

Development Planning In Bangladesh: Historical Perspective

Presented By:
Fakrul Ahsan
Project Manager, SSIP, UNDP
and
Former Chief,
General Economics Division (GED)
Planning Commission

Evolution of Planning Commission

- **Pakistan Planning Commission, 1953;**
 - **Planning Board Created in 1956 and was renamed as East Pakistan Planning Department, the full-fledged planning agency of then East Pakistan;**
 - **Planning Cell in 1971;**
- Bangladesh Planning Commission in 1973**
- **Project Implementation Bureau (PIB) in 1975**
 - **External Resource mobilization was entrusted to ERD in 1975**
 - **The Planning Division in 1975**
 - **Planning cells in different Ministries/ Divisions in 1975**
 - **Planning Wings in 1983**

Role of the Planning Commission

Planning Commission is responsible for designing overall socio-economic development plan and programme of the country.

It has a three-fold role in development

- **Advisory role:** Advising the government in matters of development goals and objectives, priorities, strategies and policy measures;
- **Executive role:** Preparation of plan, processing of development projects for approval, preparation of Annual Development Programme (ADP);
- **Coordination role:** Co-ordination of whole range of planning activities.

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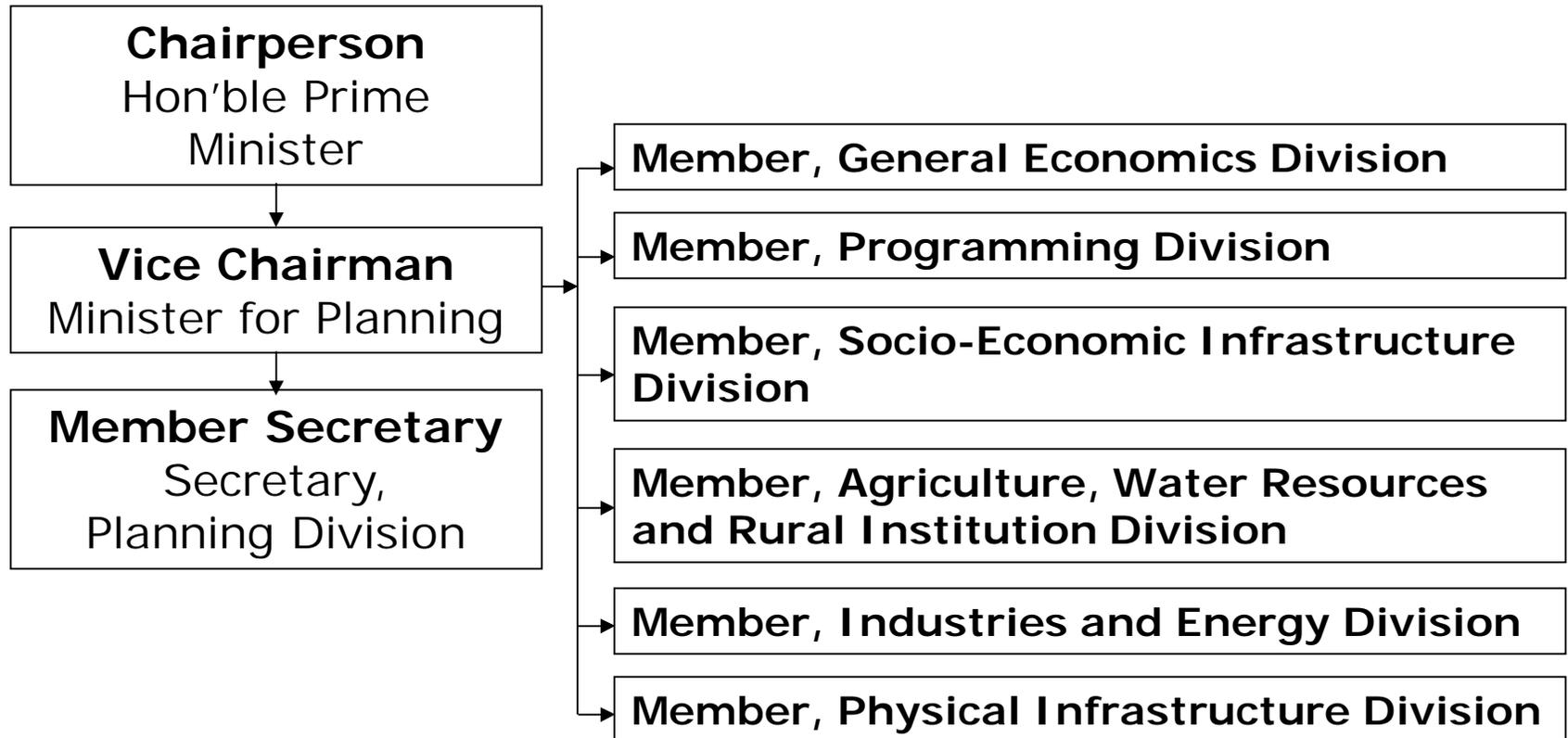
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Functions of the Planning Commission

- Policy Planning
- Perspective Plan
- Five Year Plan
- Poverty Reduction Strategy Paper
- Sectoral Planning
- Programme Planning
- Project Planning
- Appraisal of Projects
- Evaluation of plans & their impact on the economic development
- Preparation of ADP

Structure of Planning Commission



Extended Planning Commission: It also includes Finance Secretary, ERD Secretary and IMED Secretary.

Development Philosophy of Bangladesh

Growth with equity and social justice remains the overarching goal of our development strategy

- Reducing regional imbalance in development;
- Pursue inclusive growth strategy: specifically, the aim is to reduce poverty and income inequality by ensuring access of the poor to economic resources and employment;
- Raising economic participation of Women.

Overview

- Over the past 45 years since independence, Bangladesh has increased its real per capita income by more than 4 fold, cut poverty by more than one third, and is well set to achieve most of the Sustainable Development Goals.
- Foundation of development activities based on Development Planning/Strategy, Bangladesh State Constitution, MDGs and SDGs.
 - **Development Planning/Strategy** (*Perspective Plan, Five Year Plan, Poverty Reduction Strategy Paper, Annual Development Program etc.*)
 - **Bangladesh State Constitution** (*Part II, Articles 9-20*)
 - **Millennium Developments Goals (MDGs)** (*8 Goals, 21 Targets and 60 Indicators*) **and**
 - **SAARC Developments Goals (SDGs)** (*04 Thematic Areas and 22 Goals*)
 - **SDG** (**17 goals, 169 targets, and 230 indicators**)

Development Planning/Strategy

- Accordingly, between FY1973 and FY2002 Bangladesh implemented 5 successive Five Year Plans and an interim Two Year Plan (1979–80).
- From FY2003 to FY2010, there was a deviation from the five year plan to a process of shorter term Poverty Reduction Strategy Paper (PRSP).
- The Present Government in 2009 decided to switch back to the five year plan mechanism.

Growth performance in the Five Year Plans & PRSP

	Annual average growth (%)	
	Target	Actual
First five year plan (FY73-FY78)	5.5	4.0
Two year plan (FY78-FY80)	5.6	3.5
Second five year plan (FY80-FY85)	5.4	3.8
Third five year plan (FY85-FY90)	5.4	3.8
Fourth five year plan (FY90-FY95)	5.0	4.2
Fifth five year plan (FY97-FY02)	7.0	5.1
FY02-FY06		5.5
FY06-FY10		6.3
Sixth five year plan (FY11-FY15)	8.0	6.5
<i>Source: Bangladesh Bureau of Statistics</i>		(2011-2015)

Development Planning/Strategy (contd.)

Long term Vision of the Government

- The democratic government of Bangladesh in 2010 has formulated the first-ever long-term “ Perspective Plan 2010-2021”, adopting the Vision 2021 in building a happy and prosperous nation.
- The overarching vision of the Perspective Plan is to accelerate national development process reflecting shared view of all citizens and a dream supported by will and action to transform it into reality.
- The fundamental objective of the Plan is to achieve middle income country status in real terms by 2021- the Golden Jubilee Year of national independence, through attainment of higher growth rates and productive employment.
- It envisioned equitable and inclusive growth process where poverty will be at its lowest and regional development will be balanced.

The objectives of the Perspective Plan are:

- * Achieve and Sustain an annual rate of GDP growth of 10 per cent by 2021
- Raising per capita income from the present US\$780 to US \$ 2000 (currently it is \$1340)
- Expanding and diversifying the industry sector to increase its contribution to GDP to 40 percent
- Reduction of underemployment rate to 15 percent
- Decrease in the number of people below poverty line from 31.5 percent to 15 percent
- Elimination of illiteracy as soon as possible after 2014
- Attainment of 100 percent enrolment with gender parity and specific steps in addressing the dropout problem, particularly of the girl children
- Ensure per capita energy consumption to 600 kwh
- Strengthening information technology towards a digital Bangladesh
- Protection and enhancement of the environment, effectively meeting the challenges arising from the intensifying climate change and addressing other environmental degradation issues by 2021.

Development Planning/Strategy (contd.)

- Perspective Plan Implementation Strategy
- Government decided that the vision of the Perspective Plan (2010- 2021) would be realized through implementing two successive Five Year Plans;
- The Sixth Five Year Plan (2011-2015) has already been implemented, which is being followed by the Seventh Five Year Plan (2016-2020).

SDGs, MDGs, and Bangladesh

- The principal goal of the Bangladesh Government's policy is to reduce poverty which will gradually lift the vast majority of the people above the poverty line and improve their quality of life.
- Bangladesh Government is committed to achieve SDGs as well as MDGs and integrated these international and the regional commitments in the Sixth Five Year Plan and Seventh Five Year Plan.
- The government also implemented the Poverty Reduction Strategy Paper (PRSP-I, 2003-08 and NSAPR II, 2009-2011).
- The Long Term Perspective Plan (2010-2021)
- The Sixth FYP ((2011-15).
- Seventh Five Year Plan (2016 – 2020)

Important targets set for the economy under Sixth Five Year Plan are:

- Increase growth rate to 8% by 2015 through attaining average real GDP growth rate of 7.3% per year during the Plan period.
- Reduction in the head-count poverty to 22% point from 31.50 by 2015.
- Increase per capita income US\$1000 by 2015.
- Increase the share of employment of the industrial sector to 25 percent by 2015.
- Achieve self sufficiency in food grain production by 2013.
- Achieve 100 percent net enrollment rate for primary education.
- Infant mortality rate to be reduced to 31 per 1000 live birth.
- Maternal mortality ratio to be reduced to 144 per 1,00,000 live birth.
- Reduction of total fertility rate to 2.2 by the terminal year of the Sixth Plan period.
- Safe drinking water to be made available for all population by 2015.
- Re-commissioning of 13,500 community clinic by 2015.
- Generation of electricity to be increased to 15,000 MW by 2015.
- Increase social protection for the vulnerable people.
- Improve the economic, political and social inclusion and empowerment of women.
- Increase productive forest coverage by 2 percentage points.
- Compulsory ICT education at secondary level.

MDGs Goals and Status in Bangladesh

- **MDG 1: Eradicate Extreme Poverty and Hunger**
(Halve by 2015 the proportion of people living below poverty line – **achieved**)
- **MDG 2: Achieve Universal Primary Education**
(Ensure that all boys & girls complete a full course of primary schooling- **partially achieved**)
- **MDG 3: Promoting Gender Equity and Empowering Women**
(Eliminate gender disparity in primary & secondary education preferably by 2005, and at all levels by 2015 - **achieved**)
- **MDG 4: Reduce Child Mortality**
(Reduce by two thirds by 2015, the under-five mortality rate – **achieved**)
- **MDG 5: Improve Maternal Health**
(Reduce by the three quarters, by 2015, the maternal mortality ratio- **partially achieved**)
- **MDG 6: Combat HIV/AIDS, Malaria and other Diseases**
(Have halted by 2015 & begin to reverse the spread of HIV/AIDS- **need more attention**)
- **MDG 7: Ensuring Environmental Sustainability**
(Integrate the principals of sustainable development into country policies /programmes & reverse the loss of environmental resources –**need attention**)
- **MDG 8: Developing a Global Partnership for Development**
(Develop further an open, rule-based, predictable, non-discriminatory trading & financial system- **need attention**)

SAARC Development Goals (SDGs)

The Independent South Asian Commission for Poverty Alleviation (ISACPA) recommended 22 priority goals to constitute the SDGs for the period 2007-2012 in the areas of livelihood, health, education and environment:

Livelihood	no. of goals:8
Health	no. of goals: 4
Education	no. of goals: 4
Environment	no. of goals: 6

Strategy for Economic Development under 6th and 7th FYP

- Private sector led development is the key strategy for implementation of the Sixth and Seventh Five Year Plan (SFYP)- FY2011-15 & FY 2016 – 20).
- It is estimated that 77% (BDT 10.4 trillion) of the Total Investment Outlay (BDT 13.5 trillion) of the SFYP would come from the private sector investment.
- The public sector investment would amount to about 23% (BDT 3.1 trillion). The amount of foreign assistance has been estimated at BDT 1.3 trillion.
- Much of the public investment will be used for reducing infrastructural gap, specifically, in energy & power, roads, ports and bridges as well as improving telecommunication.

Strategy for Economic Development under SFYP

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Developing Planning Process, and Role of Projects/Programs in Attaining National Policy Objectives.

- Policy Planning: determination of goals, objectives and policy measures for Socio-economic development plan at the National Level (Vision 2021, SFYP)
- Sectoral Planning: identification of the role that various sectors of the economy are required to play in the context of the National Plan objectives and goals
- Project Planning: Scrutiny and appraisal of projects for investment in order to attain the sectoral/national plans
- Monitoring of projects: Progress of project at different stages of implementation
- Evaluation: impact analysis of projects, programs and plans on the people's living standard (sustainability).

Project - Definition

A set of related activities undertaken for a specific time to achieve some predefined objectives using certain amount of resources.

Projects are taken for creating new resources (i.e. to solve a particular problem or development challenge) and not for operating organizations regular functions (i.e. organizations recurrent functions).

Project - Major types

Depending on the nature of objectives and mode of financing, projects are generally categorized into two major groups:

- **Investment Projects**
- **Technical Assistance Projects**

Investment Projects

- These types of projects generally involve huge amount of capital investment from either local or both local and foreign sources for development of physical or socio-economic infrastructures.
- **For example: construction of buildings, roads, bridges, culverts, power plants, ports, and so on.**

Technical Assistance (TA) Projects

- These are invariably foreign aided project where donor's assistance constitutes the cost of project either wholly or partly.
- Since TA projects are foreign assisted projects (either wholly or partly) a research project / feasibility study project exclusively out of GoB resources is not categorized as TA project.
- Generally TA projects should not have any component of capital investment.
- TA projects should not, in principle, have any provision for creation of new posts. However post may be created only for the duration of the projects.

Technical Assistance (TA) Projects- continued

- **Generally TA projects cover mainly three areas:**
 - A. Institutional capacity building:** through supply of equipment for improving technical skills, setting up of information systems, etc.
 - B. Transfer of Knowledge, Technology Skills and Technical Know-how:** e.g. consultancy services for undertaking research studies, Preparation of design, Project preparatory works, setting up of new systems, etc.
 - C. Human Resources Development:** e.g. Arrangement of local training facilities, fellowships for higher learning, assistance to workshops, seminars, financing of study tours or establishment of training institutions, etc.
- **Example of TA project:** Deeping Medium –Term Budget Framework and Strengthening Financial Accountability (DMTBF & SFA) Project, Finance Division, Ministry of Finance.

Challenges

- Design flaws of the Development Project (DPP/TPP)/Program.
- Annual Work Plan and Procurement Plan are not prepared properly at the beginning of the Financial Year in most of the cases.
- Poor quality of Development Projects (DPP/TPP)/Programs.
- Inadequate resource allocation.
- Time over run result in cost over run.
- Insufficient capacity to manage the increasing number/amount of projects in ADP.
- Lack of proper monitoring and duplication of tasks.
- Inter ministerial coordination gap.
- In appropriate selection and frequent change of the Project Directors.
- Lack of capacity for utilization of Project Aid.
- Others

CONCLUSION

- ❑ Implementation of ADP largely depends on the Executing Agencies and Administrative Ministries. Planning Commission only facilitates the implementation process.
- ❑ Capacity development of officials related to appraisal, formulation and assessment are essentially required.
- ❑ Capacities of the implementing Ministries/Divisions for utilizing project aid must be improved to reduce pressure on domestic resources.
- ❑ Projects/programmes should be consistent with the plan objectives and targets.



Thanks for Patience