Brief on Development Planning Process in Bangladesh:
Special focus on project formulation appraisal and approval procedure

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Outline of the Presentation

**PART I:**
Context and evolution of development planning in Bangladesh

**PART II:**
Project formulation, appraisal and approval process

**PART III:**
Efforts of improving Project formulation, appraisal and approval procedure

**PART IV:**
Some relevant critical issues
History of Development Planning in Bangladesh

- Indian Planning Commission 1950; Pakistan Planning Commission, 1953
- In 1956 a Provincial Planning Board was established under the United Front Government of the then East Pakistan and was renamed as East Pakistan Planning Department;
- It was an agency for formulating investment programmes and for negotiating with the Central Government of Pakistan for an adequate share of the financial resources for the development of East Pakistan;
- Bangladesh Government in exile during the war of independence in 1971 established a Planning Cell, which was an embryonic start of the present Planning Commission
History of Development Planning in Bangladesh (contd.)

- Planning Commission of Bangladesh was established in January 1972;
- Project Implementation Bureau (PIB) in 1975;
- External Resource Mobilization was entrusted to ERD in 1975;
- Planning cells in different Ministries/Divisions in 1975.
- Initially The Planning Commission was a very high profile organizations with renowned economists as Member with the status of State Minister. The status was degraded after 1975.
Bangladesh Constitution: Article 15

- Article 15 of the Bangladesh Constitution requires that the country should follow the path of a planned economy for realizing its development objectives.

- ‘It shall be a fundamental responsibility of the state to attain **through planned economic growth**, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the people, with a view to securing to its citizens –

  - (a) the provision of the basic necessities of life, including food, clothing, shelter, education and medical care;

- According to the **Article 15**, the ‘**planned economic growth**’ is a constitutional obligation for the Government of Bangladesh.
Structure of Planning Commission

- **GED**: Preparation of Mid and Long term Plan; M&E of Plans; Determination of Macroeconomic scenario in the context of development plan; MDGs Progress Report
- **Programming**: Preparation of ADP, Resource Allocation for sectors; Release of Fund for Revised unapproved projects.
- **Other 4 Sectors**: Formulation of sectoral plans; Processing of development projects for approval including appraisal and providing secretarial services to the PEC; Preparation of sectoral ADP in consultation with Line Ministries;
Sector Divisions receive project proposals from Line Ministries and analyze them.
Development Administration in Bangladesh

- Finance Division
- Internal Resources Division: NBR
- Bangladesh Bureau of Statistics (BBS)
- Bangladesh Bank
- Planning Division
- Planning Commission
  - Line Ministries/Division
  - Implementing Agencies
  - Sub Implementing Agencies
- Economic Relations Division (ERD)
  - Development Partners
- IMED
  - Audit and Accounts

GED, Planning Commission
Planning Instruments

Bangladesh Delta Plan 2100

Key targets of Vision 2021

SFYP targets & MDGs

Financial and physical monitoring

MDG targets

Sectoral plans, policies & Strategies

KPIs

Monthly fiscal reports

Long-term (10 years) Perspective Plan

Medium-term (5 years) SFYP

Medium-term (5 years) MTBF

Short-term (1 year) ADP

Short-term (1 year) Annual Budget

Long-term (10 years) Perspective Plan

Financial backing

Strategic linkages

Strategic resource allocation

Budget ceiling

Financial backing

Feedback & action

M&E
### Development Plans/Strategies in Bangladesh

<table>
<thead>
<tr>
<th>Plan Period (FY)</th>
<th>Plans</th>
<th>Av. Growth Target</th>
<th>Actual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-78</td>
<td>First Five Year Plan</td>
<td>5.5</td>
<td>4.0</td>
</tr>
<tr>
<td>1978-80</td>
<td>Two Year Plan</td>
<td>5.6</td>
<td>3.5</td>
</tr>
<tr>
<td>1980-85</td>
<td>Second Five Year Plan</td>
<td>5.4</td>
<td>3.8</td>
</tr>
<tr>
<td>1985-90</td>
<td>Third Five Year Plan</td>
<td>5.4</td>
<td>3.8</td>
</tr>
<tr>
<td>1990-95</td>
<td>Fourth Five Year Plan</td>
<td>5.0</td>
<td>4.2</td>
</tr>
<tr>
<td>1997-02</td>
<td>Fifth Five Year Plan</td>
<td>7.0</td>
<td>5.1</td>
</tr>
<tr>
<td>2003-05</td>
<td>Interim Poverty Reduction Strategy Paper (IPRSP)</td>
<td>-</td>
<td>6.21</td>
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<tr>
<td>2005-08</td>
<td><strong>Unlocking the Potential</strong>: National Strategy for Accelerated Poverty Reduction (NSAPR-I)</td>
<td>-</td>
<td>6.41</td>
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<td>2009-11</td>
<td><strong>Steps Towards Change</strong>: National Strategy for Accelerated Poverty Reduction (NSAPR-II)</td>
<td>-</td>
<td>6.33</td>
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<tr>
<td>2011-15</td>
<td>Sixth Five Year Plan</td>
<td>7.3</td>
<td>6.32*</td>
</tr>
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<td>2015-2019</td>
<td>Seventh Five Year Plan (will be published soon)</td>
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Five Year Plan Preparation Process

Vision 2021

Perspective Plan Based on Vision 2021

Implementation Review of the Sixth Plan

Mid Term Review of the 6th Plan

Starting the Preparation of Seventh Plan

A project for preparing the Plan has been taken
* National Steering Committee * Panel of Economists

Preparation of Concept Paper for the 7th Five Year Plan

Discuss and Revise the Concept Paper in Panel of Economists Meeting

Preliminary identification of the Background Studies

Selection of Background Studies by PoE + GED

Revision of the Concept Paper and Background Studies list by the Steering Committee
<table>
<thead>
<tr>
<th>Step</th>
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<tbody>
<tr>
<td>Seeking inputs from the Ministries/Divisions/Agencies in a given format</td>
</tr>
<tr>
<td>Consultation meeting with different stakeholders under the Chairmanship of Planning</td>
</tr>
<tr>
<td>Preparation of the Background Studies</td>
</tr>
<tr>
<td>Review of the Background Studies by the Peer Reviewer as well as by the Panel of Economists</td>
</tr>
<tr>
<td>Preparation of Technical Framework (IO, SAM, CGE)</td>
</tr>
<tr>
<td>Projection of Growth (Draft by GED)</td>
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<tr>
<td>Finalize the Growth Projection after discussion with BB, BBS, Finance Division and other related Institutions/exports</td>
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<tr>
<td>Compilation of Ministries written Report</td>
</tr>
<tr>
<td>Drafting of the 7th Plan based on growth projection, studies, Ministries report, Recommendation of the consultation meetings and review of the 6th Plan</td>
</tr>
<tr>
<td>Analysis and refining of Draft 7th Plan in GED</td>
</tr>
<tr>
<td>Consulting Meetings with all the Stakeholders both in local level and national level</td>
</tr>
<tr>
<td>Finalize the 7th Plan and Approval by the NEC</td>
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<tr>
<td>Dissemination of 7th Plan to all the Stakeholders</td>
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Planning Process of Bangladesh

Steps in the Formulation of Five Year Plan

1. Evaluation of Past Plan Performance by GED
2. GED Prepares Technical/Policy Framework Indicating Desirable and Realistic Growth Rate
3. GED Prepares Resource Forecast in Co-operation with IRD, FD, ERD
4. Resource Demand by Ministries/Agencies
5. Reconciliation Resources/Demands
6. Background studies (e.g. 28 in 7FYP)
7. Sector Divisions Prepare Sectoral Plans/Programmes
8. Reconciliation of Sectoral Plans with the Macro Framework of FYP
9. Five Year Plan Approved by NEC
Way forward
Figure: Planning Process (Bottom up plan preparation)

- NATIONAL DEVELOPMENT PLAN
  - REGIONAL DEVELOPMENT PLAN
    - DISTRICT DEVELOPMENT PLAN
      - THANA DEVELOPMENT PLAN
        - UNION DEVELOPMENT PLAN
    - CITY DEVELOPMENT PLAN
      - MUNICIPAL DEVELOPMENT PLAN
        - UNION DEVELOPMENT PLAN
THANK YOU ALL