-wise budget ceiling.

Budget Wing of the Finance Division takes the aggregate public expenditure and revenue numbers from the MTMF and make proposal of allocating resources to the ministries. A draft of ministry-wise allocation is prepared, recommended by the Resources Ceiling Setting Committee headed by the Finance Secretary with members from the Planning Commission and other ministries. The draft allocation proposal then placed before the Budget Monitoring and Resource Committee (BMRC) for approval. BMRC is headed by the Honourable Finance Minister. Once BMRC approves the proposal, Finance Division issues Budget Circular-1 (BC-1) to each ministry communicating their preliminary indicative resource ceiling for next year and projection of following two years.

Ministries prepares their detail budget estimate subject to BC-1 ceiling and submit to the Finance Division and Planning Commission. After proper scrutiny by the Finance Division, ministries are invited to have a tripartite consultation with Finance Division and Planning Commission where budget proposals are reviewed and agreed upon by parties. Finance Division again compiles all tripartite meeting outcomes and place it again to BMRC for final approval. Before this process, the MTMF is updated once again and approved by the Coordination Council to reflect any last-minute change in the overall macroeconomic scenario.

After the second round of approval by the BMRC, the Finance Division issues Budget Circular-2 (BC-2) and communicate the firm/agreed budget ceiling to each ministry. The ministries accordingly submit their detail budget estimate to Finance Division subject to BC-2 ceiling. Finance Division then compiles all the submissions and prepares Medium-Term Budget Framework (MTBF). The MTBF then placed before the Parliament for final scrutiny and legislative approval.

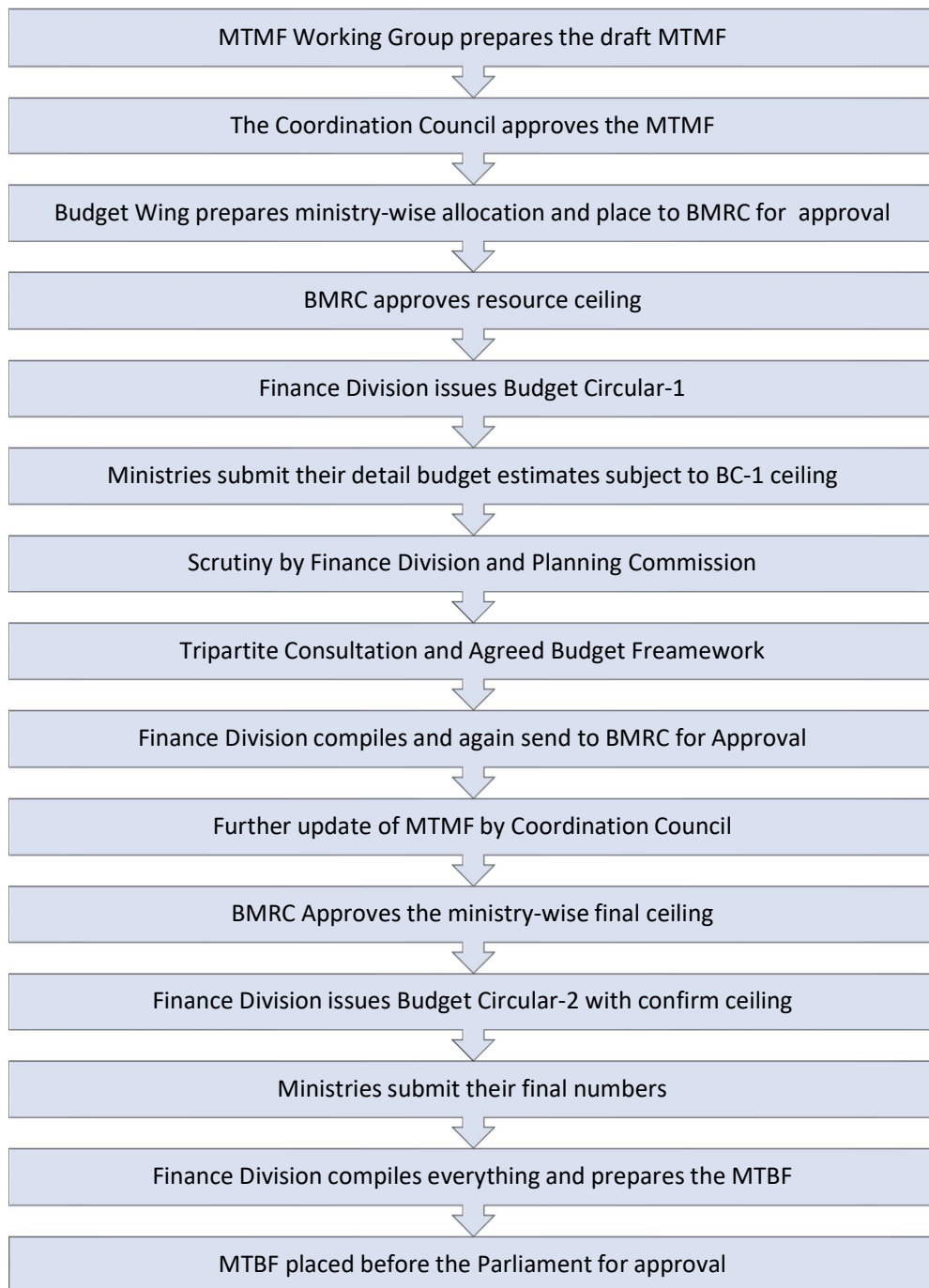


Figure 4 Procedures of MTMF and MTBF



### 3.1.2 National and sectoral planning

The main functions of national and sectoral planning are the following:

- Prepare national plans and strategies for economic and social development of the country in accordance with the socio-economic objectives of the government.
- Provide clear guidance for public investment of Ministries and Divisions within the framework of national plans and strategies.
- Ensure that development projects of Ministries and Divisions have clear linkages to achieve sectoral goals and outcomes articulated in the national plans and strategies.

The government formulates and implements national development plans and strategies for the long- and medium-terms. The national plans and strategies effective as of 2023 are listed in Table.

Table 2 National development plans and strategies (as of 2023)

Term	Name of national plans and strategies	Responsible organization
Long-term	Bangladesh Delta Plan 2100	General Economics Division, PC
Long-term	Perspective Plan of Bangladesh 2021-2041	General Economics Division, PC
Medium-term	8 <sup>th</sup> Five Year Plan (July 2020-June 2025)	General Economics Division, PC
Medium-term	Sector Strategy Paper (SSP) Sector Action Plan (SAP)	General Economics Division, Sector Divisions, Programming Division, PC

**Bangladesh Delta Plan 2100** lays out a long-term plan to enhance sustainable management of water, ecology, environment, and land resources of Bangladesh, with a view to addressing the challenges of climate change and natural disasters. The essence of the Delta Plan is fully integrated in the Perspective Plan 2021-2041 to achieve Vision 2041.

Bangladesh Delta Plan 2100 specific goals: Goal 1: Ensure safety from floods and climate change related disasters; Goal 2: Enhance water security and efficiency of water usages; Goal 3: Ensure sustainable and integrated river systems and estuaries management; Goal 4: Conserve and preserve wetlands and ecosystems and promote their wise use; Goal 5: Develop effective institutions and equitable governance for in country and transboundary water resources management; Goal 6: Achieve optimal and integrated use of land and water resources.

The Bangladesh Delta Plan (BDP) 2100 is a long-term, integrated, and holistic vision of water and land management throughout Bangladesh. It supports the country's long-term development in the face of the opportunities and risks that emerge from the interface between water, climate change, and human activity. Investment planning to implement this long-term vision will be done through shorter-term strategies, prepared in accordance with the principles of adaptive delta management (ADM). This adaptive approach to delta planning selects investment projects that link short to medium-term development targets and investment programmes with the long-term goal of sustained development based on climate-sensitive management. The current Investment Plan is the first such selection of projects to put the Delta Plan into action. It sets out the physical and institutional investments the Government will make to put the Delta Plan into effect. The current Investment Plan consists of a total of 80 projects: 65 are physical projects, and 15 are institutional and knowledge development projects. Its total capital investment cost is BDT2,978 billion (\$382 billion). All projects can be started within the next eight years, though given the scale and programmatic nature of some investments, construction in some cases will extend over decades.

These 80 projects were then grouped into the seven ‘hotspots’ defined in the Delta Plan. These hotspots were developed from consideration of the Delta’s distinct hydrological regions, and the type and magnitude of the natural hazards in each. There are six geographic hotspots: 1) Coastal Zone 2) Barind and Drought Prone Areas 3) Haor and Flash Flood Areas 4) Chattogram Hill Tracts 5) River System and Estuaries and 6) Urban Areas. A seventh, cross-cutting hotspot addresses common issues that cut across the six geographical hotspots. Where appropriate, similar projects in hotspots were further grouped together into sub-programmes, such as improved urban water supply and sanitation, irrigation in the Barind, and Haor flood management. These sub-programmes promote scale, coordination, and learning economies in implementing these projects.

**The Perspective Plan 2021-2041** articulates the long-term vision of the government over 20 years. It aims to transform Bangladesh from a lower middle-income country to an upper middle-income country by 2031 and a high-income country by 2041 under World Bank (WB) classification. The Government implements the Perspective Plan 2021-2041 with four consecutive Five Year Plans (FYPs): The 8<sup>th</sup> (2021-2025); the 9<sup>th</sup> (2026-2030); the 10<sup>th</sup> (2031-2035); and the 11<sup>th</sup> (2036-2040).

Two principal visions underpin the Perspective Plan 2021-2041:

- Bangladesh will be a developed country by 2041, with per capita income of over USD 12,500 in today’s prices, and fully in tune with the digital world.
- Poverty will become a thing of the past in Sonar Bangla.

The following strategic goals will be pursued as the essential components of economic policy over the long-term:

- Eradication of Extreme Poverty by 2031; reducing Poverty to less than 3 percent by 2041
- Towards Upper middle-income country by FY 2031; High-income country by 2041
- Industrialization with export-oriented manufacturing will drive structural transformation into the future
- Paradigm shifts in Agriculture will enhance productivity and ensure nutrition and food security for the future
- A Service sector of the future will provide the bridge for the transformation of the rural agrarian economy to a primarily industrial and digital economy
- The Urban transition will be an essential part of the strategy to move to a high-income economy
- Efficient Energy and Infrastructure will be essential components of the enabling environment that facilitates rapid, efficient and sustainable growth
- Building a Bangladesh resilient to climate change and other environmental challenges
- Establishing Bangladesh as a knowledge hub country for promoting a skill-based society

**8<sup>th</sup> Five Year Plan 2021-2025** integrates the Covid-19 recovery strategies in the macroeconomic framework and the strategies at the sector level. It also starts the implementation of the Perspective Plan 2021- 2041 as the first of the four consecutive Five Year Plans and aims to achieve the Sustainable Development Goals (SDGs) of Bangladesh. The 8FYP centered around the following six core themes: (i) rapid recovery from Covid-19; (ii) GDP growth acceleration, employment generation and rapid poverty reduction; (iii) a broad-based strategy of inclusiveness; (iv) a sustainable development pathway that is resilient to disaster and climate change; (v) improvement of critical institutions necessary to lead the economy to Upper Middle Income Country status by 2031; and (vi) attaining SDG targets and mitigating the impact of Least Developed Country (LDC) graduation.

The inclusive growth strategy of 8FYP includes seven pivotal themes:

(i) Promote labor-intensive, export-oriented manufacturing-led growth along with expansion of the domestic market; (ii) Promote agricultural diversification; (iii) Infuse dynamism in CMSMEs; (iv) Strengthen modern services sector; (v) Push exports of non-factor services; (vi) Promote ICT-based entrepreneurship embracing 4th Industrial Revolution (4IR); (vii) Strengthen overseas employment.

As noted, accelerated private sector investment-both domestic and foreign-will be the key to the success of the Plan, the government's role will be to create the investment-friendly environment, restore and strengthen human health and welfare in the post COVID-19 world, and ease infrastructure constraints. Public investment will grow from 8% of GDP in FY2019 to 9.2% of GDP by FY2025 and the total size of the 8FYP Public Investment Program (PIP) will be Tk. 16.1 trillion in FY2021 prices. Of this, some Tk. 11.9 trillion will be funded through the Annual Development Programme (ADP). The main focus of the ADP will be to sharply improve and strengthen health infrastructure, to build the social protection system, alleviate infrastructure constraints to private investment and GDP growth by fast tracking nationally important projects, and implement the Bangladesh Delta Plan 2100.

Topmost priority will be given to develop the healthcare system through increased budgetary allocations, sharply stronger management and partnership with private healthcare. Budgetary allocations to the education sector will be increased to create better human capital through universal general education, skill development programmes, and training and greater access to ICT solutions. Implementation of the National Social Security Strategy (NSSS) will be fast-tracked to provide comprehensive social protection to all poor and vulnerable citizens based on a modern Life Cycle based approach. In the area of infrastructure, in addition to completing the ongoing transformational infrastructure projects, major initiatives will be taken to broaden and accelerate the implementation of other major highways and bridges, power sector projects, and providing access to serviced land to foreign and domestic investors in the context of the Special Economic Zones (SEZ) initiative. Infrastructure projects will be financed both through the ADP and through an enhanced PPP effort. Finally, strong efforts will be made to implement the first phase of the BDP 2100. Taking these considerations into account, Annual Budgets will be formulated in a manner that is consistent with the realization of the Eighth Plan objectives. Annual Budget and ADP will be synchronized to use them as tools for achieving the objectives of the 8FYP.

**Sector Strategy Paper (SSP) and Sector Action Plan (SAP)** strengthens strategic guidance of the 8FYP for MDAs. The SSP and SAP elaborate sector goal and outcomes, identify development projects to achieve the sector goal and outcomes, and provide sector results framework for conducting monitoring and evaluation. The Government developed SSPs for two sectors: (i) Power and Energy; and (ii) Local Government and Rural Development. The SSPs are fully aligned with the 8FYP, articulating the sector goals and outcomes, and sector results framework for monitoring and evaluation in the respective sectors. The government is also preparing SAPs for some sectors.



## Chapter 4

# Project identification, formulation, assessment, appraisal, and approval

### Definitions

**Project** refers to a planned development work with defined purpose, objectives and outputs in a particular area and are to be carried out within a specific period of time with a certain amount of budget.

**Investment project** refers to a project with investment components for physical infrastructure, such as construction of power stations, industries, buildings, roads, highways, culverts and bridges etc., which usually have physical existence and contribute to building public fixed assets. Investment Projects constitute a major part of the ADP/RADP.

**Technical Assistance Project (TAP)** is a type of project to provide technical assistance for an organization to strengthen its capacity through technology transfer from foreign countries. TAP typically provides consultancy services for institutional and organizational development, and training for capacity development through workshops and seminars as well as provision of appropriate technology equipment to perform its responsibility. TAP may be financed either by Development Partner or the Government or through a joint funding modality. *[Ref: Section-8 and 8.1.1 of Green Book]*

As per the Green Book definition, **Technical Project (TP)** is a type of projects that have the same objectives as those of TAP, except that its funding comes only from GoB sources. *[Ref: Section-8 and 8.1.2 of Green Book]*

**Feasibility Study (FS) Project** a type of projects taken to conduct the feasibility of an investment project. A feasibility study is required for an investment project that exceeds an estimated cost of BDT 50 crore. Considering the importance and nature of the project, FS may be conducted before taking up an investment project with estimated cost less than BDT 50 cores. *[Ref: Section-6.1 of Green Book]*

**Self-financed Project** is a type of projects that is fully funded by autonomous bodies or corporate sector of the Government with the involvement of Ministries/Divisions. Self-financed projects are included in the scope of the PIM Guideline since these often deals with public fund and included in the ADP.

The Procedures for Preparation, Processing, Approval and Revision of Development Projects in the Public Sector (issued by Planning Division; revised in 2022) are the primary source of the regulatory and policy frameworks of project planning described in this section of the current Guideline. This documents also commonly known as “Green Book”.

The function on project planning in this section consists of five sub-functions: (i) identification; (ii) formulation; (iii) assessment; (iv) appraisal; and (v) approval. A simplified overall procedure of project planning to perform those five sub-functions are presented in Figure 5.

In the following, each sub-function is explained in detail.

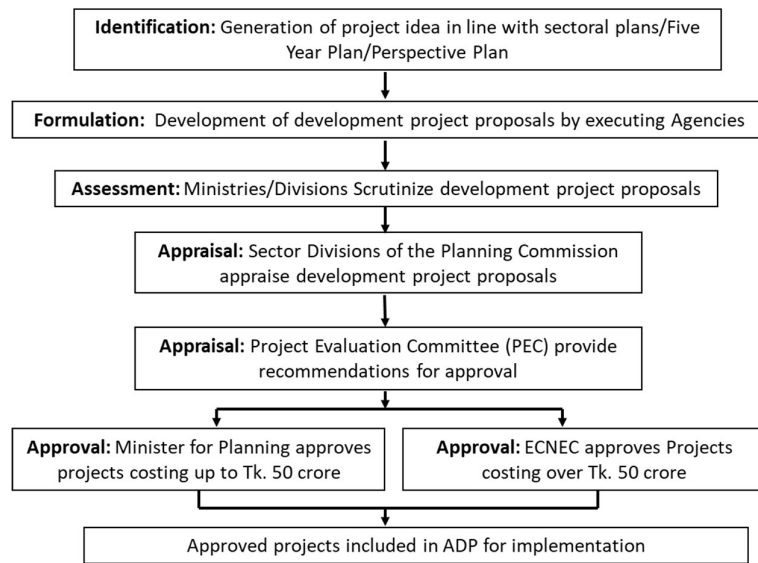


Figure 5 Overall procedure of project planning

#### 4.1 Identification of projects for ADP green page

The main functions of project identification are the following:

- Identify projects prior to the formulation of Development Project Proposals (DPP).
- Seek and secure foreign funding for investment projects and technical assistance projects.

##### **Identification of new projects**

The MDAs are responsible for identification of new projects and requesting their entry into ADP Green Page. In this process, the MDAs should pay special attention to the issues and factors listed in the following table. Detailed descriptions of the issues and factors can be found in Sub-sections 1.1.1-1.1.7 in the Green Book (see the following table).

Table 3 Issues and factors to be considered in project identification

Para No.	Issues and factors
1.1.1	Consistency with Allocation of Business
1.1.2	Feasibility study (for projects with estimated cost of above Tk. 50 crore)
1.1.3	Stakeholder consultation
1.1.4	Purpose of the project
1.1.5	Consistency with short-, medium-, and long-term development plan, policy, and strategy
1.1.6	Consideration of availability of resources
1.1.7	Consideration of results of the projects of the same nature /type and avoidance of duplication
1.1.8	Cost estimate and the basis and appropriateness of preparing the cost estimates of the project
1.1.9	Poverty alleviation and removal of regional disparity
1.1.10	Making the project results sustainable
1.1.11	Analysis of the impact of project on environment, climate change and other cross-cutting issues
1.1.12	Project duration

<b>Para No.</b>	<b>Issues and factors</b>
1.1.13	Sources of data and information
1.1.14	Project manpower
1.1.15	Points for considerations in the construction of national highways (applicable for the Roads and Highways Division)
1.1.16	Provision for installing weighing machines for controlling the excess load of vehicles for national highways (applicable for the Roads and Highways Division)

#### ***Inclusion of new projects in ADP/RADP Green Pages***

Considering the issues and factors mentioned above, the MDAs need to follow the ADP/RADP Guideline in which the criteria and priority for inclusion of new projects in ADP Green Page are mentioned. These criteria include consideration of 'fiscal space' available for respective sectors, sub-sectors, and MDAs before proposing any new project.

The MDAs are required to submit a proposal of new projects in the format provided in the ADP/RADP Management System (AMS) along with the ADP/RADP Guideline.

#### ***Inter-ministerial Programming Committee***

After receiving the proposals for new projects to be included in the ADP/RADP from the MDAs through AMS, Inter-ministerial Programming Committee considers and recommends the proposals for inclusion of projects and submit it to the Honorable Minister of Planning for approval to include in the ADP/RADP.

#### ***Considering new unapproved projects through Special Programming Committee Meeting***

Sometimes new unapproved project outside Green Page of ADP is proposed to include in ADP. In this case concerned Sector Division of Planning Commission examine the project and if they agree, then it is sent to the Programming Division of Planning Commission for the next step. The Programming Division places the project in Special Programming Committee Meeting chaired by Member, Programming Division. If the committee recommends the proposal to be appraised, then it is placed to the Honorable Planning Minister for approval. After approval by Planning Minister, the project is informed to the Sector Division for taking the next steps of processing and approval.

#### ***Project proposals for seeking foreign funding***

A sponsoring Ministry/Division prepares a Preliminary Development Project Proposal (PDPP) and submits it simultaneously to the ERD of Ministry of Finance and concerned Sector Division of the Planning Commission (PC).

The Sector Division of the PC (i) provides comments on the acceptability of the project after 10 days of receipt of PDPP; (ii) obtains the approval on the comments from Minister for Planning/State Minister for Planning; and (iii) communicates the view or “in-principle” approval of the project simultaneously to the ERD and the sponsoring Ministry/Division.

The ERD negotiates with development partners for foreign funding only for the projects that have been formally approved or in-principle approved. The ERD ensures that all stakeholders, including the sponsoring Ministry/Division, Sector Division of the PC, and Agencies are involved in all stages of negotiation with development partners.

The sponsoring MDA prepares a DPP/TAPP only after the receipt of positive indication from the development partners through the ERD.

## 4.2 Formulation of project proposals

The main functions of the formulation of project proposals are the following:

- Prepare quality project proposals that: (i) provide all information in project proposal formats required by the Government; and (ii) meet the criteria for project assessment by Ministry/Division and sector appraisal by Sector Division.

Table 4 Instructions for project formulation by project type

	Type of projects	Instructions in Green Book
1	Investment projects	Section 1: Identification and preparation/formulation of investment projects
2	Feasibility study projects <sup>(1)</sup>	Section 6: Feasibility study projects
3	Self-financed projects	Section 11: Taking up and approval of investment projects with 100 percent own funds of autonomous, semi-autonomous agencies, public sector corporations, and state-owned companies Section 12: Formulation and approval of projects funded with sources received or collected from other sources along with the own funds of autonomous, semi-autonomous agencies, corporations, and state-owned companies
4	Technical assistance projects and technical projects <sup>(2)</sup>	Section 8: Technical assistance projects and technical projects Section 15: Technical assistance project in the private sector
5	Sector programme	Section 13: Formulation, approval, and revision of sector programme
6	Projects by constitutional or statutory bodies <sup>(3)</sup>	Section 20: The projects taken up and under implementation by the Bangladesh Jatyta Sangsad (National Parliament) Secretariat, Bangladesh Election Commission Secretariat, Bangladesh Public Service Commission Secretariat, and Anti-Corruption Commission Secretariat

Notes:

- (1) Feasibility study must be conducted before taking up any investment project with an estimated cost of above Tk. 50 crores (Section 1.1.2 of Green Book).
- (2) 'Technical assistance project' involves foreign funding from development partners, in full or partial, and GoB. 'Technical project' is fully funded by GoB without foreign funding. Both technical assistance and technical projects include: (i) projects for procurement or rental of goods, intellectual and professional services, physical services, materials for the services related to facilitating seminar, training, and so on; (ii) projects for operation and maintenance of materials or stores of organization; and (iii) projects for exploratory digging works.
- (3) 'Constitutional or statutory bodies' refer to National Parliament, Bangladesh Election Commission, Bangladesh Public Service Commission, or Anti-Corruption Commission.

## 4.3 Project assessment

The main functions of project assessment are the following:

- Conduct a comprehensive assessment of a project proposal by a sponsoring Ministry/ Division with Ministry Assessment Format (MAF).
- Assess relevance, effectiveness, efficiency, impact, and sustainability of the proposed project, ensuring that all assessment topics stipulated in the Green Book are considered fully and appropriately.
- Conduct a Project Scrutiny Committee meeting or other Committee meetings for project assessment.



- Instruct the implementing Agency to recast the project proposal, if required.

The Green Book provides instructions for project assessment. Those instructions vary depending on the types of projects. The following table summarizes the type of projects, and the Sections of the Green Book in which instructions for the respective type of projects are stipulated.

Table 5 Instructions for project assessment by project type

	Type of projects	Instructions in Green Book
1	Investment projects	Section 2: Assessment of investment projects
2	Feasibility study projects <sup>(1)</sup>	Section 6: Feasibility study projects
3	Self-financed projects	Section 11: Taking up and approval of investment projects with 100 percent own funds of autonomous, semi-autonomous agencies, public sector corporations, and state-owned companies Section 12: Formulation and approval of projects funded with sources received or collected from other sources along with the own funds of autonomous, semi-autonomous agencies, corporations, and state-owned companies
4	Technical assistance projects and technical projects <sup>(2)</sup>	Section 8: Technical assistance projects and technical projects Section 15: Technical assistance project in the private sector
5	Sector programme	Section 13: Formation, approval, and revision of sector programme
6	Projects by constitutional or statutory bodies <sup>(3)</sup>	Section 20: The projects taken up and under implementation by the Bangladesh Jatyta Sangsad (Bangladesh National Parliament) Secretariat, Bangladesh Election Commission Secretariat, Bangladesh Public Service Commission Secretariat, and Anti-Corruption Commission Secretariat

Notes:

- (1) Feasibility study must be conducted before taking up any investment project with an estimated cost of above Tk. 50 crore (Sub-section 1.1.2 of Green Book).
- (2) “Technical assistance project” involves foreign funding from development partners, in full or partial, and GoB. “Technical project” is fully funded by GoB without foreign funding. Both technical assistance and technical projects include: (i) projects for procurement or rental of goods, intellectual and professional services, physical services, materials for the services related to facilitating seminar, training, and so on; (ii) projects for operation and maintenance of materials or stores of organization; and (iii) projects for exploratory digging works.
- (3) “Constitutional or statutory bodies” refer to National Parliament, Bangladesh Election Commission, Bangladesh Public Service Commission, or Anti-Corruption Commission.

#### 4.4 Sector appraisal

The main functions of sector appraisal are the following:

- Examine the results of project assessment of a project proposal conducted by sponsoring Ministry/Division and ensure that all 35 topics stipulated in the Green Book are assessed fully and appropriately.
- Appraise additional 10 topics of the Green Book from sector perspectives using Sector Appraisal Format (SAF).
- Conduct a Project Evaluation Committee meeting for sector appraisal.
- Instruct the Ministry/Division/Agency to recast the project proposal, if necessary.

The Green Book provides instructions for sector appraisal by the PC. Those instructions vary depending on the types of projects. The following table summarizes the type of projects, and the Sections of the Green Book in which instructions are stipulated for the respective type of projects.

Table 6 Instructions for sector appraisal by project type

	Type of projects	Instructions in Green Book
1	Investment projects	Section 3: Appraisal and approval of investment projects
2	Feasibility study projects <sup>(1)</sup>	Section 6: Feasibility study projects
3	Self-financed projects	Section 11: Taking up and approval of investment projects with 100 percent own funds of autonomous, semi-autonomous agencies, public sector corporations, and state-owned companies Section 12: Formulation and approval of projects funded with sources received or collected from other sources along with the own funds of autonomous, semi-autonomous agencies, corporations, and state-owned companies
4	Technical assistance projects and technical projects <sup>(2)</sup>	Section 8: Technical assistance projects and technical projects Section 15: Technical assistance project in the private sector
5	Sector programme	Section 13: Formation, approval, and revision of sector programme
6	Projects by constitutional or statutory bodies <sup>(3)</sup>	Section 20: The projects taken up and under implementation by the Bangladesh Jatiya Sangsad (Bangladesh National Parliament) Secretariat, Bangladesh Election Commission Secretariat, Bangladesh Public Service Commission Secretariat, and Anti-Corruption Commission Secretariat

Notes:

- (1) Feasibility study must be conducted before taking up any investment project with an estimated cost of above Tk. 50 crore (Section 1.1.2 of Green Book).
- (2) 'Technical assistance project' involves foreign funding from development partners, in full or partial, and GoB. 'Technical project' is fully funded by GoB without foreign funding. Both technical assistance and technical projects include: (i) projects for procurement or rental of goods, intellectual and professional services, physical services, materials for the services related to facilitating seminar, training, and so on; (ii) projects for operation and maintenance of materials or stores of organization; and (iii) projects for exploratory digging works.
- (3) 'Constitutional or statutory body' refers to National Parliament, Bangladesh Election Commission, Bangladesh Public Service Commission, or Anti-Corruption Commission.

#### 4.5 Approval of projects

The main functions of project approval are the following:

- Provide official approval of project proposals, considering the recommendations of concerned authorities.

The Green Book provides instructions for approval of projects. The authority for approval of projects depends on (i) the type of projects, (ii) project size as measured by estimated total project cost (ETPC), and (iii) some other criteria are as follows (details in appendix 4):

- Investment projects with estimated project cost within 50 crores taka is approved by Honorable Minister/ State Minister for Planning. If the estimated project cost is more than 50 crore taka it is approved by the ECNEC.
- Feasibility study projects within estimated cost 5 crore taka is approved by the Honorable Minister/ State Minister of the sponsoring Ministry/ Division, estimated cost above 5 crore taka and within 50 crore taka is approved by the Honorable Minister/ State Minister for Planning. But if the estimated cost is more than 50 crore taka it is approved by the ECNEC.

- Self-financed projects fully funded by sponsoring organization (provided that there is no involvement of land acquisition and /or use of over 20 acres) is approved by Honorable Minister/ State Minister of the sponsoring Ministry/ Division. If acquisition and /or use of land is over 20 acres (regardless of estimated total project cost) it is approved by the ECNEC.
- Technical assistance projects and Technical projects with estimated total project cost within 10 crore taka (provided GOB financing is within 30% of ETPC) is approved by Honorable Minister/ State Minister of the sponsoring Ministry/ Division. If ETPC is >Tk 10 crore but ≤ Tk. 50 crore or GoB financing exceeds 30% of ETPC or a TA project is planned to lead to an investment project is approved by Honorable Minister/ State Minister for Planning. When ETPC is more than 50 crores then it is approved by the ECNEC.
- Sector programmes-PIPs (following the investment project approval process) is approved by ECNEC and Operational Plans are approved by Honorable Minister/State Minister of sponsoring Ministry/Divisions.
- Projects by constitutional or statutory bodies: Feasibility Study, Technical Assistance and Technical projects (except the Investment projects), as well as revised Investment, TA, TP & FS projects, plus inter-item cost adjustment, time extension and approval for the use of price & physical contingency for development projects taken by: (Sections 20.1 & 20.2)<sup>3</sup>a. National Parliament Secretariat, b. Bangladesh Election Commission Secretariat, c. Bangladesh Public Service Commission Secretariat, d. Anti-Corruption Commission Secretariat are approved by constitutional or statutory body itself.

### Issuance of letter of approval and administrative order

The following table summarizes the authority for issuing approval letters and administrative orders as per Section 16 of the Green Book.

Table 7 Authority, templates, and timing for issuing approval letters and administrative orders

Approval authority	Issuing authority	Document type	Procedures
ECNEC	NEC-ECNEC Coordination Wing, Planning Division	Approval Letter	Issue the approval letter within 3 days of receipt of the approved minutes of the ECNEC meeting (Section 16.1.1)
Minister/State Minister for Planning	Concerned Sector Division, PC	Approval Letter	Issue the approval letter within 3 days of receipt of the approval of the project by Minister/State Minister for Planning (Section 16.1.2)
ECNEC or Minister/State Minister for Planning	Concerned Ministry/Division	Administrative Order	Issue the approval letter within 5 days of receipt of the Approval Letter from NEC-ECNEC Coordination Wing, Planning Division or Sector Division, PC (Section 16.1.3)
Minister/State Minister for the sponsoring Ministry/Division	Planning Wing/Branch of the sponsoring Ministry/Division	Administrative Order	Issue the approval letter within 3 days of receipt of the approval of the project by Minister/State Minister of sponsoring Ministry/Division (Section 16.1.4)

<sup>3</sup> Indeed, the ‘Head’ of these constitutional/statutory bodies has got the similar “authority” of a Minister/State Minister of any Ministry or Division, in case of development project processing.

***Approval of Project proposals with conditions***

If the ECNEC or the Minister/State Minister for Planning approves a project proposal with some conditions, the concerned Sector Division of the Planning Commission and the sponsoring Ministry/Division must follow the procedures specified in Sub-sections 16.2.1-16.2.6 of the Green Book for further processing and/or approval.

## Chapter 5

### Allocation stage of PIM

#### 5.1 Resource allocation and budgeting

The ADP is the main instrument to allocate development budgets for projects and programmes in all sectors of ADP. An overview of the process for ADP preparation are presented in Figure 6.

First, Programming Division prepares a work plan and issues the Guideline for ADP formulation for all MDAs.

Second, each MDA prepares proposals of ADP and submit them to Sector Divisions and Programming Division of the PC.

Third, the Programming Division compiles all proposals from MDAs in ADP endorsed by the Sector Divisions and holds a series of Inter-Ministerial Programming Committee Meetings to discuss the proposals.

Fourth, the Finance Division issues provisional resource envelopes based on MTBF, and Programming Division distributes Sector-wise resources to all MDAs.

Fifth, the Extended Planning Commission Meeting is held to discuss the proposals and recommends them for NEC for approval. After the approval of the NEC, the National Parliament approves the ADP as part of the national budget.

The following sections describe the ADP preparation process in detail.

##### 5.1.1 Development budget allocation through the ADP/RADP processes

The main functions of development budget allocation are the following:

- Provide strategic guidance for the respective ADP sectors within the framework of macroeconomic/fiscal targets and resource envelope/budget ceilings in the narrative part of MTBF, and national/sectoral plans and strategies.
- Allocate development budget resources for ongoing and new projects in line with strategic guidance for the respective ADP sectors.
- Scrutinize the new projects proposed by different Ministries/Divisions and set their priority with recommendations for inclusion in ADP/RADP.
- Consider resource needs and availability of the respective sectors in both budgeting and outer years.

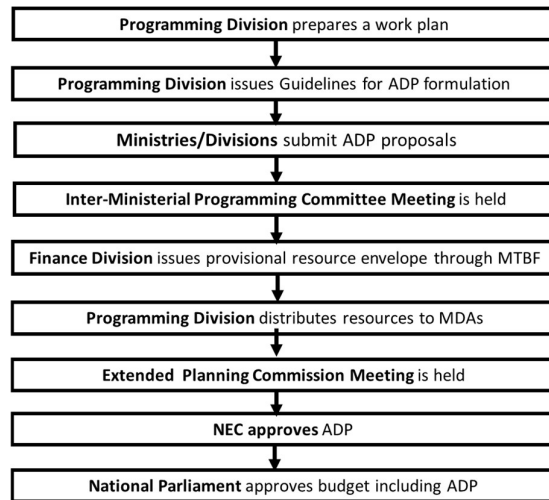


Figure 6 Process of ADP preparation

**Annual Development Programme (ADP)** is a programming tool to implement national/sectoral plans and strategies through development projects and programmes of the Government. ADP consists of 15 sectors (including the defense sector) that are aligned with the sector classification of Five-Year Plan and Medium-Term Budget Framework (MTBF). The National Parliament reviews and approves the ADP in June as part of the national budget for the following fiscal year.

**Revised Annual Development Programme (RADP)** is prepared in the middle of a fiscal year to (i) adjust resource allocation for ongoing projects and programs in ADP, and (ii) scrutinize new projects proposed by respective Ministries/Divisions and decide their inclusions in ADP.

**The Programming Division** of the Planning Commission is the lead organization to prepare ADP and RADP in a budget cycle.

The Programming Division issues **the ADP Guideline** to commence the formulation of ADP in March in a budget cycle. The ADP Guideline provide all MDAs with a set of instructions for each sector when MDAs propose budget proposals for development projects as well as new projects for inclusion in the ADP Green Page. The instructions in the ADP Guideline include sector policies, goals and priorities, availability of fiscal space, and a list of to-be-completed projects in the concerned fiscal year. All MDAs are required to submit budget proposals using the ADP/RADP Management System (AMS).

Similarly, the Programming Division issues **the RADP Guideline** to launch the formulation of RADP in December in a budget cycle. The procedure of RADP is similar to that for the ADP, but RADP is aimed to adjust resource allocation for ongoing projects/programmes and propose inclusion of new projects in RADP Green Page. As in ADP, all MDAs are required to submit necessary information for RADP using AMS.

The annual procedures to prepare ADP and RADP are summarized in Table below.

Table 8 Processes of ADP, RADP and MTBF in a budget cycle

Timing	ADP	RADP	MTBF
July			
August			
September			<b>Finance Division</b> updates macro-fiscal framework. <b>MDAs</b> prepare preliminary Ministry Budget Framework (MBF) proposals.
October			<b>Budget Monitoring and Resource Committee meeting (BMRC)</b> is held.
November			<b>Finance Division</b> issues Budget Call Circular 1 (soft ceilings).
December		<b>Programming Division</b> issues RADP Guideline.	
January		<b>MDAs</b> submit lists of new unapproved projects for inclusion in RADP (Green Page) and propose project-wise allocation (based on demand).	<b>MDAs</b> send revised MBF proposals.

Timing	ADP	RADP	MTBF
		<b>Inter-Ministerial Programming Committee</b> recommends new projects to include in RADP.	
March	<b>Programming Division</b> issues ADP Guideline <b>MDAs</b> prepare ADP proposals.	<b>NEC</b> approves RADP. <b>Programming Division</b> publishes RADP.	<b>Tripartite meetings</b> are held.
April	<b>MDAs</b> submit lists of new unapproved projects for inclusion in ADP (Green Page) and propose project-wise allocation (based on demand). <b>Inter-Ministerial Programming Committee</b> recommends new projects to be included in ADP. <b>Programming Division</b> prepares draft ADP.		<b>Finance Division</b> issues Budget Call Circular 2 (hard ceilings).
May	<b>Extended Committee Meeting of PC</b> chaired by Minister for Planning recommends final draft of ADP. <b>NEC</b> approves ADP.		<b>Cabinet</b> endorses national budget.
June	<b>National Parliament</b> approves the national budget along with ADP. <b>Programming Division</b> publishes ADP.		<b>National Parliament</b> endorses national budget. <b>Finance Division</b> publishes national budget.

The key steps and timeline in ADP and RADP procedures are explained in detail below.

#### Timeline for processing ADP

The preparation of ADP starts in November and ends in June in the following year.

November:

- Finance Division issues Budget Call Circular 1 (BC-1). This contains a soft budget ceiling at the Ministry/Division level.

February/March:

- Programming Division analyses the budget ceilings in BC-1, and issues Guideline for ADP Preparation (called “ADP Guideline”).
- The MDAs prepare project lists within the budget ceilings in BC-1.
- Sector Divisions of Planning Commission consult with MDAs on the priority areas.
- ERD consults MDAs on foreign aided projects to finalize project-wise resources (Foreign Funding part) required.

April:

- Inter-Ministerial Programming Committee (IMPC) meetings recommend new projects for inclusion in the ADP based on national and sector priorities (IMPC is chaired by Member, Programming Division).
- Following agreements between the Planning Commission, ERD and MDAs, the Programming Division compiles all new projects in 15 sectors of the ADP.
- The Budget Call Circular 2 (BC-2) informs hard ceilings for all Ministries/Divisions.

May:

- NEC-ECNEC and Coordination Wing of the Planning Division arranges the Extended Meeting of the Planning Commission (including ERD) to consider the draft ADP (including the list of projects for inclusion in the ADP) (Extended Meeting is chaired by Minister for Planning).
- Following recommendations and endorsement of the Extended Meeting of Planning Commission, the Programming Division prepares a Working Paper for the NEC meeting and forward it to NEC-ECNEC and Coordination Wing of the Planning Division along with draft ADP for approval of the NEC.
- Programming Division presents the draft ADP to the NEC for approval.
- The NEC endorses draft ADP.

June:

- National Parliament reviews and approves the draft ADP as part of the national budget for the next fiscal year.
- Programming Division publishes the ADP approved by the National Parliament.

#### Timeline for processing RADP

The process to prepare the RADP is similar to that of ADP, except that RADP preparation starts in December and ends in February/March in the following year.

December:

- The Programming Division issues the Guideline for RADP Preparation (called 'RADP Guideline').

January:

- MDAs prepare and submit proposed projects in the RADP format.
- Sector Divisions of PC review and revise the proposals of MDAs in light of strategic guidance in the RADP Guideline.
- Inter-Ministerial Programming Committee (IMPC) meetings recommend new projects for inclusion in the ADP based on national and sector priorities (IMPC is chaired by Member, Programming Division).
- The Programming Division and Sector Divisions allocate resources for respective sectors and sub-sectors.
- ERD allocates the resources (Foreign Funding part) of the foreign funded projects in consultation with the MDAs.
- Programming Division discusses reallocation requests from MDAs and finalizes the list of ongoing and new projects as well as project-wise allocation for the RADP.



February/March:

- The NEC-ECNEC and Coordination Wing of the Planning Division arranges Extended Meeting of PC to discuss and consider the proposed list of projects and project-wise allocation for RADP.
- The NEC reviews recommendations of the Extended Meeting of the PC and endorses the RADP.
- The Programming Division publishes the RADP endorsed by the NEC.

#### 5.1.2 Multiyear budgeting by MYPIP in line with MTBF

The main functions of multiyear budgeting through MYPIP are the following:

- Support the budgeting of development projects and programs in ADP/RADP from a medium-term perspective.
- Provide information on both resource requirements and availability in the upcoming budgeting year and two outer years.
- Assess how much resources are available for adopting new projects in two outer years.
- Optimize development budget allocation within a sector and between sectors over a medium-term horizon in line with strategic guidance.

The Government has tested and validated the procedures to use MYPIP and SSP in the ADP/RADP processes in two pilot sectors under the SPIMS project implemented by Programming Division of the Planning Commission. In this testing and validation, the Government introduced a set of new activities to make the ADP/RADP more strategic, besides the regular activities explained in the previous section on ADP/RADP.



## Chapter 6

### Implementation stage of PIM

#### 6.1 Project implementation

##### 6.1.1 Initiating implementation

Project Director appointment, preparation of the documents, manpower involvement and initiating of implementation at earliest of the project approval is very important.

The main functions of initiating project implementation are the following:

- Appointment of the Project Director
- Preparing time bound work plan
- Recruitment of manpower as per the provision of the project document
- Preparing documents for land acquisition
- Purchase/rent vehicles according to the provision of the project document
- Project inclusion in the AMS and iBAS<sup>++</sup>

##### 6.1.2 Public procurement

Public procurement is one of the critical functions at the implementation stage of PIM. A transparent, efficient, and competitive public procurement system ensures that development projects and programs deliver quality public infrastructure and services within the expected time and cost. It also contributes to combating corruption in public procurement.

The main functions of public procurement are the following.

- Establish and maintain a unified public procurement framework that ensures transparent, efficient, and competitive tendering process of goods, works, and services for development projects and programs.
- Provide total solutions to the entire public procurement cycle from procurement planning to authorization of payment to the contractors/suppliers, including online bid document preparation and submission, electronic bid security, bid evaluation and approval, contract management and payment.
- Record all procurement activities and information to analyze, monitor and evaluate procurement performance of the whole Government.

The legal and regulatory framework for public procurement consists of the following law, regulations, and Guideline.

**Public Procurement Act 2006** (amended in 2009, 2010, 2016; called “PPA 2006”). The PPA 2006 is the source of power to regulate public procurement of the Government. Under this Act, the Central Procurement Technical Unit (CPTU) was established in 2002 under the Implementation Monitoring and Evaluation Division (IMED), Ministry of Planning. The CPTU serves as the central agency to formulate procurement policies of the country.

**Public Procurement Rules 2008** (amended in 2009, 2018, 2021; called “PPR 2008”). The PPR 2008 elaborates the rules and procedures to operationalize the PPA 2006.

**Bangladesh e-Government Procurement Guideline 2011** (called 'e-GP Guideline'). The objective of e-Government Procurement (e-GP) is to enhance efficiency and ensure transparency in public

procurement through the implementation of a comprehensive e-GP solution to be used by any or all government organizations in Bangladesh. The e-GP Guideline provide clear guidance on the e-GP system of the Government, as provisioned by Section 65 of the PPA 2006 and Rule 128 of the PPR 2008, for the use of the e-GP system.

**Delegation of Financial Powers 2015** (called 'DoFP 2015'). The DoFP 2015 (part-2): Delegation of Financial Powers for Development Projects specifies the financial powers of Ministry/Division/Head of Agency/Project Director to augment the implementation of development projects.

**Procedures for Fund Release and it's Use for Development Projects 2018** refers procedures of releasing and using funds for development projects to ensure value for money.

### 6.1.3 Project implementation monitoring

The presence of a sound system to monitor implementation of individual programs/projects is an essential feature at the implementation stage of a well-functioning PIM system.

The main functions of project implementation monitoring are the following:

- Conduct financial and physical progresses of approved projects during project implementation.
- Provide early warning of implementation problems of the projects.
- Ensure that the projects are informed of early warning and take actions to address the problems.

*The Planning Commission and Sponsoring Ministries/Divisions* also monitors project/program implementation.

### 6.2 Revision of projects

The main functions of the revision of projects are the following:

- Ensure flexibility to allow changes in projects when projects are going off track.
- Increase a chance of success in achieving project objectives through revision of projects.

The Green Book provides instructions for revision of projects. Those instructions vary depending on the types of projects. The following table summarizes the type of projects, and the Sections of the Green Book in which instructions are stipulated for the respective type of projects.

#### 6.2.1 Revision of project cost, scope and time

The Green Book provides instructions for approval of revision of project cost including change of scope and time. The authority for approval of revision of project cost depends on (i) the type of projects, (ii) change of estimated total project cost (ETPC) of revised project, and (iii) some other criteria (see Table 9).

Table 9 Approval authority for revision of project cost, scope and time by project type

	Type of projects	Criteria for revision of project cost	Approval authority
1	Investment projects	Conditions for the 1 <sup>st</sup> revision of projects (Section 4.2 of Green Book): If total cost of the proposed revised project changes (+/-) up to 15% of original project cost, but not exceeding the net amount Tk. 40 crore (Section 4.2.1).	Minister/State Minister of the sponsoring Ministry/Division
		For all other cases (Section 4.3 of Green Book), approval of revised project is as follows: If total cost of the proposed revised project changes (+/-) up to 25% of original project cost (but not exceeding the net amount Tk. 50 crore); even if a project cost changes more than 25% but total project cost remains within Tk. 75 crore (Section 4.3.3).	Minister/State Minister for Planning
		In all other cases (except Sections 4.2.1 and 4.3.3), the revision of project (in the form of RDPP) should be placed before ECNEC (Section 4.3.4).	ECNEC
2	Feasibility study projects	If total cost of the proposed revised feasibility study project changes (+/-) up to 20% of original cost, but not exceeding the net amount Tk. 5 crore (Section 6.3.3).	Minister/State Minister for the sponsoring Ministry/Division
		In all other cases, if revised project cost exceeds as per Section 6.3.3, the revision of project should be placed before Planning Minister/State Minister (Section 6.3.5).	Minister/State Minister for Planning
3	Self-financed projects	Revision of projects and inter-component cost adjustment can be done for maximum two times, following recommendations from DPEC (Section 11.2.5).	Minister/State Minister for the sponsoring Ministry/Division
4	Technical assistance projects and technical projects	If total cost of the proposed revised project changes (+/-) up to 25% of original project cost, but not exceeding the net amount Tk. 20 crore (Section 9.2).	Minister/State Minister for the sponsoring Ministry/Division
		In all other cases of revision outside the scope of Section 9.2 (Section 9.3).	Minister/State Minister for Planning
5	Sector programme	Follow the same criteria for investment projects (Sections 13.2 and 13.3).	ECNEC (for PIPs) Concerned Minister/State Minister (for OPs)
6	Projects by constitutional or statutory bodies	Applicable for all types of project revisions (Sections 20.1 and 20.2): 1) National Parliament Secretariat 2) Bangladesh Election Commission Secretariat 3) Bangladesh Public Service Commission Secretariat 4) Anti-Corruption Commission Secretariat.	1) Honorable Speaker 2) Chief Election Commissioner 3) Chairman 4) Chairman

## 6.2.2 Time extension

The Green Book provides instructions for extension of project period without any other revision of the project. The authority for extension of project period depends on (i) the type of projects, (ii) change of project period, and (iii) some other criteria (see Table 10).

Table 10 Approval authority for time extension of projects by project type

	Type of projects	Criteria for extension of project period	Approval authority
1	Investment projects	The 1 <sup>st</sup> extension of implementation period, and the extension period is up to 1 year (Section 5.1.1).	Minister/State Minister of the sponsoring Ministry/Division
		The 1 <sup>st</sup> extension of implementation period, and the extension period is more than 1 year and up to 2 years. OR: The 2 <sup>nd</sup> extension of implementation period if it is not more than 2 years (Section 5.2.5).  ⇒ The sponsoring Ministry/Division must send extension proposal to the concerned Sector Division of PC and IMED ⇒ Prior consent of ERD is required if foreign funding is involved.	Member, the concerned Sector Division of PC
		The 3 <sup>rd</sup> extension of implementation period, or the extension period is more than 2 years (Section 5.2.6).	Minister/State Minister for Planning
		The 4 <sup>th</sup> extension or beyond (Section 5.2.7).	ECNEC with consent of Minister/State Minister for Planning
2	Feasibility study projects	The 1 <sup>st</sup> extension of implementation period, and the extension period is up to 1 year (Section 6.4.1).	Minister/State Minister for the sponsoring Ministry/Division, with recommendations of DPEC.
		The 1 <sup>st</sup> extension of implementation period, and the extension period is more than 1 year. OR: The 2 <sup>nd</sup> extension of implementation period (Section 6.4.2).  ⇒ Follow the procedures for investment projects. ⇒ Feasibility study projects cannot be extended more than two-times (Section 6.4.5).	Member of concerned Sector Division of PC with recommendations of PEC
3	Self-financed projects	Revision of projects with 100 percent own funds ⇒ The extension of implementation period at the recommendation of IMED	Minister/State Minister for the sponsoring Ministry/Division
		Projects with other sources and own funds ⇒ Follow the procedures for investment projects	As stipulated in investment projects.

	Type of projects	Criteria for extension of project period	Approval authority
4	Technical assistance projects and technical projects	The 1 <sup>st</sup> extension of implementation period, and the extension period is up to 1 year (Section 10.1.1). ⇒ At the recommendation of IMED and ERD (if foreign funding is involved)	Minister/State Minister for the sponsoring Ministry/Division
		The 1 <sup>st</sup> extension of implementation period, and the extension period is more than 1 year and up to 2 years. OR: The 2 <sup>nd</sup> extension of implementation period up to 2 years (Section 10.2.5).  ⇒ The sponsoring Ministry/Division must send extension proposal to the concerned Sector Division of PC and IMED ⇒ Prior consent of ERD is required if foreign funding is involved.	Member, the concerned Sector Division of PC
		The 1 <sup>st</sup> extension of implementation period, and the extension period is more than 2 years. OR: The 2 <sup>nd</sup> extension of implementation period  ⇒ Technical assistance project and technical project cannot be extended for more than two times (Section 10.2.6).	Minister/State Minister for Planning
5	Sector programme	Follow the procedures for investment projects (Section 13.2)	As stipulated in investment projects
6	Projects by constitutional or statutory bodies	Applicable for all types of projects (Section 20.1): 1) National Parliament Secretariat 2) Bangladesh Election Commission Secretariat 3) Bangladesh Public Service Commission Secretariat 4) Anti-Corruption Commission Secretariat	1) Honorable Speaker 2) Chief Election Commissioner 3) Chairman 4) Chairman

### 6.2.3 Management of non-performing projects

The main functions of management of non-performing projects are the following:

- Ensure that the projects in ADP are adequately funded to avoid delays
- Free up development budget resources to finance new, high-priority projects
- Identify ongoing projects that are not performing
- Assess options for resolving the non-performing status of projects
- Implement solutions

## 6.3 Facility operation

### 6.3.1 Public asset management

Public infrastructure created by development programs and projects needs to be used repeatedly or continuously to provide intended public services over many years. Public infrastructure includes economic infrastructure (e.g., airports, seaports, roads, railroads, water supply, power plants) and social infrastructure (e.g., schools, hospitals, government buildings).

The information on existing physical assets of respective infrastructure provides critical inputs for preparing government financial statements, national and sectoral planning, and budgeting for operation and maintenance of physical assets. The main functions of public asset management are the following:

- Ensure that all physical assets created by projects are registered and updated regularly in the asset register of the Government.
- Provide statistical information for planning and appraisal of new projects at the national, sectoral, and regional levels.
- Monitor and assess operation and maintenance cost of physical assets in the asset register of the Government.
- Provide information for divesting non-performing public assets to free up development budget resources for new, high-priority projects.

### 6.3.2 Operation, maintenance, and improvement of public assets

The main functions of operation, maintenance, and improvement of fixed assets are the following:

- Operate, maintain, and improve fixed assets created by projects to provide intended public services throughout the asset life.
- Provide adequate funding for operation, maintenance, and improvement of fixed assets.
- Monitor and control cost for operation, maintenance, and improvement efficiently.

## 6.4 Review and evaluation

### 6.4.1 Project completion review

The main functions of project completion review are the following:

- Assess whether and to what extent a project has successfully delivered its outputs in specified design, on time, and within allocated budget.
- If there are deviations from the original plan, identify and explain the reasons for the deviations.
- Analyze whether any risks that had occurred were foreseen and adequately addressed.
- Draw lessons for better designs or implementation of future similar projects, and make recommendations.

### 6.4.2 Ex post impact evaluation of projects

The main functions of ex post impact evaluation are the following:

- Evaluate whether, and to what extent, a project has achieved efficiency, effectiveness, impact, relevance, and sustain ability, in relation to the hierarchy of objectives, namely, Inputs-Activities-Outputs-Outcomes-Impacts.
- Evaluate quantitatively the impact of projects in ADP by applying impact evaluation methodology.



## Chapter 7

### Conclusion

The Government recognizes that public investment management (PIM) is very critical for achieving the development objectives stipulated in the national plans like Bangladesh Delta Plan 2100, Bangladesh Perspective Plan 2021-2024, the 8th Five-Year Plan 2021 – 2025 and Sustainable Development Goals 2030.

In the context of Bangladesh, PIM refers to an oversight system to manage development projects and programs in the Annual Development Programme (ADP). Public investment projects refer to development projects and programs that include: (i) investment projects; (ii) feasibility study projects; (iii) self-financed projects; (iv) technical assistance projects and technical projects; (v) sector programmes; and (vi) projects by constitutional or statutory bodies. The PIM system is a major component of the overall Public Financial Management (PFM) systems of the Government managed by the Finance Division.

The regulatory frameworks of development projects and programs are stipulated in the Procedures for Preparation, Processing, Approval and Revision of Development Projects in the Public Sector, or commonly known as “Green Book”. Public resources for the development projects and programs are allocated through the ADP. The need to prepare a regulatory framework for PIM in the broader sense was being felt since longtime ago. The Government has been making notable progress in developing and introducing new tools to improve the PIM system in the last few years. Since the PIM system has been upgraded, there is a clear need to address the following issues: (i) clarify the functions of the PIM system under newly-adopted tools and management systems for PIM; (ii) update laws, regulations, Guideline, and manuals concerning the PIM system and update them if necessary; (iii) clarify the roles and responsibilities of concerned organizations in the PIM system; (iv) further clarify sector boundaries under the new ADP sector classification; and (v) articulate the procedures to perform the respective PIM functions.

With a view to fulfilling these outstanding needs the Programming Division has prepared the PIM Guideline in consultation with the important and relevant stakeholders. The PIM Guideline are a new reference document on PIM, aimed to provide useful guidance for public officials to perform key functions of PIM effectively and efficiently. The Guideline explain: (i) main functions of PIM; (ii) legal, regulatory, and policy frameworks for PIM; (iii) roles and responsibilities of concerned organizations and administrative procedures to perform PIM functions; (iv) tools and formats to be used; and (iv) information technology (IT) systems to perform respective functions. These Guideline will be required to be updated with newer developments and changes in the sphere of public investments whenever needed.



## Appendices



## Appendix 1 Glossary of PIM terminology

### **Annual Development Programme (ADP)**

Annual Development Programme means the Annual Development Plan submitted along with the Annual Budget Statement, which includes the details of capital and revenue expenditures proposed for various development projects and Block Grants (BG) in the budget for a particular financial year.

### **Apex organizations**

The National Economic Council (NEC) and Executive Committee of the National Economic Council (ECNEC) are the Apex Organizations that make high-level decision on public investment and development policies and projects.

### **Budget Entity**

There are number of organizations/institutions in the government system which are neither ‘a Ministry’ nor ‘a Division’, but do have separate budget (including ADP allocation); for the purpose of this Guideline, such an organization/institution is termed as a “**Budget Entity**”; e.g., President’s Secretariat, PMO, OCAG, BPSC, etc.

### **Cabinet Committee on Economic Affairs (CCEA)**

CCEA is a cabinet sub-committee chaired by the Honorable Finance Minister. Among others one of the most important functions of this cabinet sub-committee is to review and evaluate the overall financial and economic affairs of the country. Apart from the Chair, currently 12 (twelve) other Ministers/State Ministers remain as the Members of CCEA. Cabinet Division provides secretarial support to this cabinet sub-committee.

*[Ref: Cabinet Division’s Circular No-04.00.0000.611.06.001.19.06, Dated: January 15, 2019, Published in Bangladesh Gazette on January 16, 2019]*

### **Cabinet Committee on Government Purchase (CCGP)**

CCGP is a cabinet sub-committee chaired by the Honorable Finance Minister. CCGP considers and approves the tender (purchase) proposals for procurement of goods, services and works starting from a certain level of tendered price prescribed in the government rules. Delegation of Financial Powers 2015 (part-2: Delegation of Financial Powers for Development Projects) shows the approval threshold for CCGP in different types of purchases. MDAs evaluate the tender documents, prepare purchase proposal and send to the CCGP for final approval as per the threshold.

### **Central Organizations**

Central Organizations are the Planning Commission (PC), Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning (MoP); Finance Division (FD) and Economic Relations Division (ERD) of the Ministry of Finance (MoF), which manage overall planning, budgeting, and monitoring and evaluation (M&E) of development projects and programs across the Government.

### **Completed Project**

A project is termed as ‘completed project’ when the implementation of its targeted components of a project has been completed to achieve desired goals and objectives. After completion of the project, Project Completion Report (PCR) is to be submitted to IMED within 90 days of completion of the project.

### **Development Partner (DP)**

Development Partners (DPs) refer to international organizations such as the World Bank (WB), Asian Development Bank (ADB), UNDP, or bilateral development partner countries such as Japan, UK, USA that provide fund as loan or grant to GoB for implementing development projects of Bangladesh. DPs provide loan/ grant for development activities that would support improve the country's socio-economic condition.

### **Disaster Impact Assessment (DIA)**

Disaster Impact Assessment (DIA) is a mainstreaming tool to integrate knowledge and information about disaster and climate related events, trends, forecasts and projections into the development planning process to minimize losses and damage caused by disasters. DIA would be used to screen DPPs prepared by different MDAs whether the proposed development initiatives are facing any type of disaster threat(s) or can increase the intensity, frequency and extent of existing disaster risks or generate new risks. There are a wide range of tools and decision support systems for analyzing and assessing disaster and climate related risks. Practice of using such tools for national level disaster and climate risk assessment of public and private investment in Bangladesh needs to be scaled up and mainstreamed into the project planning and appraisal systems.

### **Disaster and Climate Risk Information Platform (DRIP)**

The Disaster and Climate Risk Information Platform (DRIP) is a specialized software application, aiming to strengthen institutional capacity of GoB for assessing and understanding disaster and climate related risks. Its goal is to integrate risk information into the development planning, appraising and budgeting processes, including addressing the policy and program levels. In the DRIP software, hazard maps are shown for different geographical locations at the District level with the intensity and other risks related information that can support the DIA process.

### **Economic Analysis**

Project economic analysis is an analytical tool to ensure that scarce resources are allocated efficiently, and investment brings benefits to a country and raises the welfare of its citizens. All resource inputs used by a project have opportunity cost because, without the project, they could create value elsewhere in the economy. An economically viable project requires that: (1) it represents the least-cost or most efficient option to achieve the intended project outcomes; (2) it generates an economic surplus above its opportunity cost; and (3) it will have sufficient funds and the necessary institutional structure for successful operation and maintenance. [Ref: ADB 2017 Guideline for the Economic Analysis of Projects]

Economic analysis of a project is carried out to assess whether the project is economically relevant according to three performance indicators: (1) economic net present value (ENPV); (2) economic benefit cost ratio (EBCR); and (3) economic internal rate of return (EIRR).

### **Environmental Impact Assessment (EIA)**

Economic Impact Assessment (EIA) is a process followed by a set of legal instruments (Bangladesh Environment Conservation Act of 1995 and Rules of 2023) to assess the impact of a proposed project on environment. Through EIA it is determined whether the project is environmentally viable or not. In EIA report, remedial measures are to be mentioned to mitigate adverse effects of the project on environment.

### **Export Credit Agency (ECA)**

Export Credit Agency (ECA) is a type of supplier's or buyer's credit provided by private sector lenders from abroad to the recipient MDAs for implementing large infrastructure investment projects. The ECA is not commonly used in Bangladesh except some cases in the Power Sector arranged by the concerned Division/Organization.

### **Feasibility Study (FS)**

A feasibility study is an assessment of practicality of a proposed plan or project. A feasibility study analyzes viability of a project to determine whether the project or venture is likely to succeed. The study is also designed to identify potential issues and problems that could arise while implementing the project. As part of the feasibility study, project authority must determine whether they have right people, financial resources, and technology. The study should determine the return on investment (e.g., economic and financial analyses), whether this is measured as a financial gain or a benefit to society, as in the case of a nonprofit project.

The feasibility study might include a cash flow analysis, measuring the level of cash generated from revenue versus the project's operating costs. A risk assessment must also be completed to determine whether the return is sufficient to offset the risk of the project. There are several benefits of feasibility studies, including helping project authority to discern the pros and cons of a project before investing a significant amount of time and capital into it. Feasibility studies can also provide a project management team with crucial information that could prevent them from entering into a risky business venture. Such studies help the authority to determine how they will grow. They will know more about how they will operate, what the potential obstacles are, who competitors are, and what the market is.

### **Feasibility Study Report (FSR) Template**

The FSR template is a specified format designed and attached to the Green Book for reporting on feasibility studies conducted for different types of development projects to standardize the process. The FS should be carried out by experienced, neutral and professional institutions or individuals in relevant fields. For the templates of FSR, see Annexure-KA and KHA of the Green Book.

### **Financial Analysis**

Financial analysis and evaluation are essential elements of the financial due diligence required to be performed for all project investment proposals. Financial analysis provides a sound analytical basis to conclude whether the executing agency and/or implementing agency is financially capable to implement the project, and operate and maintain it in a financially sustainable manner over the project's economic life. Financial evaluation assesses the project's inherent financial viability without any reliance on external support, and whether, during the operational phase, it will generate adequate cash resources for the project owner to operate and maintain the investment, and service the capital. A project that requires external support (e.g., viability gap funding or revenue subsidy) for operations and maintenance or capital servicing is not intrinsically viable and should be assessed for financial sustainability. [ADB 2019 Financial Analysis and Evaluation]

The financial analysis of a project is carried out to get an idea of whether the project is financially viable according to three performance indicators: (1) financial net present value (FNPV); (2) financial benefit cost ratio (FBCR); and (3) financial internal rate of return (FIRR).

### **Fiscal Space**

Fiscal space is the difference between approved MTBF ceiling and calculated demand for resources of a Ministry /Division for a particular financial (budget) year and outer (future) years, which may be positive or negative. Decision of taking new project depends on fiscal space. If fiscal space is positive, new project may be taken based on the size of fiscal space. If fiscal space is negative or zero,

theoretically, it indicates that it would not be wise to take new project for implementation by the Ministry/Division to avoid resource shortage.

### **Foreign Funded Project**

Foreign Funded project is the project that is fully or partially funded by a single or multiple Development Partners through grant or loan. The main purposes of foreign funded projects are to support security as well as economic, social, and political development of recipient countries and their people. Foreign funded projects may be classified in three types: fiscal, military, or humanitarian.

### **Forward Baseline Estimates (FBE)**

Forward baseline estimates (FBE) are cost estimations or projections of projects for two outer years of a 3-year MTBF cycle based on the current years' budget allocation. Forward based estimates are used in the process of MYPIP as the basis for future allocation proposals for ADP projects to fix the MTBF ceiling of MDAs.

### **GoB Project**

The GoB Project refers to a project fully funded by the Government of Bangladesh with its own resources.

### **Green Pages**

Green Pages refer to green colored pages of ADP and RADP that contains a list of pipeline unapproved new projects without having any allocation from budget source of ADP. Both GOB and Foreign funded pipeline projects are included in the Green Pages. After having approved by competent authorities these projects start implementation with allocated resources through ADP/RADP (budget) process.

### **Government**

Government of the People's Republic of Bangladesh has been referred as the "Government" in the Public Investment Management Guideline (PIMG).

### **Hard Loan**

Hard loan is a short-term loan that has less flexibility with more conditionalities than a soft loan. A hard loan typically requires strict conditions (e.g., pay back with US dollars), higher rate of interest, shorter grace period and shorter amortization schedule than soft loans.

### **Implementing Organizations**

Implementing organizations refer to Ministries, Divisions and Agencies (MDAs) that plan, implement and monitor development projects and programs under a specific sector.

### **Initial Environmental Examination (IEE)**

Initial Environmental Examination (IEE) describes the environmental conditions of a project including potential impact on environment, formulation of mitigation measures and preparation of institutional requirements and environmental monitoring. An IEE may be required at the preliminary stage of a project to determine whether significant impacts on environment are likely to be expected and therefore conducting EIA is required.

### **Medium Term Budget Framework (MTBF)**

MTBF is a budgeting approach that adopts a medium-term perspective to budgeting for 3-5 years. It links public policy priorities for resource allocation and performance emphasizing efficient and effective use of limited public resources towards achieving (national level) results and goals. It provides (1) greater responsibility of resource allocation and budget implementation by line Ministry/Divisions;



and (2) set ‘resource envelopes’ for each Ministry/Division/Budget Entity within a medium-term framework (for 3 financial/budget years). MTBF consists of a ‘top-down resource envelope’ and a ‘bottom-up estimation’ of the current and medium-term costs of existing policies (including the projects and programmes).

### **Ministry Assessment Format (MAF)**

MAF is a standardized PIM tool for project assessment and scrutiny at the Ministry/Division level. It has been developed by the SPIMS project with support of JICA in 2018 and incorporated in the Green Book in 2022 by the Government. Currently, MAF is being used in two pilot sectors:(1) Local Government & Rural Development (LGRD); and (2) Power & Energy (P&E). The use of MAF in all other ADP sectors has been decided by the government.

### **Multi-Year Public Investment Program (MYPIP)**

MYPIP is one of PIM tools developed by the SPIMS project with support of JICA in 2018, and adopted by the government in the Green Book in 2022. It envisages transformation of the current ‘one-year ADP’ into a multi-year (i.e., for 3 budget years) strategic document, enabling ADP to match with the 3-year perspective of MTBF to make resource allocation for projects and programmes clearly targeted to achieve development results for each sector following the SSP and FYP. The MYPIP considers allocation for the current budget year along with the projections (based on FBEs) of two outer years consisting of MTBF ceilings for the MDAs. MYPIP analysis provides project wise demand of allocation which helps in bargaining the MDAs for their required MTBF ceiling; thus, becomes a PIM tool for determining MTBF ceiling for the ADP.

### **New Unapproved Project (Pipeline Project)**

New unapproved projects are also referred as pipeline projects. These projects are included in Green Pages of ADP/RADP as unapproved projects without allocation based on the recommendation of the Inter-ministerial Programming Committee Meeting chaired by the Member, Programming Division, Planning Commission, which is finally approved by the NEC.

### **Ongoing Project**

Ongoing projects refer to the projects which have been approved by competent authorities and under implementation with ADP allocation.

### **Panel of Economists**

A Panel of Economists play a vital role in the preparation of Five-Year Plan (FYP) by the General Economics Division (GED) of the Planning Commission. The Panel of Economist reviews the zero draft prior to having the draft FYP, which is subsequently considered by the National Steering Committee (NSC) and placed before the NEC for final approval.

### **Programme Implementation Plan (PIP) and Operational Plan (OP)**

Programme Implementation Plan (PIP) and Operational Plan (OP) are concerned with the formulation and implementation of projects through the Sector-wide Programme Approach. A PIP typically consists of several OPs within the framework of a sector-wide approach. PIP is approved by the ECNEC, while individual OP is approved by the Minister of concerned Ministry. An OP has specific target and detailed implementation plan based on the approved PIP.

### **PPP link Project**

PPP link projects are taken under ADP as part of public investment by GoB to provide costs for land acquisition, shifting/relocation of utility services, such as telephone lines, electric lines, water supply lines, sewer lines, mosque, temple and other religious and social establishments that are necessary to

facilitate implementation of the main component of a PPP project. The processing, appraisal and approval procedure of such ‘PPP link projects’ follows the Green Book.

### **Project Processing, Appraisal and Management System (PPS)**

Project Processing, Appraisal and Management System (PPS) is a software to plan and prepare a project and process its approval, starting from Implementing Agency to the Planning Commission through the respective Ministry/Division. PPS is being developed as a component of the Strengthening Digital Processing of Projects (SDPP) project under the Planning Division of MoP. The System will be used by Implementing Agencies to prepare DPP/TAPP and subsequent submission to Ministry/Division using the digital platform. There will be a landscape in PPS where all necessary windows will be available from which required information can be obtained and transferred through interfacing.

### **Procuring Entity**

Procuring Entity refers to a public sector organization/entity that conduct purchasing Goods, Services and Works under the rules and regulations defined in PPA 2006 and PPR 2008. Procuring Entity includes Ministries, Divisions, Departments, Agencies, State-Owned Enterprises responsible for procurement functions under the legal framework.

### **Project Loan/Grant: RPG/DPG & RPL/DPL**

Project Loan/Grant refers to loan or grant received from Development Partners (DP) such as World Bank (WB), Asian Development Bank (ADB), UNDP or from any bilateral DP such as JICA, DANIDA, UKAID to implement development projects. Project Loan/Grant may be of two types: (1) Reimbursable Project Grant (RPG)/Direct Project Grant (DPG) in which an Implementing Agency/Organization or the Project Authority may receive Project Grant (PG) directly from the DP; and (2) Reimbursable Project Loan (RPL)/Direct Project Loan (DPL) in which GoB spends fund committed by DP and / or claims the amount with required documents for reimbursement by DP.

### **Project Assessment**

See at Project Appraisal

### **Project Appraisal**

Project appraisal refers to a project evaluation performed before approval of a development project. Project appraisal is sometimes called ‘ex-ante evaluation’. Project appraisal in Bangladesh consists of two steps: (1) Project Assessment – Overall assessment of relevance, feasibility, and sustainability of a development project at the Ministry/Division level; and (2) Sector Appraisal– Sector-level justification of a development project considering sectoral policies and strategies conducted by Sector Division of the Planning Commission.

### **Project Management**

Project management refers to planning, implementation, monitoring and evaluation of a project.

### **Project Management Plan**

Project Management Plan refers to a plan that guides all aspects of a project from its start to finish with the goal of delivering the outcomes on time and within budget.

### **Revised ADP**

Based on ADP implementation progress at the half-way (July-December), the government in each financial year revises the ADP allocation through rational redistribution of resources against individual projects and Block Grants in order to have maximum utilization of available resources; this process is known as the Revised Annual Development Programme or RADP that usually takes place in between February and March of every financial year.

## **Sector Appraisal**

See Project Appraisal.

### **Sector Appraisal Format (SAF)**

Sector Appraisal Format (SAF) is a PIM tool for project appraisal by Sector Divisions of the Planning Commission, developed by the SPIMS project with support of JICA in 2018, and incorporated in the Green Book in 2022. SAF is currently used at two pilot sectors, LGRD and P&E and now the government has decided to use SAF in all other ADP sectors.

### **Sector Strategy Paper (SSP)**

SSP is a strategic document developed as a PIM tool by the SPIMS project with support of JICA in 2018 and adopted in the Green Book in 2022. SSP is aimed to translate broader objectives and targets of the national plans (FYP) through sectoral strategies for implementing activities under a particular sector to achieve national goals. Currently, SSP is being used by two pilot sectors, LGRD and P&E, and is expected to be rolled out in all other ADP sectors.

### **Soft Loan**

Soft loan is a loan with a below-market rate of interest with limited or less strict conditions than commercial bank loans. Soft loan is sometime called ‘concessional loan’. Soft loan has extended grace periods and offer longer amortization schedules than commercial bank loans. Soft loans are usually provided by multilateral development banks such as the World Bank, ADB, and IDB.

### **Tri-partite Meeting**

Tri-partite Meeting refers to the formal meeting between three parties- Ministry of Finance, Ministry of Planning and concerned Ministry, to discuss budget proposals of both development (ADP/RADP) and operational budgets and finalize MTBF ceilings for each Ministry/Division/Budget Entity. The meeting is chaired by Secretary of Finance Division with representations from the Planning Commission/Ministry of Planning and concerned Ministry. At a Tri-partite Meeting, all parties review budget implementation performance and capacity of line Ministries/Divisions, and to decide on priority expenditures as per available resources to finalize MTBF ceiling for a particular budget year.

## Appendix 2 List of government documents for PIM

### A2.1 Laws and regulations

Allocation of Business among the Different Ministries and Divisions (Schedule 1 of the Rules of Business 1996)

Delegation of Financial Powers, 2015

Procedure for Fund Release and Its Use for Development Projects, 2018

General Financial Rules, 1983

Procedures for Preparation, Processing, Approval and Revision of Development Projects in the Public Sector, 2022

Procurement Guideline for PPP Projects, 2018

Public Moneys and Budget Management Act, 2009

Public Private Partnership Act, 2015

Public Procurement Act, 2006

Public Procurement Rules 2008

Bangladesh e-Government Procurement Guideline, 2011

The Constitution of the People's Republic of Bangladesh, 1972

The Acquisition and Requisition of Immovable Property Act, 2017

### A2.2 Policies, plans, strategies, and frameworks

General Economics Division. 2018. *Bangladesh Delta Plan 2100: Bangladesh in the 21<sup>st</sup> Century*. Dhaka: Bangladesh Planning Commission.

General Economics Division. 2020. *Making Vision 2041 into a Reality: Perspective Plan of Bangladesh 2021-2041*. Dhaka: Bangladesh Planning Commission.

General Economics Division. 2020. *8<sup>th</sup> Five Year Plan July 2021—June 2025: Promoting Prosperity and Fostering Inclusiveness*. Dhaka: Bangladesh Planning Commission.

Finance Division. Medium-Term Macroeconomic Framework (MTMF).

Finance Division. Medium-Term Budget Framework (MTBF).

Finance Division. 2016. *Public Financial Management Reform Strategy 2016-21*. Dhaka: Ministry of Finance.

Finance Division. 2018. *Public Financial Management Action Plan 2018-23*. Dhaka: Ministry of Finance.

Programming Division. 2022. *Power and Energy Sector Strategy Paper*. Dhaka: Bangladesh Planning Commission.

Programming Division. 2022. *Local Government and Rural Development Strategy Paper*. Dhaka: Bangladesh Planning Commission.

Programming Division. 2020. Preparation of ADP/RADP and budget allocation, re-appropriation of allocation, expenditure head correction of development projects and processing of unallocated new projects.

Planning Division. 2016. Circular related to project director appointment of development project

### A2.3 Manuals and handbooks

Public Private Partnerships Authority. 2020. *PPP Screening Manual*. Dhaka: Prime Minister's Office.

### Appendix 3 General references on PIM

- International Monetary Fund. 2015. *Making Public Investment More Efficient*. Washington, DC.
- International Monetary Fund. 2018. *Public Investment Management Assessment – Review and Update*. IMF Policy Papers. Washington, DC.
- International Monetary Fund. 2022. *PIMA Handbook*. Washington, DC.
- Japan International Cooperation Agency. 2018. *Public Investment Management Handbook for Capacity Development*. Tokyo.
- Kim, J-H., J.A. Fallov, and S. Groom. 2020. *Public Investment Management Reference Guide*. World Bank. Washington, DC.
- Rajaram, A., Le, T.M., Biletska, N., and Brumby, J. 2010. *A Diagnostic Framework for Assessing Public Investment Management*. World Bank Policy Research Working Paper 5397. Washington, DC.
- Rajaram, A., Le, T.M., Kaiser, K., Kim, J.-H., and Frank, J. (eds.). 2014. *The Power of Public Investment Management*. World Bank. Washington, DC.
- Schwartz, G. M. Fouad, T. Hansen, and G. Verdier (eds.). 2020. *Well Spent: How Strong Infrastructure Governance End Waste in Public Investment*. International Monetary Fund. Washington, DC.
- World Bank. 2011. *The Quality of Public Investment Management in Bangladesh*. Washington, DC.
- World Bank. 2014. *A Public Investment Management Review and Reform Roadmap for Bangladesh*. Washington, DC.

## Appendix 4 Approval authority by project type

	Type of projects	Criteria	Approving authority
1	Investment projects	a. ETPC ≤ Tk. 50 crore	a. Minister/State Minister for Planning
		b. ETPC >Tk. 50 crore	b. ECNEC
2	Feasibility study projects	a. ETPC ≤ Tk. 5 crore	a. Minister/State Minister for the sponsoring Ministry/Division
		b. ETPC >Tk. 5 crore or ETPC ≤ Tk. 50 crore	b. Minister/State Minister for Planning
		c. ETPC >Tk. 50 crore	c. ECNEC
3	Self-financed projects	a. ETPC - no limit for fully funded by sponsoring organization ( <i>provided that there is no involvement of land acquisition and/or use of over 20 acres</i> ). (Section 11.2.4)	a. Minister/State Minister for the sponsoring Ministry/Division
		b. If acquisition and/or use of land is over 20 acres ( <i>regardless of ETPC</i> ). (Section 11.2.6)	b. ECNEC
4	Technical assistance projects and technical projects	a. ETPC ≤ Tk. 10 crore ( <i>provided GoB financing is within 30% of ETPC</i> ) (Sections 8.2.3 & 8.2.4)	a. Minister/State Minister for the sponsoring Ministry/Division
		b. ETPC >Tk 10 crore but ≤ Tk. 50 crore or GoB financing exceeds 30% of ETPC or a TA project is planned to lead to an investment project (Sections 8.2.4 & 8.2.9)	b. Minister/State Minister for Planning
		c. ETPC >Tk. 50 crore	c. ECNEC
5	Sector programme	a. PIPs (following the investment project approval process) (Section 13.2)	a. ECNEC
		b. OPs (Section 13.3)	b. Minister for the sponsoring Ministry/Division
6	Projects by constitutional or statutory bodies	Feasibility Study, Technical Assistance and Technical projects (except the Investment projects), as well as revised Investment, TA, TP & FS projects, plus inter-item cost adjustment, time extension and approval for the use of price & physical contingency for development projects taken by: (Sections 20.1 & 20.2) <sup>4</sup> a. National Parliament Secretariat b. Bangladesh Election Commission Secretariat c. Bangladesh Public Service Commission Secretariat d. Anti-Corruption Commission Secretariat	a. Honorable Speaker b. Chief Election Commissioner c. Chairman, BPSC d. Chairman, ACC

<sup>4</sup> Indeed, the ‘Head’ of these constitutional/statutory bodies has got the similar “authority” of a Minister/State Minister of any Ministry or Division, in case of development project processing.



**Programming Division**  
Bangladesh Planning Commission  
Government of the People's Republic of Bangladesh

**June 2023**



গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
পরিকল্পনা কমিশন  
কার্যক্রম বিভাগ

নং-২০.০০.০০০০.৫২২.০৫.০০৩.২৩-১২৬

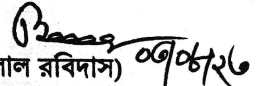
তারিখঃ ১৯ শ্রাবণ, ১৪৩০  
০৩ আগস্ট, ২০২৩

বিষয়ঃ **Public Investment Management (PIM) Guideline প্রেরণ।**

পরিকল্পনা কমিশনের কার্যক্রম বিভাগ কর্তৃক প্রণীত Public Investment Management (PIM) Guideline এর কপি সদয় অবগতি ও কার্যার্থে নির্দেশক্রমে প্রেরণ করা হলো।

সংযুক্তিঃ পিআইএম গাইডলাইন।

সিনিয়র সিস্টেম এনালিস্ট এর দপ্তর পরিকল্পনা বিভাগ
তারিখঃ ৮/৮/২৩
সিনিয়র প্রোগ্রামার, আইসিটি সেল
প্রোগ্রামার
সেইন্টেনশ্যল ইঞ্জিনিয়ার
সহকারী প্রোগ্রামার-১
সহকারী প্রোগ্রামার-২
সহকারী সেইন্টেনশ্যল ইঞ্জিনিয়ার
ব্যক্তিগত কর্মকর্তা

  
(বাবুলাল রবিদাস)  
উপপ্রধান (সংযুক্তি)  
ফোন: ৯১৮০৮৯৯

বিতরণঃ (জ্যেষ্ঠতার ক্রমানুসারে নয়):

১. মন্ত্রিপরিষদ সচিব, মন্ত্রিপরিষদ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
২. প্রধানমন্ত্রীর মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়, পুরাতন সংসদ ভবন, তেজগাঁও, ঢাকা-১২১৫।
৩. সিনিয়র সচিব, অভ্যন্তরীণ সম্পদ বিভাগ, অর্থ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৪. সিনিয়র সচিব, পররাষ্ট্র মন্ত্রণালয়, সেগুন বাগিচা, ঢাকা।
৫. সিনিয়র সচিব, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৬. সিনিয়র সচিব, বিজ্ঞান ও প্রযুক্তি মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৭. সিনিয়র সচিব, প্রতিরক্ষা মন্ত্রণালয়, গণভবন, শেরে বাংলা নগর, ঢাকা।
৮. সিনিয়রসচিব, অর্থ বিভাগ, অর্থ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৯. সিনিয়র সচিব, জনপ্রশাসন মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১০. সিনিয়র সচিব, কারিগরী ও মাদ্রাসা শিক্ষা বিভাগ, শিক্ষা মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১১. সিনিয়র সচিব, প্রবাসী কল্যাণ ও বৈদেশিক কর্মসংস্থান মন্ত্রণালয়, ৭১-৭২ পুরাতন এলিফ্যান্ট রোড, ইন্সটান, ঢাকা।
১২. সিনিয়র সচিব, বাংলাদেশ জাতীয় সংসদ সচিবালয়, সংসদ ভবন, শেরে বাংলা নগর, ঢাকা।
১৩. সদস্য (সিনিয়র সচিব), আর্থ-সামাজিক অবকাঠামো বিভাগ, পরিকল্পনা কমিশন, শেরে বাংলা নগর, ঢাকা-১২০৭।
১৪. সিনিয়র সচিব, জননিরাপত্তা বিভাগ, স্বরাষ্ট্র মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৫. সিনিয়র সচিব, বিদ্যুৎ বিভাগ, বিদ্যুৎ, জ্বালানি ও খনিজ সম্পদ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৬. সচিব, স্বাস্থ্য সেবা বিভাগ, স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৭. সচিব, নৌ-পরিবহন মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৮. সচিব, বেসামরিক বিমান পরিবহন ও পর্যটন মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৯. সচিব, শিল্প মন্ত্রণালয়, শিল্প ভবন, মতিঝিল বা/এ, ঢাকা।
২০. সচিব, তথ্য ও সম্প্রচার মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২১. সচিব, অর্থনৈতিক সম্পর্ক বিভাগ, অর্থ মন্ত্রণালয়, পরিকল্পনা কমিশন চত্বর, শেরে বাংলা নগর, ঢাকা।
২২. সচিব, পল্লী উন্নয়ন ও সমবায় বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
২৩. সচিব, পরিকল্পনা বিভাগ, পরিকল্পনা মন্ত্রণালয়, শেরে বাংলা নগর, ঢাকা-১২০৭।
২৪. সচিব, পার্বত্য চট্টগ্রাম বিষয়ক মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২৫. সচিব, সেতু বিভাগ ও নির্বাহী পরিচালক বাংলাদেশ সেতু কর্তৃপক্ষ, সেতু ভবন, বনানী, ঢাকা-১২১২।
২৬. সচিব, লেজিসলেটিভ ও সংসদ বিষয়ক বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
২৭. সচিব, শ্রম ও কর্মসংস্থান মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
২৮. সচিব, মৎস্য ও প্রাণিসম্পদ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।