



SECTOR APPRAISAL FORMAT (SAF) MANUAL

STRENGTHENING PUBLIC INVESTMENT MANAGEMENT SYSTEM PROJECT

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

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**Manual
for Project Appraisal
Sector/ Division,
Planning Commission**

For Investment Projects Only

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A Note on this Edition:

This manual will be available in the following websites for general access:

1. Bangladesh Planning Commission: <https://plancomm.gov.bd/>
2. Planning Division: <https://plandiv.gov.bd/>

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Preface

The Government is implementing the Public Investment Management (PIM) Reform: more efficient and effective use of development budget to materialize the national vision: an upper-middle income country by 2031, and a high-income country by 2041.

In 2018, to bring about efficiency in the overall PIM system, the Government developed Ministry Assessment Format (MAF) and Sector Appraisal Format (SAF) in 2018, under the Strengthening Public Investment Management System (SPIMS) project, led by the Programming Division of the Planning Commission, with the technical support of the Japan International Cooperation Agency (JICA). Since March 2023, the Government has made the use of MAF and SAF mandatory for all Ministries/Divisions and Planning Commission (Memo no: 20.00.0000.404.14.061.2020(Part- 2)/.89, Date: March 29, 2023)) .

Both MAF and SAF are the standard formats used to prepare the working paper of Project Scrutiny Committee of Ministry/Division, and Project Evaluation Committee of Sector Division/ Planning Commission, respectively. Using the standard formats: the MAF and SAF can improve the quality of DPP and the efficiency of project appraisal procedure.

The MAF and SAF were developed in full compliance with Planning Division Circular “Procedure for Development Project Preparation, Processing, Appraisal and Revision in the Public Sector” 2016 (Memo No. 20.804.014.00.00. 014.2012(Part-1)/204, Date: October 10, 2016). The MAF and SAF were revised to ensure consistency with the revised Circular in 2022 Memo no: 20.00.0000.404.014 .61.2020(Part- 1)/133, Date: June 12, 2022).

The Manuals for MAF and SAF were prepared taking into consideration the stipulations of the Green Book. The Manuals explain not only how to fill the format, but also conceptual background and procedure of project formulation and appraisal at Ministry/Division and Planning Commission. The Manuals lay down the instructions structurally and systematically to assess/ appraise a proposed DPP with detailed explanation of various terms along with specific references where to find the necessary information to fill up the MAF or SAF. Thus, the officers in Planning Wings/Units of the Ministry/Division, and Planning Commission will find the Manuals for MAF and SAF useful in assessing and appraising newly proposed project respectively.

Overview of the Manual

What is the main purpose of this Manual?

This Manual has been prepared as one of the supplementary documents to the Planning Division Circular for Instructions on Development Project Formulation, Processing, Approval and Revision (Memo no: 20.00.0000.404.014.61.2020(Part- 1)/133, Date: 12 June 2022), (Hereafter, named “**Green Book**”).

The main purpose of this Manual is to provide a detailed explanation of how to conduct Project Appraisal at the Sector Division of the Planning Commission (hereafter Sector Appraisal). This Manual explains “**What is Sector Appraisal**”, “**How Sector Appraisal is conducted**”, and “**How concerned officers are expected to complete the Sector Appraisal Format (SAF)**”.

The main users of this Manual and when to use it.

The main users of this Manual are the officers who work at Sector Divisions in the Planning Commission. This Manual is designed to be used when these officers appraise development projects by reviewing the results of project assessment at the Ministry/Division, and analysing key information of the Development Project Proposal (DPP) from the sector planning and budgeting perspective.

Those officers are named “Project Appraiser” in this Manual.

Expected benefits for the user of this Manual are that the Project Appraiser can conduct project appraisal efficiently by following the articulated procedures. The Project Appraiser can also prepare project appraisal reports effectively using formats that cover the standard criteria for project appraisal.

Definitions of key terms

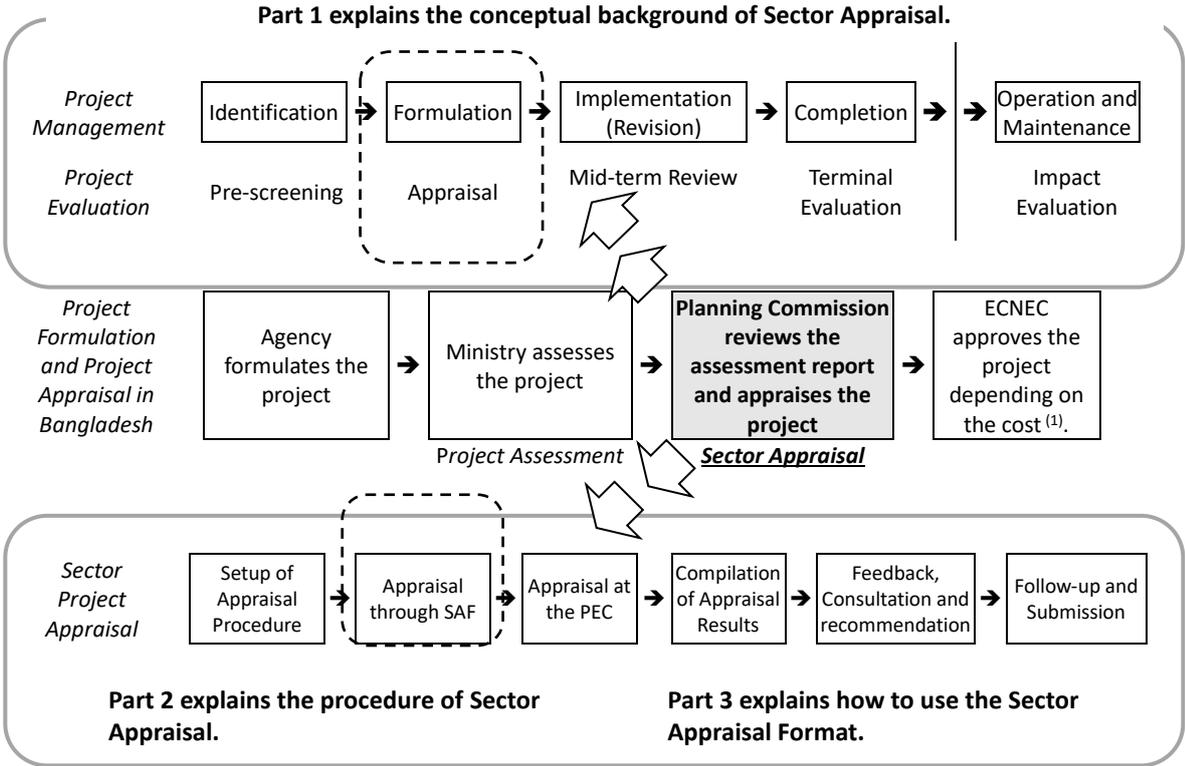
The following definitions are used throughout this Manual:

- **Project Evaluation:** In general, term evaluation means the evaluation of a development project, including pre-screening, appraisal, mid-term review, terminal evaluation, and impact evaluation.
- **Project Appraisal:** A project evaluation performed **before** implementation of a development project. Project appraisal is sometimes called ex-ante evaluation. **Project appraisal consists of two steps: the Project Assessment and Sector Appraisal, as explained below.**
 - **Project Assessment:** An overall assessment of the relevance, feasibility and potential sustainability of a development project at the Ministry/Division level.
 - **Sector Appraisal:** Sector-level justification of a development project conducted by Sector Division, Planning Commission in terms of the sectoral policy/strategy.

The figure below illustrates the overall framework of this Manual.

It should be stressed that **Sector Appraisal**, the main focus of this Manual, corresponds to the stages of project formulation and appraisal as an integral part of overall project management.

After reading Part 1 of this Manual, the Project Appraiser understands that Sector Appraisal is one of the two components required in general Project Appraisal. After reading Parts 2 and 3, the Project Appraiser can practically proceed with Sector Appraisal, and appropriately complete the Sector Appraisal Format (SAF).



Note 1: Only in the case of an investment project with an estimated cost above 50 crores in Taka (BDT). In the case of an investment project with an estimated cost of up to 50 crores, the Minister/State -Minister for Planning approves the project.

[Legend] ECNEC: Executive Committee of National Economic Council, MAF: Ministry Assessment Format, PSC: Project Scrutiny Committee

Figure: Overall Framework of this Manual

Contents of the Manual

This Manual is composed of three parts.

- Part 1 Conceptual Background of Sector Appraisal
- Part 2 Procedure of Sector Appraisal
- Part 3 Instruction on how the Sector Division of the Planning Commission will conduct project appraisal by using Sector AppraisalFormat (SAF)

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Abbreviations and acronyms

ADP	Annual Development Programme
Annual PP	Annual Procurement Plan
BDT	Bangladesh Taka
C&AG	Comptroller and Auditor General's Office
CPTU	Central Procurement Technical Unit
DAC	Development Assistance Committee
DC	Deputy Chief
DPP	Development Project Proforma/ Proposal
EMHFs	Eight Must-Have Features
ECNEC	Executive Committee of National Economic Council
ERD	Economic Relations Division
FD	Finance Division
GED	General Economics Division
GoB	Government of Bangladesh
Head (A)	Head of Agency
Secretary (M/D)	Secretary of Ministry/ Division
IA	Important Assumption
IMED	Implementation, Monitoring and Evaluation Division
IP	Project Inputs
JC	Joint Chief
Log Frame	Logical Framework
MARM	Monthly Annual Development Programme Review Meeting
M&E	Monitoring and Evaluation
MAF	Ministry Project Assessment Format
MDA	Ministry, Division and Agency
MM	Minutes of Meeting
MTBF	Mid-Term Budget Framework
MOV	Mode of Verification
MYPIP	Multi-Year Public Investment Plan
NAPD	National Academy for Planning Development
NDB	Non-Development Budget
NEC	National Economic Council

NS	Narrative Summary
OECD	Organisation for Economic Co-operation and Development
OP	Project Outputs
OVI	Objectively Verifiable Indicators
PCR	Project Completion Report
PEC	Project Evaluation Committee
PG	Programme Goal
PIM	Project Investment Management
Planning (A)	Planning Unit of the concerned implementing Agency
Planning (M/D)	Planning Wing/Branch/Section of the sponsoring Ministry/Division
PP	Project Purpose
PAC	Project Assessment Committee
RDPP	Revised Development Project Proposal
RTPP	Revised Technical Assistance Proposal
SAF	Sector Appraisal Format
SSP	Sector Strategy Paper
Total PP	Total Procurement Plan
TA	Technical Assistance Project
TAPP	Technical Assistance Project Proforma/ Proposal
FYP	Five Year Plan

List of local terms

crore	10 million
Lac	100 thousand

Part 1

Conceptual Background of Sector Appraisal

1 Conceptual Background of Sector Appraisal

1-1 Framework of Public Investment Management

After reading this Chapter, the User of this Manual, the Project Appraiser, can understand the role of each organization at all stages within the Public Investment Management system in Bangladesh.

This Chapter will provide guidance to the Project Appraiser in understanding the conceptual framework of Public Investment Management (PIM).

PIM Guideline of the Government of Bangladesh (PIM Guideline 2023) stipulates the Public Investment Management as the management of development projects and programs at the three stages of the public investment cycle: planning, allocation, and implementation.

This Chapter has three sub-chapters: 1-1-1) the outline of PIM is explained from the perspectives of development planning; 1-1-2) the concept of Eight-Must Have Features (EMHF) for sound PIM system introduced by the World Bank is explained; and 1-1-3) the current structure of PIM system in Bangladesh is explained by using the EMHFs' framework.

1-1-1 Development Planning (Policy/Plan, Programme and Project)

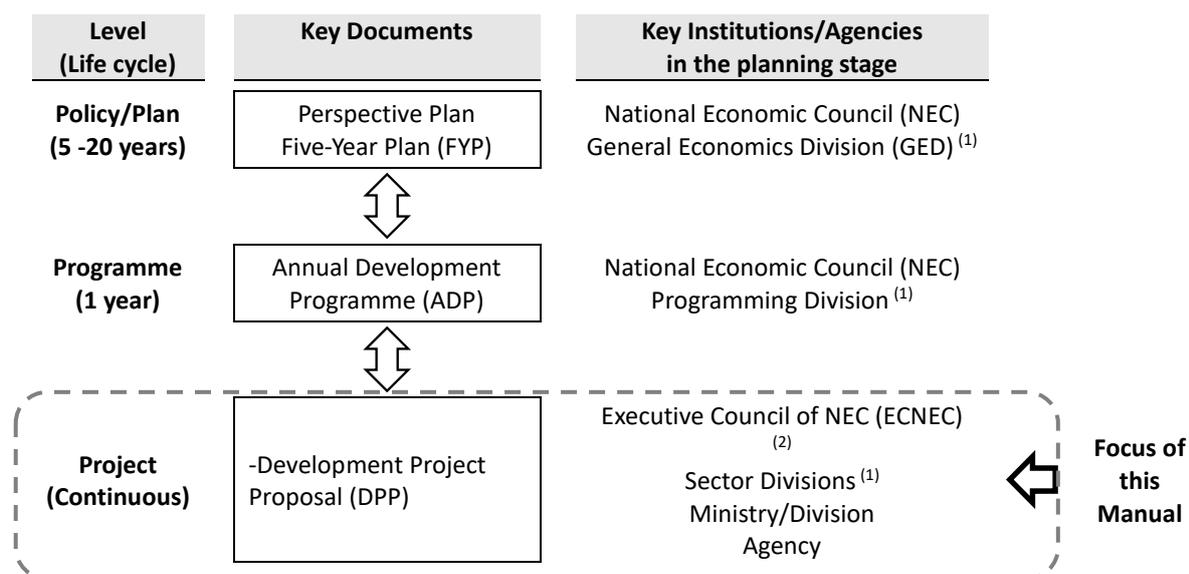
Public Investment is managed by three levels: 1) Policy/Plan, 2) Programme, and 3) Project in general. These three levels are interlinked.

- **Policy/Plan:** A set of ideas of what to do for particular situations and purposes, and is composed of a series of programmes and projects.
- **Programme:** Important means to achieve the goals and targets set in the policy plan. Generally, a combination of several programmes is required to do so.
- **Project:** An important means to achieve the targets/ goals set in the programme. Generally, a combined effort of several projects is required to do so.

Among these three levels, the focus of this Sector Appraisal is mainly on the project level. Still, the linkage among the project, programme and policy/ plan is also discussed. Figure 1 shows the image of the conceptual linkage of these three levels in planning, along with key documents produced/ generated at each level and their corresponding major stakeholders of PIM in Bangladesh.

Presently, the Government is piloting to establish the multi-year programming mechanisms by introducing the Sector Strategy Paper (SSP) with Multi-Year Public Investment Programme (MYPIP). This SSP facilitates the linkage among policy documents: Five Year Plan, sector policy and/or strategy, Annual Development Plan. Then, SPP links the sector programme and project in the same sector. The Local Government and Rural Development Sector, and Power and Energy Sector are the pilot sectors, and those two sectors have SSP in addition to ADP.

For a detailed explanation of PIM in Bangladesh, read the PIM Guidelines issued by the Planning Commission in 2023, which you can find at <http://www.plancomm.gov.bd/>.



Source: SPIMS

Note 1: GED, Programming Division, Sector Divisions are the Divisions of the Planning Commission.

Note 2: If the project cost is less than 50 crore Bangladesh Taka, the project proposal is approved by Planning Minister.

Figure 1 Framework of development planning and concerned main Agencies/ Institutions

For reference, the concept of “Development Planning” explained in the Planning Commission Handbook 1983 is cited in Box 1.

Box 1 Explanation of Development Planning

The content of "development planning" and the structure of government administration in Bangladesh between them determine the functions of the Bangladesh Planning Commission. Development planning entails the determination of a long-term development perspective of priorities and objectives, goals and strategies of medium and short-term plans within the framework of the long-term perspective and formulation of policy measures for the achievement of planned goals and targets. Translated in terms of functions, the above scope of development planning reduces to the following elements:

- (i) Policy Planning, i.e., determination of goals and objectives, priorities and strategies and policy measures for development plans;
- (ii) Sectoral Planning, i.e., identification of the role that the various sectors of the economy are required to play in the context of the goals and objectives set out under element (i);
- (iii) Programme Planning, i.e., formulation of detailed sectoral programmes to realize the sectoral plans identified under element (ii) ;
- (iv) Project Planning, i.e., preparation of projects embodying investment decisions for the implementation of the sectoral programmes formulated under element (iii);
- (v) Project implementation and monitoring, i.e., institution of appropriate management apparatus for supervision and efficient completion of projects adopted under element (iv); and
- (vi) Evaluation, i.e., review of effects of projects, programmes and plans.'

Source: GoB (1983) Planning Commission Handbook

1-1-2 Key Features of Public Investment Management

The standardized conceptual framework of PIM developed by the World Bank (Rajaram, Anand, et al. 2010) is a practical diagnostic framework to assess the PIM system. This framework gives the standard practices for managing public investment effectively and efficiently. This Manual is prepared in line with the concept of this framework. The standard framework of PIM is composed of the following 8 (eight) features.

- **Feature 1. Strategic Guidance:** the extent to which there is sound guidance on national and sector policy priorities, a formal process for project development, and first-level screening of all projects for strategic alignment.
- **Feature 2. Formal Project Appraisal:** the quality of cases presented to justify new investment spending.
- **Feature 3. Independent Review of Appraisal:** the review of the quality of the project proposal.
- **Feature 4. Project Selection and Budgeting:** deciding on priority projects to be funded in the budget.
- **Feature 5. Project Implementation:** Actual construction of the assets.
- **Feature 6. Project Adjustment/ Revision:** Monitoring project implementation and adjusting/ revising as necessary.
- **Feature 7. Facility Operation:** Use of the assets for service delivery.
- **Feature 8. Basic Completion Review and Evaluation:** an ex-post data collection on total cost and time compared to the plan, and evaluation of project results.

Source: WB-PIM (2014)

The Focus of this Manual addresses Feature 3 "Independent Review of Appraisal". Figure 2 shows the conceptual framework of PIM and the Focus of this Manual within that framework.

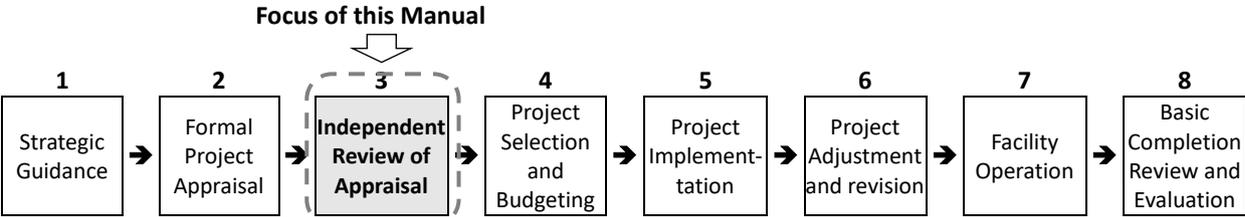


Figure 2 Conceptual Framework of Public Investment Management

1-1-3 Overall Structure of Public Investment Management in Bangladesh

The Planning Commission is the key institution for PIM in Bangladesh. The major PIM functions of the Planning Commission are to 1) formulate medium and long-term development plans such as the Perspective Plan and the Five Year Plan (FYP), 2) prepare Annual Development Programme (ADP), 3) prepare guidelines and issue call circular for the ADP/ Revised Annual Development Programme (RADP) and allocate the development budget among Ministries /Divisions through ADP/RADP, and 4) appraise public investment and technical assistance projects funded from the development budget, namely the ADP.

A summary of the PIM system in Bangladesh through the viewpoint of the EMHF framework is given below.

- **Feature 1. Strategic Guidance:** The Government of Bangladesh (GoB) has a suite of national and sector planning documents. For example, the Perspective Plan and the Five-Year Plan (FYP). The General Economics Division (GED) and Sector Divisions are responsible for preparing mid- or long-term plans, such as the Perspective Plan and the FYP. Based on the development purposes stipulated in these plans and programmes, the Ministry, Division and Agency level identifies the suitable development project.
- **Feature 2. Formal project appraisal:** The Agency formulates the project by preparing the DPP, and submits it to the sponsoring Ministry/Division. The Ministry/Division assesses the project, and, if the contents and quality of the DPP meet their requirements, submits the assessed DPP along with the Ministry Assessment Report (MAR) to the concerned Sector Division of Planning Commission.
- **Feature 3. Independent review of appraisal:** The Sector Division reviews the contents of the results of the assessment conducted by the Ministry/Division and also appraises the project (DPP) from the sector perspective.
- **Feature 4. Project selection and budgeting:** The ECNEC approves projects throughout the year. The project approved by ECNEC/Minister for Planning is entitled to receive the budget from the current fiscal year.
- **Feature 5. Project implementation:** The Agency prepares the Total Procurement Plan as an attachment of the DPP and the Annual Procurement Plan. The Agency prepares the monitoring report of the project implementation on financial and physical progress and sends it to the sponsoring Ministry/Division, the Finance Division, the Planning Commission, and the Implementation, Monitoring and Evaluation Division (IMED).
- **Feature 6. Project adjustment/ revision:** The Agency is allowed to revise the cost and time duration of the project up to twice. The Revised DPP (RDPP) is prepared by the Agency and is examined and approved by Ministry/Division or the ECNEC.
- **Feature 7. Facility operation:** The Agency prepares the proposal to the Finance Division through the sponsoring Ministry/Division to transfer the funding for officials/staff, and the cost of operation and maintenance from the project budget/ Development Budget to the Operating Budget after completion of the Development Project.
- **Feature 8. Basic completion review and evaluation:** The Agency prepares the Project Completion Report (PCR) and sends it to the IMED. The Comptroller and Auditor General's Office (C&AG) conducts external audits on some completed projects. The IMED occasionally conducts a small number of impact evaluations.

Sector Appraisal (Project Appraisal at Sector Division) in Bangladesh falls into Feature 3 of EMHF, namely “Independent Review of Appraisal”.

Table 1 summarises the key documents and stakeholders categorized based on the conceptual EMHFs. The 3rd feature, “Independent Review of Appraisal”, is the Sector Appraisal in Bangladesh, and the Sector Appraisal Format (SAF) is the tool to conduct project assessment effectively and efficiently. The SAF, filled in properly, will be transformed into a Sector Appraisal Report (SAR).

Table 1 Key Documents and Concerned Institutions Stakeholders of PIM in Bangladesh

	1	2	3	4	5	6	7	8
Eight Must-Have Features	Strategic Guidance	Formal Project Appraisal	Independent Review of Appraisal	Project Selection and Budgeting	Project Implementation	Project Adjustment (Revision)	Facility Operation	Basic Completion Review of Project and Evaluation
Key Documents	PP FYP ¹⁾ SSP ⁽¹⁾ SAP ⁽²⁾ ADP DPP MTSBP ⁽¹⁾	DPP MAF	DPP SAF/ SAR	DPP MTBF	DPP AWP Total/ Annual PP MADPR	Revised DPP	DPP Operating Budget	PCR Audit Report. IMED’s Evaluation Report
Key Agencies /Institutions	NEC/ECNEC GED Prog. Div. Sector Div. MDA FD	MDA	Sector Div.	ECNEC NEC Minister for Planning Prog. Div. FD	MDA IMED	ECNEC/Minister for Planning MDA IMED Sector Div.	MDA FD	MDA IMED C&AG

[Legend] ADP: Annual Development Programme, AWP: Annual Work Plan, C&AG: Comptroller and Auditor General, DPP: Development Project Proposal, ECNEC: Executive Committee of NEC, EMHFs: Eight Must Have Features, FD: Finance Division. RADP: Revised ADP, FYP: Five Year Plan, GED: General Economics Division, IMED: Implementation, Monitoring, and Evaluation Division, MADPR: Monthly Annual Development Programme Review, MAF: Ministry Assessment Format; MDA: Ministry, Division, and Agency, MTBF: Mid-Term Budget Framework, MTSBP: Medium Term Strategic and Business Plan, NEC: National Economic Council, PCR: Project Completion Report, PP: Perspective Plan, Prog. Div.: Programming Division, RDPP/RTPP: Revised DPP, SAF: Sector Appraisal Format; Sector Div.: Sector Division, SSP: Sector Strategy Paper, Total/ Annual PP: Total/ Annual Procurement Plan, TAPP: Technical Assistance Project Proposal.

Note 1: MYPIP, SSP, and MTSBP are introduced on pilot bases.

Note 2: Some sectors have Sector Action Plan (SAP), which has similar features to the SSP, such as a Theory of Change and a Sector Results Framework. In such a case, the SAP can be used as a reference document.

Box 2 explains Sector Strategy Paper (SSP), and Box 3 explains Medium Term Budgetary Framework (MTBF) and Multi-Year Public Investment Program (MYPIP).

Box 2 What is SSP

Sector Strategy Paper (SSP): The SSP is a key planning tool to help translate national (macro) goals and priorities outlined in the FYP into Sector objectives and strategies. The FYP sets out national (macro) goals across the Sectors and has a high-level Development Results Framework (DRF). The SSPs will complement this by providing greater detail and structure to Sector-level objectives and strategies, thus aiding project design, appraisal and approval, as well as broader planning, budgeting and Monitoring and Evaluation (M&E) processes. (Source: Guidelines for a Strategic ADP, forthcoming)

Box 3 What is MTBF, MYPIP, FBE, and Fiscal Space

Medium Term Budgetary Framework (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)

Multi-Year Public Investment Program (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 Sector Strategy Paper and Five-Year Plan. The MYPIP considers allocation for the current budget year along with the projections (based on **Forward Baseline Estimations***/ FBEs) of two outer years consisting of MTBF ceilings for the Ministry/ Division). MYPIP analysis provides project wise demand of allocation which helps in bargaining the Ministry/Division for their required MTBF ceiling; thus, becomes a PIM tool for determining MTBF ceiling for the ADP.

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 Ministry/Division.

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.

Source: GoB 2023 Public Investment Management (PIM) Guideline

1-2 Framework of Project

After reading this chapter, the User of this Manual, i.e. the Project Appraiser, can understand “What is a project”, “How the Logical Framework explains the project,” and “What the project management flow is”.

This Chapter will help the Project Appraiser(s) understand the conceptual framework of Project Evaluation. Project Appraisal at the Sector Division, Planning Commission level is the main focus of this Manual.

This chapter has three sub-chapters: 1) the definition of the project, 2) the structure of the project (Logical Framework), and 3) project management flow.

1-2-1 Concept of Project

(1) Definition of Project

The definition of a project in general, quoted from the Cambridge Dictionary, is as follows:

“A piece of planned work or an activity that is finished over a period of time and intended to achieve a particular aim”

From this definition, the key elements of the project are identified in Figure 3.

- **Activity/Input:** A piece of planned work or activity, and a definite budget
- **Purpose:** Intended to achieve a particular aim
- **Period:** Finished over a period of time

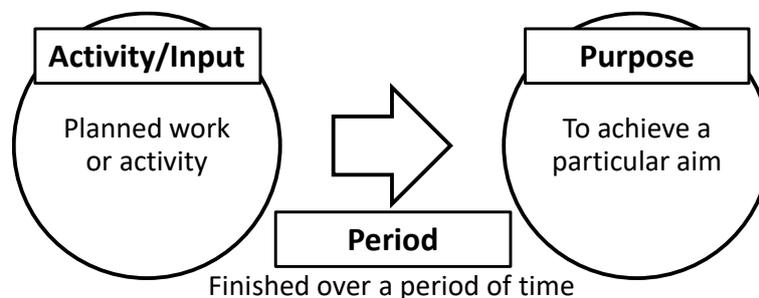


Figure 3 Concept of the Project in General

Thus, the project has the “planned” causal relationship from the input to the project aim. Based on the initial results of a project, subsequent results may be achieved in the long run. The causal relationship can be illustrated in the following phases: 1) Inputs, 2) Activities, 3) Outputs, 4) Project Purpose, and 5) Project Goal. Figure 4 shows the causal relationship of the project and the explanation of each phase.

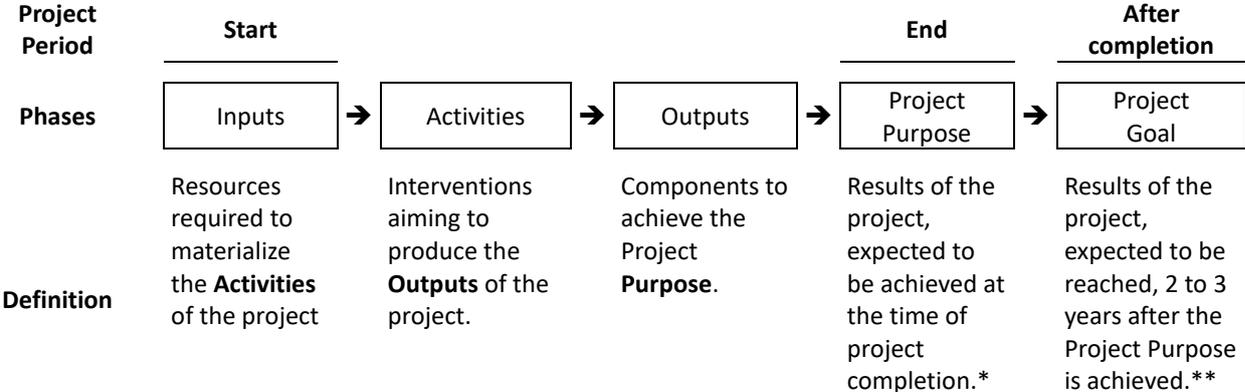


Figure 4 Causal Relationship of the Project

Source: Based on GOB SPIMS 2023 Logical Framework for Investment Project

* Outcome of the project: The short-term effects that the beneficiaries obtain using the Outputs should be captured as a project purpose.
 ** Impact of the project: The longer development effects aligned with the short-term and medium-term effects can be captured as a goal.

(2) Context of Project

As explained in 1-1-1, **Public Investment is generally managed by three levels: 1) Policy/Plan, 2) Programme, and 3) Project.** These three levels should be interlinked logically.

In general, the level for the Project Goal of each project under the same programme can be consistent with the programme purpose. Understanding this logic is important to consider the linkage of programme and projects, and the position of a project in a programme.

Figure 5 presents how the said relationship between the Project Goal of projects within one programme is linked to the program's Purpose.

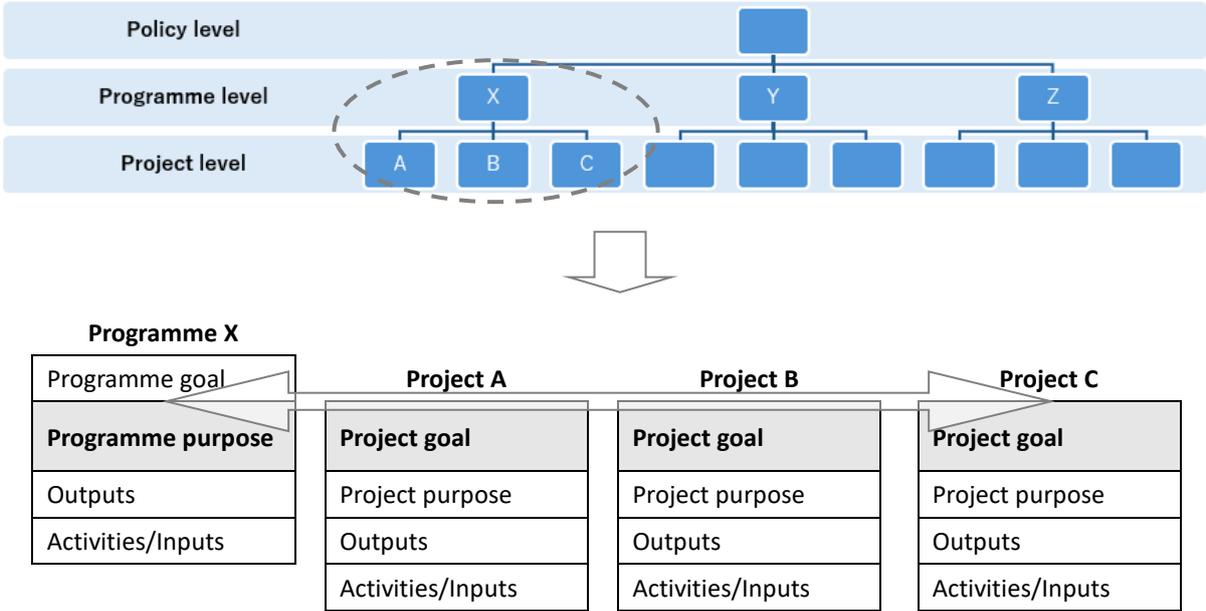
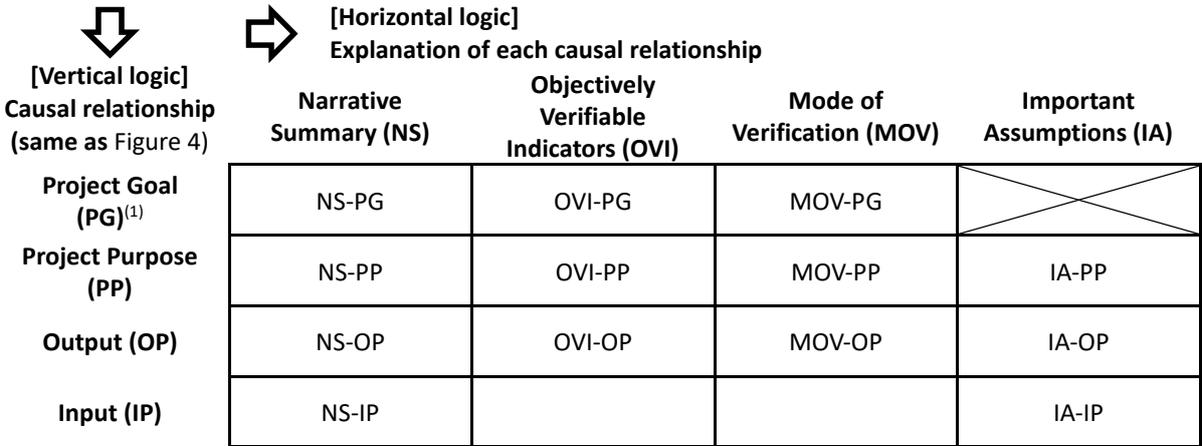


Figure 5 Linkage between Programme and Project in Causal Relationship

1-2-2 Logical Framework-based Structure of the Project

The project’s “Causal relationship” (Figure 4) can be translated into the form of “Logical Framework”. Logical Framework is shown in a matrix composed of four-by-four cells. The vertical logic is the phases of causal relationships: 1) Project Goal (PG), 2) Project Purpose (PP), 3) Outputs (OP), and 4) Inputs/Activities (IP). The horizontal logic is the explanation of each phase: 1) Narrative Summary (NS), 2) Objectively Verifiable Indicators (OVIs), 3) Mode of Verification (MOV), and 4) Important Assumptions (IA). Thus, the vertical logic should maintain the relevance and logical consistency from the project inputs/activities to project goals. The information in the horizontal logic supports understanding the relevance and logical consistency by providing their respective description, clear indicators, means to obtain the indicators, and possible key factors that may negatively impact the project intervention logic. Figure 6 illustrates the Logical Framework with vertical and horizontal linkage.



Note 1: Logical Framework given in Item 10 of the Green Book has "Goal", not "Project Goal", but this Manual uses the Project Goal to avoid confusion among project goal, program goal, and sector goal.
Source: SPIMS team.

Figure 6 Structure of Logical Framework

The brief definition of components in horizontal logics is given in Table 2. The definition of each stage in vertical linkage has been explained in Figure 4.

Table 2 Definitions of Components of the Logical Framework

Components	Description
1 Narrative summary (NS)	A concise statement of the achievement in each element of vertical logic of the Logical Framework
2 Objectively Verifiable Indicator (OVIs)	The indicator to measure the results of achievement
3 Mode of Verification (MOV)	A data source that specifies where the data for the proposed indicator comes from
4 Important Assumptions (IA)	Critical factors uncontrollable by the project, that could affect the achievement of the planned results [Pre-Condition] Important assumptions that have to be considered before the project starts its implementation

Source: Based on USAID (2012) Technical Note: The Logical Framework, and GOB SPIMS 2023 Logical Framework for Investment Project

1-2-3 Project Management Flow

To consider the Project Evaluation in the context of PIM, project management is required to be considered from two perspectives: 1) project life cycle and 2) annual budget cycle. The following sections explain these two cycles.

Sub chapter 1-3-2 explains the alignment of the project evaluation cycle with the project management cycle.

(1) Flow across the project life cycle

Project management flow through the project life cycle perspective considers the flow from its starting (identification) to end (completion). The project life could be divided into four stages, as shown in Figure 7. After the last "completion" stage, operation management begins for the facilities completed by the project. An explanation of each stage is given below.

- **Stage 1 Identification:** Generating the initial project/ programme idea/ concept and preliminary design
- **Stage 2 Formulation:** Translating the concept into a project plan and preparing an implementation plan
- **Stage 3 Implementation:** Implementing the project by mobilizing the budget
- **Stage 4 Completion:** Closing the project and handing over the facilities developed by the project to the operation and maintenance stage
- **After Completion of the project, Operation and Maintenance:** Operating and maintaining the facilities developed by the project

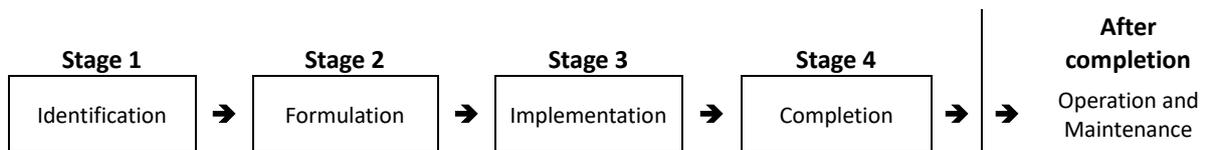


Figure 7 Flow of Project Management (Project Life Cycle)

(2) Flow in the annual budget cycle

Projects are also managed in line with the annual budget preparation and execution. The basic steps in budget preparation are summarized below and in Figure 8.

- **Stage 1. Determining the macroeconomic framework:** Macroeconomic projections should be agreed with the Minister in charge, generally the Ministry of Finance. This determines the global level of expenditure that can be afforded without adverse macroeconomic implications, given expected revenues and the level of deficit that can be safely financed.
- **Stage 2. Determining allocation among Ministries/ Divisions:** The Budget Circular is issued to provide instructions to line Ministries/Divisions, with the indicative aggregate spending ceiling for each Ministry /Division, which will guide them to prepare their estimates in a way that will be consistent with macro-objectives.
- **Stage 3. Collecting the proposals from Ministries/Divisions:** Proposals, including the budget for on-going projects and expected projects, are collected from Ministries and Divisions.
- **Stage 4. Negotiating the proposal with Ministries/Divisions:** Negotiations are made, usually both at official and then bilateral or collective ministerial levels, leading to the final agreement.
- **Stage 5. Endorsing and approving the budget:** Cabinet endorsement of the proposals for inclusion in the budget that is submitted to the Parliament.

Source: Based on Potter and Diamond 1999 Guidelines for Public Expenditure Management

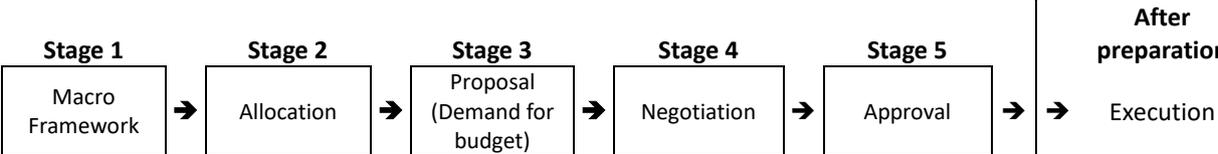


Figure 8 Flow of Project Management (Annual Budget Cycle)

1-3 Framework of Project Evaluation

After reading this chapter, the User of this Manual, the Project Appraiser, can understand "What the Project Evaluation* is", "Where the Project Appraisal is in the Project Management cycle", and "What are the criteria for Project Evaluation with the linkage of the Logical Framework".

* In this Manual, the term "Project Evaluation" is defined as a "general term including evaluation in all the stages of project management in project life", which includes pre-screening, appraisal, mid-term evaluation, terminal evaluation and impact evaluation. **Sector Appraisal is one type of Project Evaluation**, and the general criteria of Project Evaluation are applicable to Sector Appraisal.

To understand Project Evaluation in Project Management, this chapter explains key concepts of Project Evaluation as a whole.

1-3-1 Definition of Project Evaluation

In the Cambridge Dictionary, "Evaluation" is defined as "to judge the quality, importance, amount, or value of someone or something".

Based on the Organisation for Economic Co-operation and Development (OECD)/ Development Assistance Committee (DAC) report (2000), "Project Evaluation" is defined as "The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and development partners. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. It is an assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention".

In sum, the key concept of project evaluation is "to judge the value of the project for making a decision". Figure 9 illustrates the image of that concept.

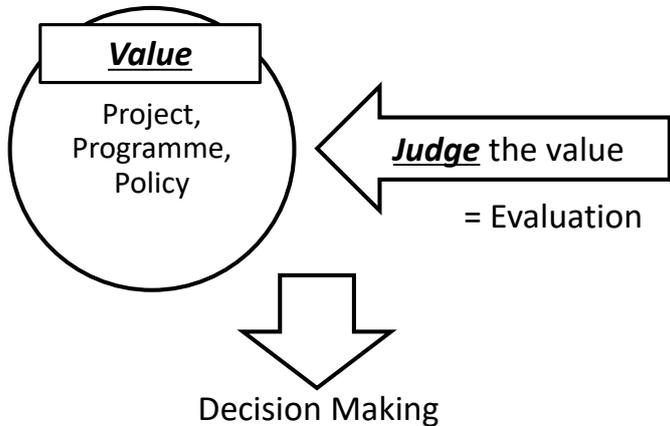


Figure 9 Illustration of What is Evaluation

Project evaluation is "to judge the value of project for making decision".

For reference, the definition of key terms used among development partners is cited from the OECD/DAC report in Box 4.

Box 4 Glossary of Key Terms in Evaluation and Results-Based Management

- **Appraisal:** An overall assessment of the relevance, feasibility and potential sustainability of a development intervention prior to a decision of funding. Note: In development agencies, banks, etc., the purpose of appraisal is to enable decision-makers to decide whether the activity represents an appropriate use of corporate resources. [**Related term: ex-ante evaluation**]
- **Evaluation:** The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and development partners. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention. Note: Evaluation in some instances involves the definition of appropriate standards, the examination of performance against those standards, an assessment of actual and expected results and the identification of relevant lessons. [Related term: review]
- **Ex-ante evaluation:** An evaluation that is performed before implementation of a development intervention. [**Related terms: appraisal, quality at entry**]
- **Ex-post evaluation:** Evaluation of a development intervention after it has been completed. Note: It may be undertaken directly after or long after completion. The intention is to identify the factors of success or failure, to assess the sustainability of results and impacts, and to draw conclusions that may inform other interventions.
- **Monitoring:** A continuing function that uses systematic collection of data of specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. [Related terms: performance monitoring, indicator]
- **Review:** An assessment of the performance of an intervention, periodically or on an ad hoc basis. Note: Frequently “evaluation” is used for a more comprehensive and/or more in-depth assessment than “review”. Reviews tend to emphasize operational aspects. Sometimes the terms “review” and “evaluation” are used as synonyms. [Related term: evaluation]

Source: OECD/DAC (2000) Glossary of Key Terms in Evaluation and Results-Based Management

1-3-2 Project Evaluation Flow

Sub-chapter 1-2-3 describes two flows of project management. Evaluation is explained along with these two project management flows.

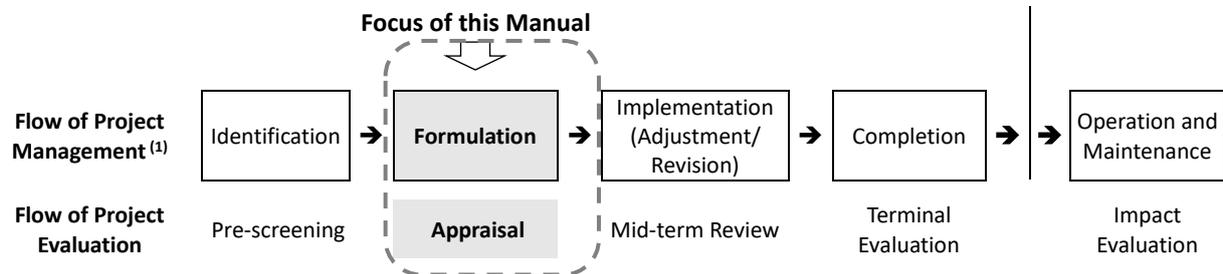
(1) Flow in project cycle

The evaluation by means of judgment of project value can be conducted at any stage within the project cycle.

Figure 10 shows the relationship between the flow of project management and evaluation in the project cycle. The flow of project management is explained in Figure 7 (page 13).

A brief explanation of the evaluation in each stage is given below:

- **Pre-screening:** The concept of the project is preliminarily assessed prior to a decision of project formulation.
- **Appraisal:** The project is comprehensively assessed from the viewpoints of relevance, feasibility and potential sustainability of a development intervention prior to a decision of funding.
- **Mid-term review:** In the course of project implementation, the performance of the project is assessed periodically or on an ad hoc basis to bring necessary revision/adjustment, if required.
- **Terminal Evaluation:** The project is assessed after it has been completed immediately after completion.
- **Ex-post Evaluation:** In-depth/ comprehensive assessment of a project well after its completion to learn about the effects of the project. (In Bangladesh, named as "Impact evaluation".)



Note 1: Each stage of the flow is explained in Figure 7 (page 13).

Figure 10 Flow of Project Evaluation with Project Life

The Sector Division's Project Appraisal in Bangladesh is a part of the action of overall appraisal. The name of project evaluation conducted in the project formulation stage is "appraisal" in general. As explained in chapter 1-4, in the course of project formulation and appraisal, the Ministry/Division assesses the project, and the Sector Division of Planning Commission reviews the results of the assessment and also conducts the sectoral appraisal. Ministry /Division Project Assessment and Sectoral Project Appraisal are "Project Appraisal". In the Bangladesh context, the functions of Appraisal are embedded in Ministry/Division Project Assessment at Ministry/ Division, and Sector Appraisal at Sector Division, Planning Commission.

(2) Flow in the annual budget cycle

The relationship between project evaluation and project management in the budget flow is shown in Figure 11. Project evaluation mainly involves the stages of negotiation and execution.

- **Proposal:** Appraisal can be conducted before processing the proposal for budget preparation. The results of mid-term review, terminal evaluation and ex-post evaluation can also be used in the negotiations.

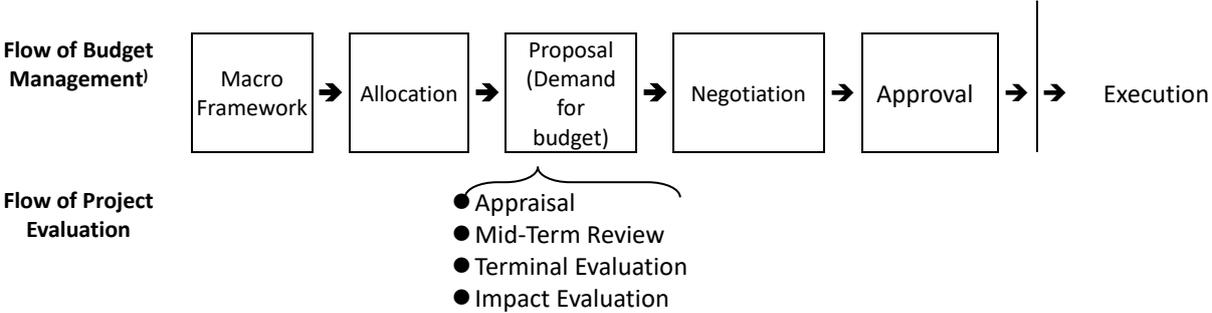


Figure 11 Flow of Project Evaluation with Annual Budget Cycle

1-3-3 Project Value illustrated in Logical Framework

The Logical Framework explained in 1-2-2 “Logical Framework-based Structure of the Project” shows the project value in summary form. Appropriate Logical Framework formulation is required to demonstrate the value of the project exactly. To check the appropriateness of the Logical Framework, the Project Appraiser will examine the vertical and horizontal logic of each component in the Logical Framework. The manual picks up the three checkpoints as follows.

- Checkpoint 1: Vertical logic of the Logical Framework
- Checkpoint 2: Horizontal logic of the Logical Framework
- Checkpoint 3: Important Assumptions & Pre-conditions

As explained in 1-2-2 “Logical Framework-based Structure of the Project”, Logical Framework is shown in a matrix composed of 4x4 (four by four) cells. The vertical logic shows the causal relationships: 1) Project Goal (PG), 2) Project Purpose (PP), 3) Outputs, and 4) Inputs/Activities. The horizontal logic explains each phase: 1) Narrative Summary; 2) Objectively Verifiable Indicators; 3) Mode of Verification; and 4) Important Assumptions. Figure 12 shows the structure of Logical Framework and logical sequence.

The first checkpoint is the vertical logic in the Logical Framework, checking the linkage of a causal relationship, explained in 1-2-2 “Structure of the Project (Logical Framework). Table 3 shows the first checkpoints phase-wise.

The second checkpoint is the horizontal logic in the Logical Framework, checking the clarity of the statement in the required format. Table 4 explains the second checkpoints component-wise.

The third checkpoint is the Important Assumptions and Pre-conditions in the Logical Framework, checking the external factors that lead to the project's failure. Table 5 shows the third checkpoint.

Eventually, the logical sequence in the Logical Framework should be clear, consistent, and simple to present the sound value of the proposed project. The sequence starts from pre-condition and ends up in MOV of Project Goal. The cell of important assumptions in the Project Goal level can be left blank. Figure 12 illustrates the logical sequence of each phase and component of the Logical Framework.

Table 3 Checkpoint1: Vertical Logic in the Logical Framework

Phases	Definitions/explanations	Checkpoints
1 Project Goal	Result of the project, expected to be reached 2 to 3 years after the project purpose is achieved	<ul style="list-style-type: none"> ● Are they achievable <i>after</i> project completion? ● Aren’t they too ambitious? Too much to say it is contributed from the project?
2 Project Purpose	Result of the project, expected to be achieved at the time of completion	<ul style="list-style-type: none"> ● Is the result achievable at the completion of the project?
3 Outputs	Products and services generated by using the Inputs via Activities and delivered to the beneficiaries	<ul style="list-style-type: none"> ● Are they divided into critical components? ● Are they not duplicated with each other?
4 Activities	Interventions aimed to produce the Outputs of the project.	<ul style="list-style-type: none"> ● Alignment of activities and work ● Technical aspects to conduct activities ● Timing of inputs required
5 Inputs	Resources required to materialize the activities of the project effectively and on time	<ul style="list-style-type: none"> ● Provision of required Manpower. Provision of adequate material, equipment, machinery ● Provision of necessary technical expertise ● Provision of Funds /money

Source: GOB SPIMS 2023 Logical Framework for Investment Project

Table 4 Checkpoint 2: Horizontal Logic in the Logical Framework

Components	Definitions/explanations	Checkpoints
1 Narrative summary (NS)	A concise statement of the achievement in each element of vertical logic of the Logical Framework	<ul style="list-style-type: none"> Whether the relation of the causal relationship given in the narrative summary is expressed logically from the lowest to the highest order.
2 Objectively Verifiable Indicators (OVIs)	The indicator to measure the results of achievement:	<ul style="list-style-type: none"> Are they quantifiable? Are they measurable? Do they measure what the Narrative Summary aims? Do they cover all aspects of the Narrative Summary?
3 Means of Verification (MOV)	A data source that specifies where the data for the proposed indicator comes from	<ul style="list-style-type: none"> (For PP & Outputs) Are they verifiable within the project scope?

Source: GOB SPIMS 2023 Logical Framework for Investment Project

Table 5 Checkpoint 3: Important Assumptions & Preconditions in the Logical Framework

Topics	Definitions/explanations	Checkpoints
1 Important Assumptions (IA)	Critical factors uncontrollable by the project, that could affect the achievement of the planned results	<ul style="list-style-type: none"> What is the probability of this kind of situation to occur? Be as specific as possible To what extent the project will be affected if such a situation occurs at all
2 Pre-Condition	Important assumptions that have to be considered before the project starts its implementation	<ul style="list-style-type: none"> Be as specific as possible Are these factors uncontrollable?

Source: GOB SPIMS 2023 Logical Framework for Investment Project

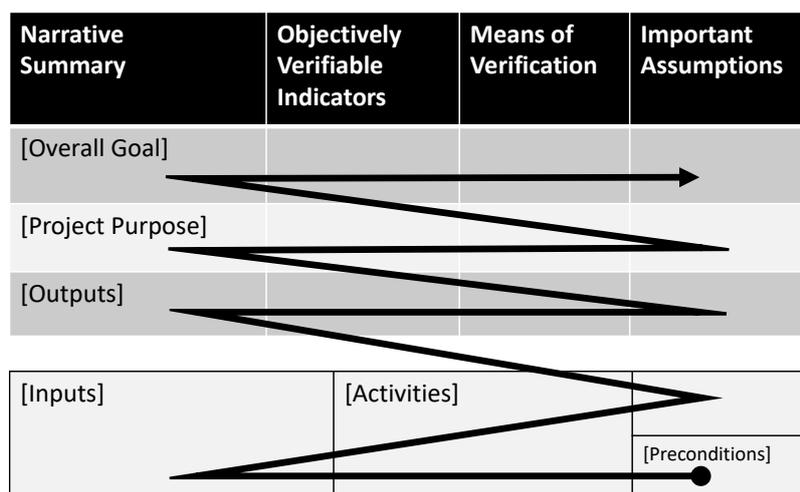


Figure 12 Structure of Logical Framework and Logical Sequence

For a detailed explanation of Logical Framework, read Note for Logical Framework.

1-3-4 Project Evaluation Criteria

To judge the value of the project, **the basic conceptual framework for project evaluation is composed of five evaluation criteria: 1) relevance, 2) efficiency, 3) effectiveness, 4) impact, and 5) sustainability.** These five aspects are introduced by OECD/DAC, and commonly used by many development partners. In the case of Bangladesh, the evaluation from the perspective of “risks and mitigation measurements” is included.

Error! Reference source not found. indicates the summary of each evaluation criteria.

Table 6 Explanation of Project Evaluation Criteria

Criteria	Explanation
1 Relevance	Examine whether project objectives, project goal, and project scope are/have been in line with the priority needs and concerns of the country.
2 Effectiveness	Examine the extent to which the project objectives would be/have been achieved in relation to the outputs.
3 Efficiency	Examine how efficiently the various inputs (funds, expertise, time etc.) would be converted/have been converted into outputs of the project.
4 Impact	Examine the extent to which the Project Goal had been achieved / would have been achieved, and verify intended and unintended, direct and indirect, positive and negative changes in technical, social-economic, institutional and environmental aspects as results of the project.
5 Sustainability	Examine whether project benefits are likely to continue after the completion of the project.

Source: Based on OECD/DAC (2004) Glossary of Key Terms in Evaluation and Results Based Management, JICA (2010) Guidelines for Project Evaluation (First Edition)

In the case of Bangladesh, the evaluation from the perspective of “risk” and mitigation measures are included.

1-3-5 Relations between Project and Project Evaluation (Logical Framework and Evaluation Criteria)

The evaluation is the judgement of value, explained in sub-chapter 1-3-1 (page 15). The previous sub-chapters explain: 1) what the project is (sub-chapter 1-2-1, page 9); and 2) what the basic evaluation criteria are (sub-chapter 1-3-4, page 21). The value of the project is explained in inputs, activities, outputs, purpose of the project and development goal after the project. The criteria to assess the value of a project are relevance, effectiveness, efficiency, impact and sustainability. Figure 13 shows the conceptual image of the relationship among "What is evaluation", "What the project is", and "What the criteria for evaluation are".

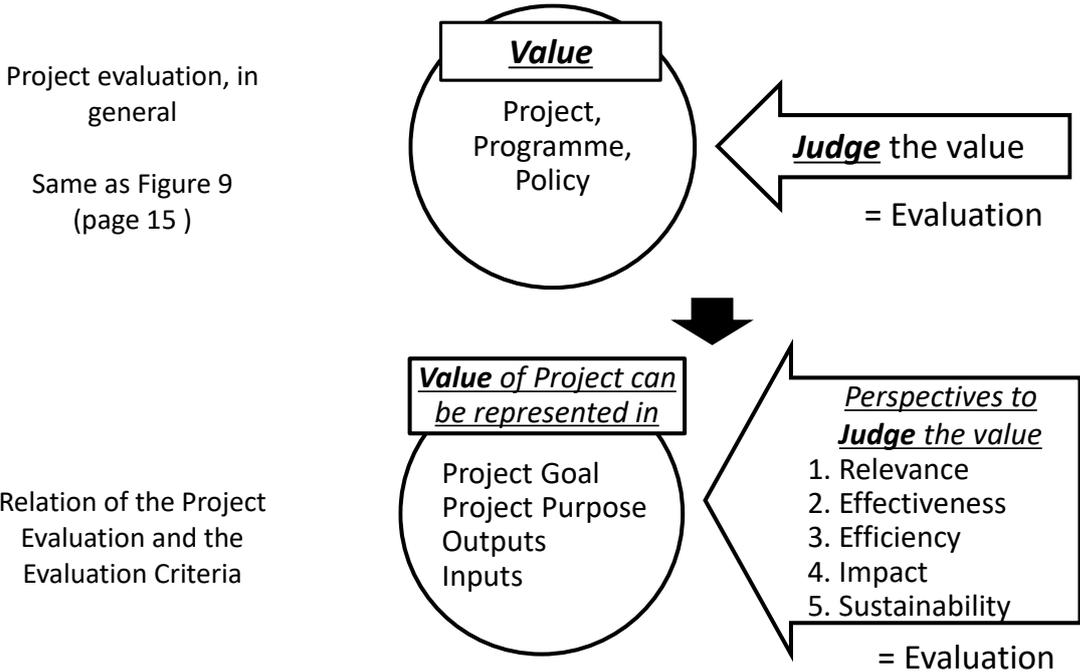
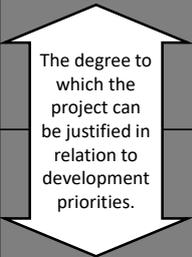
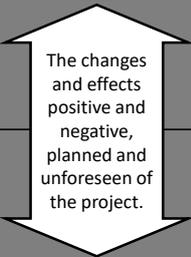
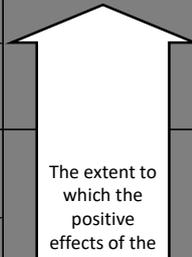
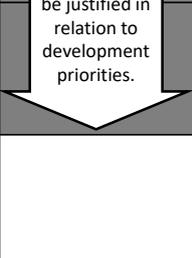
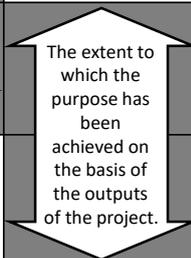
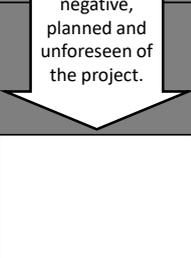
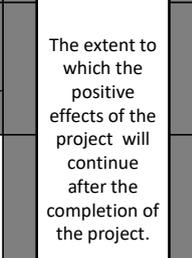
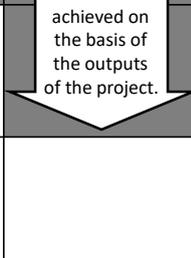
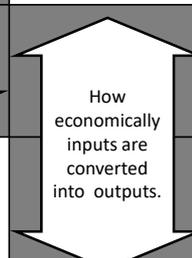
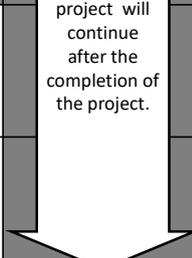
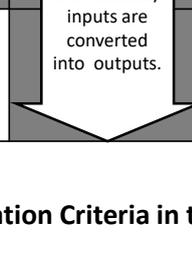
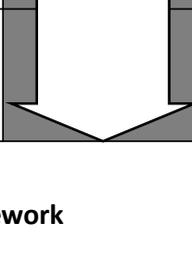


Figure 13 Illustration of What is Project Evaluation?

The value of the project or the element of the project in the Logical Framework is assessed using the five evaluation criteria. The following sections and Figure 14 explain how the information from the Logical Framework provides references for evaluation.

The brief explanations of five evaluation criteria in the linkage of Logical Framework are as below.

- **Relevance:** The logical linkage between the Project Purpose and Project Goal is examined.
- **Effectiveness:** The logical linkage between the Outputs and the Project Purpose is examined.
- **Efficiency:** Inputs and activities using the Inputs (as a process to use Inputs towards Outputs) are examined, along with the logical linkage between Inputs and Outputs is examined.
- **Impact:** The logical linkage between the Project Purpose and Project Goal, excluding the causal link examined in the relevance, is examined.
- **Sustainability:** The logical linkage among all four project stages and the potential of project effects to be continued after its completion is examined.

	Relevance	Effectiveness	Efficiency	Impact	Sustainability
Project Goal (PG)	 <p>The degree to which the project can be justified in relation to development priorities.</p>			 <p>The changes and effects positive and negative, planned and unforeseen of the project.</p>	
Project Purpose (PP)		 <p>The extent to which the purpose has been achieved on the basis of the outputs of the project.</p>			 <p>The extent to which the positive effects of the project will continue after the completion of the project.</p>
Output (OP)			 <p>How economically inputs are converted into outputs.</p>		
Input (IP)					

Source: JICA Note for Project Evaluation

Figure 14 Coverage of Five Evaluation Criteria in the Logical Framework

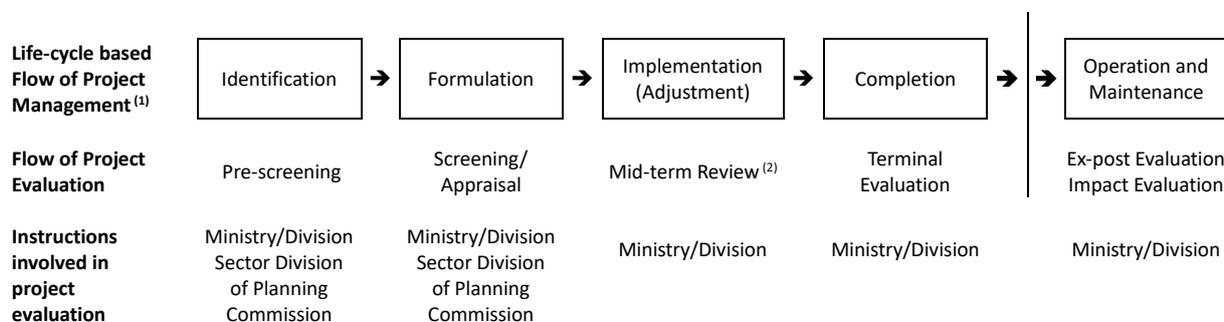
1-4 Overview of Project Appraisal in Bangladesh

After reading this chapter, the User of this Manual, the Project Appraiser, can understand "What the Sector Appraisal system is" and "What the appraisal points stipulated in the Green Book are".

1-4-1 System of Project Evaluation

In the case of Bangladesh, project appraisal is conducted by the Sector Divisions of Planning Commission before the funding decision is made. After the project has been approved, the IMED of the Ministry of Planning has main responsibilities for overseeing Monitoring and Evaluation (M&E) of projects. In addition, the implementing Agencies and sponsoring Ministry/Division are involved in all steps of project evaluation.

Figure 15 illustrates the flow of project management and evaluation, and key stakeholders in each stage.



Note 1: Each stage of the flow is explained in Figure 7 (in Page 13).

Note 2: Only development partner-supported projects are reviewed in the middle of the project period.

Figure 15 Flow of Project Evaluation in the Project Life with Key Agencies/ Institutions

The actions performed in each stage are explained below in brief.

- 1) **Pre-Screening:** The Agency internally discusses the concept of the proposed project, considering the alignment of the proposed project to the sector strategy.
- 2) **Appraisal:** The Agency formulates the project, prepares the DPP, and submits it to the sponsoring Ministry/Division. In the course of formulation, a feasibility study is conducted when required. The Ministry/Division conducts a Project Assessment followed by **a review of the assessment results and the sectoral appraisal by the Sector Division, Planning Commission.** After that, the project is submitted to the appropriate authority for approval.
- 3) **Mid-term Review:** The project's progress is regularly reviewed by the Implementing Agency as per the IMED prescribed format. All the development projects included in the Annual Development Programme are reviewed in the monthly meeting of the Ministry/Division based on the project-wise progress report submitted by the Agency. In addition, the Implementing Agency submits quarterly and yearly project-wise progress reports to IMED through the Ministry/Division. During this review, some projects are recommended for revision. The implementing agencies formulate revised project proposal (RDPP) for these projects. Following the stipulated processing steps, the project is submitted to the Minister/State-minister of the sponsoring Ministry/Division, Minister/State-minister for Planning or the ECNEC for final approval. At present, the mid-term review is conducted only for the development partner-funded projects subject to provision in the DPP.

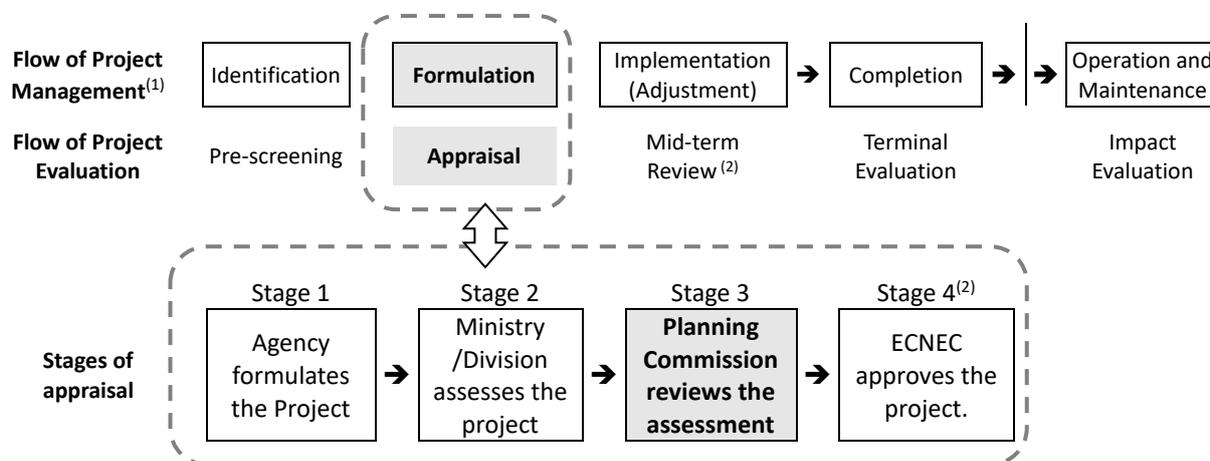
- 4) **Terminal Evaluation:** Within one month after the completion of the project, the Agency submits the Project Completion Report to the IMED. The IMED examines the effectiveness and efficiency of the project.
- 5) **Ex-post Evaluation/ Impact Evaluation:** Two to three years after the project completion, the IMED conducts the impact evaluation of selected projects, to examine mainly the impact and sustainability of the project.

NOTE: Definitions of the Terms used in this Manual (Refer to World Bank PIM project)

- **Project Identification:** To identify possible interventions that are consistent with national and sector goals and needs.
- **Project Design:** To prepare a preliminary/project plan/design for implementation after its identification, e.g., project concept note.
- **Project Formulation:** It is to elaborate a project design into a comprehensive project plan in detail by preparing a detailed project design, management and coordination arrangements, financing plan, cost-benefit analysis, risk management, monitoring, evaluation and audit arrangements. In the Government of Bangladesh (GoB) context, preparation of the DPP fits into this step.
- **Project Appraisal:** Activities performed to judge the value of a development project **before its** implementation. Project appraisal is sometimes called ex-ante Evaluation. In this Manual, project appraisal consists of the Project Assessment at the Ministry level and Sector Appraisal at the Planning Commission level, as explained below.
- **Project Assessment:** An overall assessment of the relevance, feasibility and potential impact and sustainability of a development project at the Ministry/Division level.
- **Sector Appraisal:** Review of the results of assessment given by the PSC, and appraisal of the project from the overall sectoral priority and perspective conducted by the Sector- Division, Planning Commission.
- **Project Evaluation:** The general term of evaluation of a development project refers to pre-screening, appraisal, mid-term review, terminal evaluation, and impact evaluation.
- **Monitoring and Evaluation:** To monitor the project performance and to judge the project in the course of implementation, at completion or after the project.

1-4-2 Flow of Project Appraisal

The Green Book stipulates overall procedures of Project Planning, Project Formulation, Appraisal and Approval and Revision. Figure 16 illustrates the location of stipulated procedures in the overall flow of project management and evaluation and each of their detailed stages.



Note 1: Each stage of the flow is explained in 1-2-3.

Note 2: Only in the case of an investment project with an estimated cost above 50 crores in Taka (BDT). In the case of an investment project with an estimated cost of up to 50 crores, the Minister/State -Minister for Planning approves the project.

Figure 16 Procedure for Development Project Planning in Bangladesh

Each stage is summarized below:

- **Stage 1. Project Design:** The Agency identifies and formulates the project and prepares the DPP. The Agency conducts preparatory works, including cost-benefit analysis, social analysis, risk analysis, environmental impact assessment and other analyses upon requirements, to formulate the DPP. After an internal check, the Agency submits the DPP to the Ministry/Division.
- **Stage 2. Project Assessment:** The Project Assessment Committee (PAC) assesses the value of the project. The PAC is presently called the Project Scrutinizing Committee (PSC) at the Ministry/Division. The Planning Wing/Branch of the Ministry/ Division examines the DPP from assessment points aspects stipulated in the Green Book. The Wing/Branch specifies the discussion points for the PSC/PAC meeting to ensure that the quality of the project is sufficient for implementation. The PSC/PAC suggests necessary improvements to the Agency, and, when ready, accepts the DPP to be sent to the ECNEC via Planning Commission to obtain approval. When required, after recasting the DPP by the Agency as per the PSC/PAC suggestion, the Ministry/Division sends the recast DPP to the Sector Division of the Planning Commission.
- **Stage 3. Review of Project Assessment Results and Sector Appraisal:** The Project Evaluation Committee (PEC) at the Planning Commission reviews the assessment results given by the PSC, appraises the project from the overall sectoral priority and perspective and appraises the project. If necessary, the PEC advises the Agency and the Ministry/Division to recast the DPP. After recasting the DPP as per the decision of the PEC meeting, the Sector Division submits the project to ECNEC or the Minister/State-minister for Planning (depending on estimated cost) for consideration and approval.
- **Stage 4. Approval:** Based on the PEC recommendation, the Minister/ State Minister for Planning approves the project with an estimated cost of up to BDT50.00 crore, and the ECNEC approves the project with an estimated cost above BDT50.00 crore.

Table 7 shows the time framework of the DPP formulation and approval process explained above.

Table 7 Time frame of the DPP process, stipulated in Green Book 2022

Stage	Institutional Framework	Timeframe of processing Development Project Proposal (DPP) for the project with an estimated cost above Taka 50 crore
1	Agency	Step 0.0: No specific time frame for drafting the DPP
2	Ministry/ Division (Project Scrutiny Committee: PSC/ Project Assessment Committee: PAC)	<p><u>Before the PSC/PAC meeting</u></p> <p>Step 1.1a: No specific time frame for examining the DPP</p> <p>Step 1.1b: No specific timeframe for issuing the notice for the PSC/PAC meeting</p> <p><u>After the PSC/PAC meeting</u></p> <p>Step 1.2: 7 working days for issuing the meeting minutes of PSC/PAC</p> <p>Step 1.3: No specific time frame for recasting the DPP</p> <p>Step 2.1: 15 working days for Manpower Fixation ⁽¹⁾</p> <p>Step 2.2: 10 working days for sending to Planning Commission (para 2.4)</p>
3	Planning Commission (Project Evaluation Committee: PEC)	<p><u>Before the PEC meeting</u></p> <p>Step 3.1: 20 working days for evaluation (para 3.1.6)</p> <p>Step 3.2a: [if the DPP is sent back to the Agency] 15 working days for recasting by the Agency (para 3.1.7)</p> <p>Step 3.2b: [if the DPP is NOT sent back to the Agency] 10 working days for recasting by the Planning Commission (para 3.1.8)</p> <p>Step 3.3: No specific time frame for PEC preparation</p> <p>Step 3.4: 5 working days for issuing the notice of the meeting before the PEC meeting (para 3.1.9)</p> <p><u>After the PEC meeting</u></p> <p>Step 4.0: 7 working days for issuing the meeting minutes after the PEC meeting (para 3.1.9)</p> <p>Step 5.0: 15 working days for cost rationalization at the Cost Rationalization Committee (in special case) (para 3.1.10)</p> <p>Step 6.0: 20 working days for recasting the DPP (para 3.1.10)</p> <p>Step 7.0: No specific time frame for the preparation to present in the ECNEC after issuing the PEC minutes if the DPP is not required to recast.</p>
4	Executive Committee for National Economic Council (ECNEC)	<p><u>Before ECNEC meeting</u></p> <p>Step 8.1: 7 working days for furnishing Working paper for the ECNEC meeting (para 3.2)</p> <p><u>After ECNEC meeting</u></p> <p>Step 8.2a: No specific time frame for issuing the meeting minutes after the ECNEC meeting</p> <p>Step 8.2b: 3 working days for issuing Approval letter from the NEC-ECNEC & Coordination Wing of Planning Division to Mistry after the receipt of approved minutes of the ECNEC meeting. (Para 16.1.1)</p> <p>Step 9.0: 5 working days for issuing Administrative Order from Ministry to Agency (para 16.1.2)</p> <p>Step 10: [In Case of Conditional Approval] 14 working days for recasting DPP (para 16.2.1), 7 working days for scrutinizing the recast DPP by the Sector Division of Planning Commission, after getting the approval from Minister/ State Minister (if applicable) and submit to NEC-ECNEC and Coordination Wing, 3 working days for issuing the Approval letter from NEC-ECNEC and Coordination Wing (para 16.2.2)</p>

Source: Green Book 2022

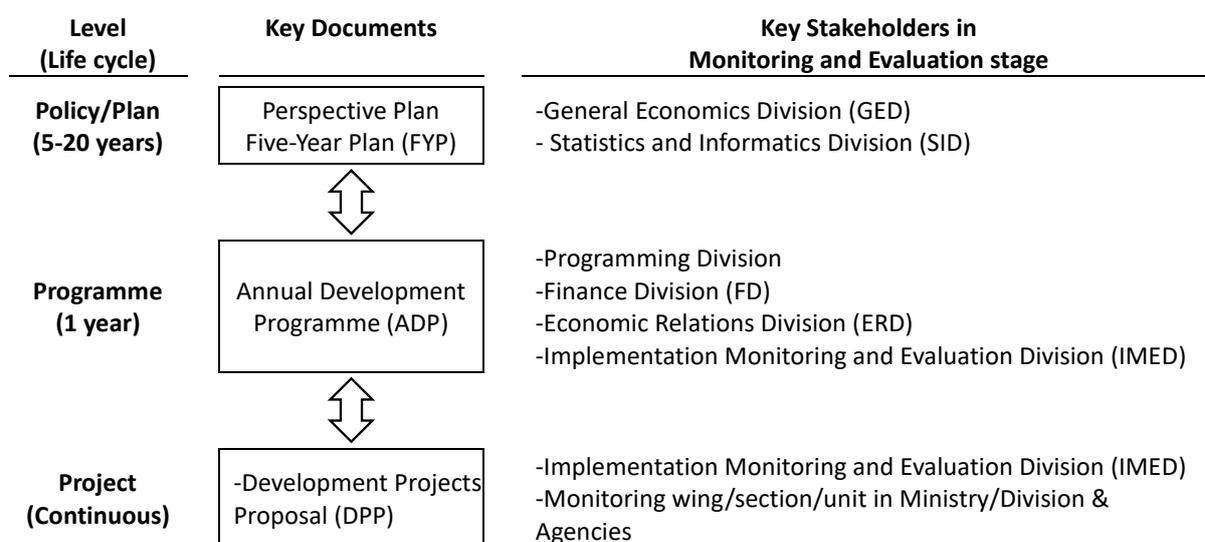
Note 1: The days shown in the table means "working days".

For reference, the explanation of the Monitoring and Evaluation system of Bangladesh's PIM is given in Box 5.

Box 5 Monitoring and Evaluation System in Bangladesh PIM

Responsibilities of monitoring and evaluation in Bangladesh's PIM system are vested with many agencies/ institutions.

Basically, the concerned institutions are the Planning Commission, Ministry of Planning, Ministries/Divisions and Agencies. The following figure shows the image of the M&E framework in Bangladesh.



Framework of M&E of development budget and main stakeholders

Name of institutions	Functions
General Economics Division (GED)	Monitoring the implementation of the long-term and medium plans and the Sustainable Development Goals (SDGs).
Statistics and Informatics Division (SID)	Monitoring the macro-M&E information and conducting the Census.
Programming Division	Overseeing the implementation of the ADP and its overall management.
Finance Division	Monitoring Ministry/Division's development budget on a quarterly basis as a part of MTBF management.
Economic Relations Division (ERD)	Monitoring utilization of external resources of donor-supported projects.
Implementation Monitoring and Evaluation Division (IMED)	Monitoring the progress of the projects in the development budget (ADP), and conducting limited Mid-term and impact evaluation.
Monitoring wing/section/unit in Ministry/Division & Agencies	Monitoring project implementation and submitting the monthly, quarterly and yearly report from Agency to Ministry/Division, and Ministry/Division to the IMED (with a copy to the Sector Division of the Planning Commission and, if applicable, ERD)

1-4-3 Sector Appraisal Points

The Green Book lists appraisal points to be covered as project appraisal by the Planning Commission. Sector Appraisal considers those project appraisal points, and, in addition, reviews the assessment points that are covered in the Ministry/Division Assessment listed in section 1.1 of the Green Book.

3.1.1 After receiving the DPP from the sponsoring Ministry/Division, the concerned Sector-Division of the Planning Commission shall conduct a detailed Appraisal of the project. Steps should be taken to examine and assess the correctness, appropriateness of the location and justification of the project, avoidance of duplication, relation with other projects/agencies in terms of the information attached with the DPP and the project site should be visited for obtaining on-the-spot and clear understanding and knowledge about the project for appraisal. During Project Appraisal, the concerned Ministry/Division and the Planning Commission will consider the following factors in addition to the points mentioned at paras 1 and 21.

(Sub-paragraphs 3.1.1 (1) to 3.1.1(10) of the Green Book 2022 stipulate the point of sector appraisal, details of which are given in Table 10)

Source: Breen Book 2022

The Sector Division is required to review the result of project assessment that is conducted at the Ministry/Division level. Table 8 presents the project assessment points stipulated in the Green Book, and Table 9 categorizes the assessment points in the five evaluation criteria, explained in chapter 1-3, namely relevance, effectiveness, efficiency, impact and sustainability.

The SAF is an effective tool to review the project assessment, and at the same time, appraise the project from five viewpoints. Table 10 shows the project appraisal points stipulated in the Green Book. Table 11 groups the project appraisal points by five aspects, namely 1) Readiness Check, 2) Sector Planning and Sector budgeting, 3) Manpower, 4) Cost Estimation and 5) Others. Those five aspects are the key elements to decide the input/size and outcome/scope of the project in considering the sectoral overall condition.

Table 8 Summary of Project Assessment Points at the Ministry/Division level

	Para	Description
	1.1	The following issues/factors shall have to be given special consideration by the Implementing Agency and the sponsoring Ministry/Division at the time of identification and preparation of projects:
1	1.1.1	Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. If a Project is proposed involving the coordination of more than 1 (one) Ministry/Division, then the appropriate Ministry/ Division has to be selected as the Lead Ministry/ Division. However, taking up of cluster/umbrella project involving more than 1 (one) Ministry/Division will have to be generally avoided. But the opinion/comments of the Ministries/Divisions/Agencies which have linkage with the activities of the project will have to be obtained.
2	1.1.2	Feasibility Study: Before taking up any Investment Project with an estimated cost of above Tk. 50 (fifty) crore, Feasibility Study must be conducted by an experienced organization in the concerned field and Feasibility Study Report has to be prepared in the prescribed format (Annexure – KA/KHA). Recommendations and important parts (Executive Summary, Cost estimates, design/conceptual design etc.) of the Report will have to be attached with the Project Proposal (DPP). A feasibility Study will have to be conducted also for projects with an estimated cost of up to Tk. 50 (fifty) crore in consideration of the importance and nature of a project.
3	1.1.3	Stakeholder consultation: If necessary, the concerned Ministry/Division/Agency will have to obtain the comments/views of the stakeholders including the officials of field administration and relevant field level officials at the time of formulation of the Development Project.
4	1.1.4	Purpose of the Project: The purpose of the Project has to be Specific, Measurable, Achievable, Relevant and Time-bound. Any activity not consistent with the title and purpose of the project cannot be included.
	1.1.5	Consistency with short, medium and long-term Development Plan, Policy and Strategy:
5		(a) Consider Bangladesh Delta Plan 2100, the objectives , targets and strategy of the Five-Year Plan and the Perspective Plan;
6		(b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations;
7		(c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division;
8		(d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.
	1.1.6	Consideration of availability of resources:
9		(a) Preparation of projects based on rational cost estimates within the resources ceiling/limit of the Mid-term Budget Framework (MTBF) and checking the appropriateness of MTBF related information and the MTBF Certificate;
10		(b) Not taking up project without confirmation of the availability of funding and
11		(c) Formulating one comprehensive project instead of preparing more than one small and separate projects for achieving the same and similar objectives.
	1.1.7	Consideration of results of the projects of the same nature /type and avoidance of duplication:
12		(a) Considering the results and experience of similar projects implemented earlier or under implementation at present to determine plan and strategy for mitigating the possible risks of the proposed project;
13		(b) For taking up projects to be implemented in phases, considering the results and recommendations of the completed project, the recommendations of IMED Project

	Para	Description
		Completion Report and providing a comparative picture of the possible results of the next phase of the proposed project; and
14		(c) Ensuring avoidance of duplication of the activities of the proposed project with those of development programmes outside ADP, on-going projects/programs under the Climate Change Trust Fund (CCTF) or other Fund and the on-going activities under the Operating Budget.
	1.1.8	Cost estimate and the basis and appropriateness of preparing the cost estimates of the project:
15	1.1.8.1	The concerned Ministry/Division will prepare the cost estimates of the development project considering the population, geographical location of the District/Upazila, hard to reach area and zone-based unit cost (Rate schedule) of physical construction with the consent of the Finance Division. In addition, for the non-scheduled items (medical, ICT, and other specialized equipment/materials/commodities) the concerned Ministry/Division will prepare a list of an item-wise unit price considering the market price and the Ministry /Division will have to prepare the cost estimate of the project on the basis of that price list.
16	1.1.8.2	(a) Making the cost estimates practical mentioning the basis / justification of component-wise cost estimates relating to consultants, manpower, seminar, and training ;
17		(b) Justification for procurement of consulting services and vehicles under the project,
18		(c) Present condition/ location of the vehicles/equipment procured by the same Agency for the projects implemented earlier;
19		(d) Identification of possible risks during project implementation (economic, technical, environmental, the impact of climate change and disaster, etc.) and mitigation measures thereof;
20		(e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants)and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project
21		(f) Considering procurement of physical services through Service Outsourcing in possible cases; and
22		(g) Conducting realistic financial and economic analysis.
23	1.1.8.3.	Provision funds may be kept for Price Contingency for inflation and for Physical Contingency for a limited amount of additional physical work in the special case in accordance with Economic Cde/Sub-code). A maximum of 8 % of the total estimated cost of the project may be provided for Price Contingency and a maximum of 2% of the total estimated cost may be provided only for Physical Contingency for physical items.
	1.1.9	Poverty alleviation and removal of regional disparity:
24		(a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group ;
25		(b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and
26		(c)The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and
27		(d) Creation and preservation of digital data-base of the beneficiaries.
	1.1.10	Making the project results sustainable:
28		(a) Furnish specific information /plan relating to maintenance and operation of the institutions /infrastructure created under the completed project and all necessary information for its institutionalization and sustainability (Exit Plan);
29		(b)Detailed Plan for use of the equipment, furniture and vehicles procured under the development project/programme after the completion of the project/programme should be stated in the DPP.
30	1.1.11	Analysis of the impact of the project on Environment, Climate Change and other Cross Cutting Issues: The Development Project Proposal shall include information regarding the effects of climate change and impacts of the proposed project on environment, ecology, natural

	Para	Description
		disaster, employment generation, nutrition, women , children, gender issues, disabled persons, food security, safe food, statistical data on poverty reduction, institutionalization, productivity, adverse impact of the proposed project on the infrastructures of the projects completed earlier or under implementation at present and clear description of the remedial measures for mitigating those. At the time of preparation /formulation of the project, Disaster Impact Assessment (DIA) will have to be done/conducted by using Disaster Risk Information Platform (DRIP) for identification of disaster and climate risk in the project area and for taking measures to mitigate them.
31	1.1.12	Project duration: Generally, the duration of a Project will be 3 (three) years except for the Special cases.
32	1.1.13	Source of data/ information: The Source of the data /information used in the DPP will have to be mentioned.
33	1.1.14	Project Manpower: Information regarding the institutional capacity (Technical and Financial) of the Implementing Authority during implementation and operational phase of the project will have to be furnished. Specially, the outline of the experience and efficient manpower necessary for the operation of the infrastructure and establishments created as output of the project should be specifically mentioned. The post /type and number of manpower should be properly reflected in the DPP along with the recommendations of the Manpower Committee of Finance Division constituted by the Cabinet Division. However, the recommendation of the Finance Division's Manpower Committee will not be required if there is no provision for employment of manpower either directly/ through out-sourcing/deputation during implementation stage of the project.
34	1.1.15	The proposed projects for construction of highways under the Roads and Highways Division should include provision for construction of service roads on both sides of the highway to facilitate the movement of slow-moving vehicles and pedestrians. The national highways will have to be constructed taking into consideration the highest level (height) of floods in last one hundred years. There should not be any slope/ditch or low land by the side of the high way. In addition, under-pass/over-pass or U-loop will have to be constructed in phases on the four-lane highways and in the busiest location /area and the inter-sections during expansion of the highways.
35	1.1.16	Provision for installing Weighing Machines for controlling the excel load of the vehicles have to be kept for ensuring the sustainability of the existing /to be constructed brides, Express Way and Tunnel on the Highways. In addition, special control measures have to be in place to ensure that heavy vehicles are not allowed to run on the village roads/bridges.

Source: Green Book 2022

Table 9 Project Assessment Points Categorized in Five Evaluation Criteria

Para	Description
	Relevance
1.1.1	Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. If a Project is proposed involving the coordination of more than 1 (one) Ministry/Division, then the appropriate Ministry/ Division has to be selected as the Lead Ministry/ Division. However, taking up of cluster/umbrella project involving more than 1 (one) Ministry/Division will have to be generally avoided. But the opinion/comments of the Ministries/Divisions/Agencies which have linkage with the activities of the project will have to be obtained.
1.1.5	Consistency with short, medium and long-term Development Plan, Policy and Strategy:
1.1.5	(a) Consider Bangladesh Delta Plan 2100, the objectives , targets and strategy of the Five-Year Plan and the Perspective Plan;
1.1.5	(b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations;
1.1.5	(c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division;
1.1.5	(d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.
1.1.6	Consideration of availability of resources:
1.1.6	(a) Preparation of projects based on rational cost estimates within the resources ceiling/limit of the Mid-term Budget Framework (MTBF) and checking the appropriateness of MTBF related information and the MTBF Certificate;
1.1.6	(b) Not taking up project without confirmation of the availability of funding and
1.1.6	(c) Formulating one comprehensive project instead of preparing more than one small and separate projects for achieving the same and similar objectives.
1.1.7	(c) Ensuring avoidance of duplication of the activities of the proposed project with those of development programmes outside ADP, on-going projects/programs under the Climate Change Trust Fund (CCTF) or other Fund and the on-going activities under the Operating Budget.
1.1.9	Poverty alleviation and removal of regional disparity:
1.1.9	(a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group ;
1.1.9	(b) Arrangements for ensuring that the lion’s share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and
1.1.9	(c)The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and
1.1.9	(d) Creation and preservation of digital data-base of the beneficiaries.
	Effectiveness
1.1.4	Purpose of the Project: The purpose of the Project has to be Specific, Measurable, Achievable, Relevant and Time-bound. Any activity not consistent with the title and purpose of the project cannot be included.
	Efficiency
1.1.7	Consideration of results of the projects of the same nature /type and avoidance of duplication:
1.1.7	(a) Considering the results and experience of similar projects implemented earlier or under implementation at present to determine plan and strategy for mitigating the possible risks of the proposed project;
1.1.7	(b) For taking up projects to be implemented in phases, considering the results and recommendations of the completed project, the recommendations of IMED Project Completion

Para	Description
	Report and providing a comparative picture of the possible results of the next phase of the proposed project; and
1.1.8	Cost estimate and the basis and appropriateness of preparing the cost estimates of the project:
1.1.8.1	The concerned Ministry/Division will prepare the cost estimates of the development project considering the population, geographical location of the District/Upazila, hard to reach area and zone-based unit cost (Rate schedule) of physical construction with the consent of the Finance Division. In addition, for the non-scheduled items (medical, ICT, and other specialized equipment/materials/commodities) the concerned Ministry/Division will prepare a list of an item-wise unit price considering the market price and the Ministry /Division will have to prepare the cost estimate of the project on the basis of that price list.
1.1.8.2	(a) Making the cost estimates practical mentioning the basis / justification of component-wise cost estimates relating to consultants, manpower, seminar, and training ;
1.1.8.2	(b) Justification for procurement of consulting services and vehicles under the project,
1.1.8.2	(c) Present condition/ location of the vehicles/equipment procured by the same Agency for the projects implemented earlier;
1.1.8.2	(d) Identification of possible risks during project implementation (economic, technical, environmental, the impact of climate change and disaster, etc.) and mitigation measures thereof;
1.1.8.2	(e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants)and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project
1.1.8.2	(f) Considering procurement of physical services through Service Outsourcing in possible cases; and
1.1.8.2	(g) Conducting realistic financial and economic analysis.
1.1.8.3.	Provision funds may be kept for Price Contingency for inflation and for Physical Contingency for a limited amount of additional physical work in the special case in accordance with Economic Cde/Sub-code). A maximum of 8 % of the total estimated cost of the project may be provided for Price Contingency and a maximum of 2% of the total estimated cost may be provided only for Physical Contingency for physical items.
1.1.12	Project duration: Generally, the duration of a Project will be 3 (three) years except for the Special cases.
1.1.14	Project Manpower: Information regarding the institutional capacity (Technical and Financial) of the Implementing Authority during implementation and operational phase of the project will have to be furnished. Specially, the outline of the experience and efficient manpower necessary for the operation of the infrastructure and establishments created as output of the project should be specifically mentioned. The post /type and number of manpower should be properly reflected in the DPP along with the recommendations of the Manpower Committee of Finance Division constituted by the Cabinet Division. However, the recommendation of the Finance Division's Manpower Committee will not be required if there is no provision for employment of manpower either directly/ through out-sourcing/deputation during implementation stage of the project.
1.1.15	The proposed projects for construction of highways under the Roads and Highways Division should include provision for construction of service roads on both sides of the highway to facilitate the movement of slow-moving vehicles and pedestrians. The national highways will have to be constructed taking into consideration the highest level (height) of floods in last one hundred years. There should not be any slope/ditch or low land by the side of the high way. In addition, under-pass/over-pass or U-loop will have to be constructed in phases on the four-lane highways and in the busiest location /area and the inter-sections during expansion of the highways.
1.1.16	Provision for installing Weighing Machines for controlling the excel load of the vehicles have to be kept for ensuring the sustainability of the existing /to be constructed bridges, Express Way and Tunnel on the Highways. In addition, special control measures have to be in place to ensure that heavy vehicles are not allowed to run on the village roads/bridges.
	Impact
1.1.11	Analysis of the impact of the project on Environment, Climate Change and other Cross Cutting Issues: The Development Project Proposal shall include information regarding the effects of climate change and impacts of the proposed project on environment, ecology, natural disaster,

Para	Description
	employment generation, nutrition, women , children, gender issues, disabled persons, food security, safe food, statistical data on poverty reduction, institutionalization, productivity, adverse impact of the proposed project on the infrastructures of the projects completed earlier or under implementation at present and clear description of the remedial measures for mitigating those. At the time of preparation /formulation of the project, Disaster Impact Assessment (DIA) will have to be done/conducted by using Disaster Risk Information Platform (DRIP) for identification of disaster and climate risk in the project area and for taking measures to mitigate them.
Sustainability	
1.1.10	Making the project results sustainable:
1.1.10	(a) Furnish specific information /plan relating to maintenance and operation of the institutions /infrastructure created under the completed project and all necessary information for its institutionalization and sustainability (Exit Plan);
1.1.10	(b)Detailed Plan for use of the equipment, furniture and vehicles procured under the development project/programme after the completion of the project/programme should be stated in the DPP.
Common	
1.1.2	Feasibility Study: Before taking up any Investment Project with an estimated cost of above Tk. 50 (fifty) crore, Feasibility Study must be conducted by an experienced organization in the concerned field and Feasibility Study Report has to be prepared in the prescribed format (Annexure – KA/KHA). Recommendations and important parts (Executive Summary, Cost estimates, design/conceptual design etc.) of the Report will have to be attached with the Project Proposal (DPP). A feasibility Study will have to be conducted also for projects with an estimated cost of up to Tk. 50 (fifty) crore in consideration of the importance and nature of a project.
1.1.3	Stakeholder consultation: If necessary, the concerned Ministry/Division/Agency will have to obtain the comments/views of the stakeholders including the officials of field administration and relevant field level officials at the time of formulation of the Development Project.
1.1.13	Source of data/ information: The Source of the data /information used in the DPP will have to be mentioned.

Source: Green Book 2022

Table 10 Project Appraisal Points at the Sector Division Level

	Para	Description
	3.1.1	After receiving the DPP from the sponsoring Ministry/Division, the concerned Sector-Division of the Planning Commission shall conduct detailed Appraisal of the project. Steps should be taken to examine and assess the correctness, appropriateness of the location and justification of the project, avoidance of duplication, relation with other project/ agency in terms of the information attached with the DPP and the project site should be visited for obtaining on-the-spot and clear understanding and knowledge about the project for appraisal. During Project Appraisal, the concerned Ministry/Division and the Planning Commission will consider the following factors in addition to the points mentioned at paras 1 and 21:
1	3.1.1(1)	For projects having links with more than one Sector /Ministry/Division and for projects which are nationally important and big, coordination should be established among different Sectors of the Planning Commission. For considering such projects an inter-ministerial meeting at the initiative of the concerned lead Sector of the Planning Commission with all other concerned Sectors of the Planning Commission and the concerned Ministry/Division shall have to be organized before the PEC meeting. If necessary, the Hon'ble Minister/State-minister for Planning can discuss such Projects with the Members of the concerned Sector-Division of the Planning Commission
2	3.1.1(2)	The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.
3	3.1.1(3)	Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, consistency with manpower and their use and the recommendation of the Committee for determination of manpower. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.
4	3.1.1(4)	For consideration of Project Proposal of the agencies which are allocated public funds for making them self-reliant, it is necessary to examine in details the overall situation with regard to the amount of funds so far allocated to them, its present status and future fund requirement indicating the period up to which time such allocation will be needed in future.
5	3.1.1(5)	In the PEC meeting it has to be ensured that the type /nature, post/number of man power proposed for the implementation of project has been recommended by the Manpower Committee of the Finance Division and the matter has to be confirmed in the PEC meeting (Details at paragraph 1.1.14).
6	3.1.1(6)	For consideration of project proposals to be implemented in phases, the IMED Project Completion Evaluation Report or the Special Evaluation Report on the previous phase of the project will have to be examined properly and recommendation /suggestion for approval of the proposed project will have to be made accordingly. However, phase-wise projects should not be taken continuously for implementation of those activities which can be implemented under operating budget, rather initiatives should be taken to implement these activities under operating budget.
7	3.1.1(7)	In the case of revision of a project, if there is unusual increase of cost, its justification will have to be examined/reviewed thoroughly and a new project will have to be taken up instead by declaring the project "closed".
8	3.1.1(8)	For obtaining correct information regarding the amount of increase or decrease of the estimated cost of the project at the time of 2nd and 3rd revision, this needs to be compared with the latest approved project cost at 1st and 2nd revision alongside the original approved

	Para	Description
		total project cost. At the time of submission of the project for approval of ECNEC or Hon'ble Minister/State-minister for Planning, the proposal should contain the comments of the Sector-Division.
9	3.1.1(9)	Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.
10	3.1.1(10)	Necessary actions have to be taken in light of instructions /directives issued by NEC/ECNEC meetings from time to time.

Source: Green Book 2022

Table 11 Project Appraisal Points in the SAF Categories

Para	Description
	1 Readiness Check
3.1.1(1)	For projects having links with more than one Sector /Ministry/Division and for projects which are nationally important and big, coordination should be established among different Sectors of the Planning Commission. For considering such projects an inter-ministerial meeting at the initiative of the concerned lead Sector of the Planning Commission with all other concerned Sectors of the Planning Commission and the concerned Ministry/Division shall have to be organized before the PEC meeting. If necessary, the Hon'ble Minister/State-minister for Planning can discuss such Projects with the Members of the concerned Sector-Division of the Planning Commission
3.1.1(4)	For consideration of Project Proposal of the agencies which are allocated public funds for making them self-reliant, it is necessary to examine in details the overall situation with regard to the amount of funds so far allocated to them, its present status and future fund requirement indicating the period up to which time such allocation will be needed in future.
	2.1 Sector Planning
3.1.1(2)	The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u> , capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
	2.2 Sector Budgeting
3.1.1(2)	The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough <u>review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division</u> , linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
	3. Manpower
3.1.1(2)	The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, <u>capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion</u> and the

Para	Description
	justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
3.1.1(3)	Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, <u>consistency with manpower and their use and the recommendation of the Committee for determination of manpower</u> . In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.
3.1.1(5)	In the PEC meeting it has to be ensured that the type /nature, post/number of man power proposed for the implementation of project has been recommended by the Manpower Committee of the Finance Division and the matter has to be confirmed in the PEC meeting (Details at paragraph 1.1.14).
	4. Costing
3.1.1(2)	The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects , <u>pressure on the operating budget after project completion</u> and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
3.1.1(3)	Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of <u>the vehicles and equipment procured under the operating and development budget</u> , consistency with manpower and their use and the recommendation of the Committee for determination of manpower. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.
3.1.1(6)	For consideration of project proposals to be implemented in phases, the IMED Project Completion Evaluation Report or the Special Evaluation Report on the previous phase of the project will have to be examined properly and recommendation /suggestion for approval of the proposed project will have to be made accordingly. However, <u>phase-wise projects should not be taken continuously for implementation of those activities which can be implemented under operating budget</u> , rather initiatives should be taken to implement these activities under <u>operating budget</u> .
3.1.1(9)	Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.
	5.1. Others (For Revision of DPP)
3.1.1(7)	In the case of revision of a project, if there is unusual increase of cost, its justification will have to be examined/reviewed thoroughly and a new project will have to be taken up instead by declaring the project “closed”.
3.1.1(8)	For obtaining correct information regarding the amount of increase or decrease of the estimated cost of the project at the time of 2nd and 3rd revision, this needs to be compared with the latest approved project cost at 1st and 2nd revision alongside the original approved total project cost. At the time of submission of the project for approval of ECNEC or Hon’ble Minister/State-minister for Planning, the proposal should contain the comments of the Sector-Division.
	5.2 Others
3.1.1(10)	Necessary actions have to be taken in light of instructions /directives issued by NEC/ECNEC meetings from time to time.

Source: Green Book 2022

Part 2

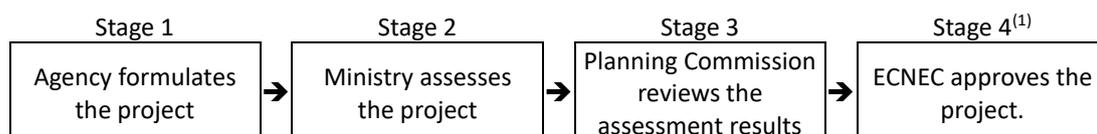
Procedure of Sector Project Appraisal

2 Procedure of Sector Appraisal

2-1 Overall Framework for Sector Appraisal

2-1-1 The position of Sector Appraisal

The Green Book stipulates the overall procedure of Project Planning, including Project Formulation, Appraisal and Approval. Figure 17 illustrates the four stages of the stipulated overall procedure.



Note 1: Only in the case of the investment project with an estimated cost of 50 Crore and above in Taka (BDT). Based on the PEC recommendation, the Minister/ State Minister in charge of the Ministry of Planning approves investment projects having an estimated cost of up to BDT 50 crore, and TA projects with an estimated cost of above BDT 10 crore or a share of GOB financing is more than 20% of the total estimated cost.

Figure 17 Four stages for project formulation, appraisal and approval

Each stage is summarized below:

- **Stage 1. Project Design:** The Agency identifies and formulates the project and prepares the DPP. The Agency conducts preparatory works, including cost-benefit analysis, social analysis, risk analysis, environmental impact assessment and other analyses upon requirements, to formulate the DPP. After an internal check, the Agency submits the DPP to the Ministry/Division.
- **Stage 2. Project Assessment:** The Project Assessment Committee (PAC) assesses the value of the project. The PAC is presently called the Project Scrutinizing Committee (PSC) at the Ministry/Division. The Planning Wing/Branch of the Ministry/ Division examines the DPP from assessment points aspects stipulated in the Green Book. The Wing/Branch specifies the discussion points for the PSC/PAC meeting to ensure that the quality of the project is sufficient for implementation. The PSC/PAC suggests necessary improvements to the Agency, and, when ready, accepts the DPP to be sent to the ECNEC via Planning Commission to obtain approval. When required, after recasting the DPP by the Agency as per the PSC/PAC suggestion, the Ministry/Division sends the recast DPP to the Sector Division of the Planning Commission.
- **Stage 3. Review of Project Assessment Results and Sector Appraisal:** The Project Evaluation Committee (PEC) at the Planning Commission reviews the assessment results given by the PSC, appraises the project from the overall sectoral priority and perspective and appraises the project. If necessary, the PEC advises the Agency and the Ministry/Division to recast the DPP. After recasting the DPP as per the decision of the PEC meeting, the Sector Division submits the project to ECNEC or the Minister/State-minister for Planning (depending on estimated cost) for consideration and approval.
- **Stage 4. Approval:** Based on the PEC recommendation, the Minister/ State Minister for Planning approves the project with an estimated cost of up to BDT50.00 crore, and the ECNEC approves the project with an estimated cost above BDT50.00 crore.

2-1-2 Members and their roles in the Project Evaluation Committee (PEC)

The Green Book 2022 stipulates the composition and the TOR of members in the Project Evaluation Committee (PEC) in sub-sections 3.1.2 and Annexure DHA.

-3.1.2 The Project proposal shall be examined in depth in the light of the above points and shall be presented to the Project Evaluation Committee (PEC) meeting (Annexure-DHA) by the Sector/Division of the Planning Commission with a Working Paper (Annexure-RRA) which will include their comments and analysis.

The Terms of Reference (TOR) of the PEC are as below.

- Appraise the acceptability of Development Project Proposals (DPP)/study proposals in the context of short-, medium- and long-term policies, plans and programs.
- Examine the financial, economic, environmental and technical viability of project proposals.
- Examine the relevancy of the project activities with its objectives.
- Suggest necessary amendments, modifications, etc.
- Recommend for consideration of the approving authority.
- Apart from the TORs mentioned above, details in sections 3, 4 & others.

The Members of the PEC are as follows.

1. Member of the concerned Division of the Planning Commission -Chairperson
2. Chief of the concerned Division of the Planning Commission-Member
3. Representative of Programming Division of the Planning Commission-Member
4. Representative of General Economics Division of the Planning Commission-Member
5. Representative of the concerned Sector of the IMED-Member
6. Representative of NEC-ECNEC & Coordination Wing of the Planning Division-Member
7. Representative of the Sponsoring Ministry/Division-Member
8. Representative of the Finance Division- Member
9. Representative of the Economic Relations Division (For projects funded by foreign-financed projects)- Member
10. Representative of the Ministry of Public Administration-Member
11. Representative of the Ministry of Environment, Forest and Climate Change-Member-
12. Representative of the Ministry of Women and Children Affairs-Member
13. Head of the concerned Project Implementation Agency-Member
14. Joint Chief of the Concerned Sector of the Planning Commission- Member-Secretary

Note:

- Representatives of the Ministry/Division should not be below the status of Joint Chief/Joint Secretary.
- The concerned Wing/Sector-Division of the Planning Commission will extend the secretarial support to the PEC.

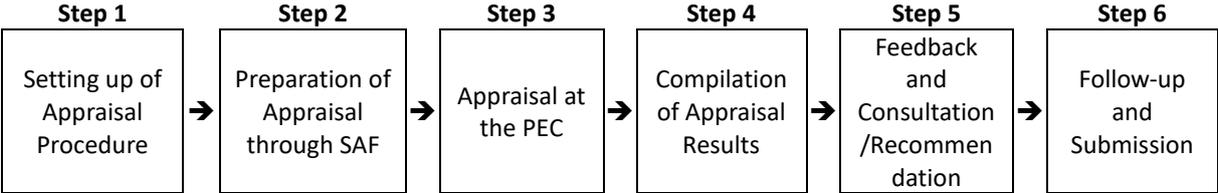
The Annexure DHA of Green Book 2022 suggests that 1) the representative of the Ministry/Division should not be below the rank and status of Joint Chief /Joint Secretary, and 2) the concerned Wing/Sector-Division of the Planning Commission will extend the secretarial services to the PEC.

Although Green Book 2022 does not have clear descriptions, the TOR of the Sector Division of the Planning Commission can be interpreted as follows.

- To review the results of the assessment given by the PSC/PAC, appraise the project from the sector perspective as a part of PEC meeting preparation
- To visit the planned project site to obtain a clear understanding and knowledge about the project, if required
- To prepare a working paper (recommendation) for the PEC meeting. Template of the working paper is in Annexure RRA (5) of the Green Book 2022
- To arrange the PEC meeting
- To prepare the minutes of the PEC meeting
- (when required) to submit the assessed/recast DPP to the Cost Rationalization Committee
- To examine the recast DPP for compliance with the recommendations of the PEC.
- To prepare the documents for project approval based on the decision of the PEC meeting
- To submit the appraised DPP and recommendation of PEC to NEC, ECNEC and Coordination Wing of the Planning Division

2-1-3 Preparation for PEC/ Sector Division Project Appraisal

The procedures to achieve the purpose of the PEC, “to appraise the acceptability of development project proposals (DPP)/study proposals in the context of short-, medium- and long-term policies, plans and programs”, are composed of six steps shown in Figure 18. Detailed sub-steps for each step are explained in Table 12. Within these six steps, the steps for the post-PEC meeting are also included, namely steps 5 and 6. They are included because the purpose of the PEC is accomplished only when the DPP is recast appropriately based on the PEC meeting's decision after the PEC meeting.



Source: SPIMS

Figure 18 Six Steps of PEC/ Sector Division Project Appraisal

Steps 2 to 5 will continue until the quality of DPP becomes good enough to recommend for approval of the appropriate authority.

Table 12 Six Steps with Sub-steps of PEC/ Sector Division Project Appraisal

Step ⁽¹⁾	Title ⁽¹⁾	Short description (sub-steps) ⁽¹⁾
1.	Preparation for the appraisal process	(Before Step1) <ul style="list-style-type: none"> • Planning (Agency: A) formulates the project ⁽²⁾, and submits the DPP to Ministry/Division (Ministry/ Division: M/D) with the approval of Head (A). • Planning (M/D) prepares the results of the project assessment through the Ministry Assessment Format (MAF) ⁽³⁾ and submits the assessed DPP with assessment documents to the Project Scrutiny Committee (PSC)/ Project Assessment Committee (PAC). • The DPP will be recast based on the decisions of the PSC/PAC meeting. On receipt of the recast DPP from the Agency, the Ministry/Division will ensure that the decisions of the PSC/PAC meeting have been appropriately reflected using Check Sheet and send the recast DPP along with the Ministry Assessment Report to the concerned Sector-Division of the Planning Commission with the approval of the Minister/State-minister. • The Ministry Assessment Report will include five documents: 1) the Check Sheet for recast DPP, 2) the Compliance Table of PSC/PAC meeting decisions, 3) the Minutes of PSC/PAC meeting, 4) the Working Paper of PSC/PAC meeting, and 5) the filled MAF.
		(Before PEC Meeting) <ol style="list-style-type: none"> 1.1. The Head (SD) receives the DPP. The file is sent to the Senior Assistant Chief (SD) or Assistant Chief (SD) (hereafter referred to as "the Desk Officer (SD)" through general administration flow ⁽⁴⁾. 1.2. The Desk Officer (SD) prepares the appraisal by registering/ filing the DPP. (File code is given as per secretariat instruction.) 1.3. The Desk Officer (SD) checks the formality of the DPP. <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> The Desk Officer (SD) communicates with Planning (M/D), namely Senior Assistant Chief (M/D), or Assistant Chief (M/D) (hereafter </div>

Step ⁽¹⁾	Title ⁽¹⁾	Short description (sub-steps) ⁽¹⁾
		referred to as "the Desk Officer (M/D)" and above to confirm some basic issues to fulfil the formality.
2.	Preparation of Appraisal through SAF	<p>2.1. The Desk Officer (SD), under the supervision of the senior officials/ Chiefs (SD), examines the quality of the project (DPP), reviews the assessment results, and prepares the appraisal document for PEC by using the template of the Sector Appraisal Format. <u>The appraisal document would be SAF with the MAF as an appendix.</u></p> <p>2.2. The Desk Officer (SD) prepares the Working Paper of the PEC based on the results of SAF, and sets the discussion points of the PEC meeting. <u>The SAF would be an attachment to the Working Paper.</u> ((Annexure RA/ ୫ of Green Book 2022)</p> <p>2.3. Joint Chief (SD) and Division Chief (SD) examine the Working Paper of the PEC and SAF.</p> <p>2.4. The Division Chief (SD) calls and holds a "review meeting/ pre-PEC meeting" to examine the result of appraisal preparation and proposed discussion points and suggestions before the PEC meeting. <u>The concerned officers (M/D) and (A) can be invited to join the discussion.</u></p> <div data-bbox="603 842 1385 909" style="border: 1px solid black; padding: 2px;"> <p>The Officer (M/D) prepares for the PEC meeting after getting the discussion results at the "review meeting/ pre-PEC meeting".</p> </div> <p>2.5. The Division Chief (SD) submits to the Member (SD) the draft WP for the PEC meeting, including the minutes of the above-mentioned meeting and a suggested date for the PEC meeting to get the consent of the Member (SD) to hold the PEC meeting.</p> <p>2.6. The Desk Officer (SD), with the consent of the concerned the Member (SD), issues the notice of the PEC meeting. <u>The DPP, WP of PEC and SAF with MAF will be distributed at least five (5) working days before the PEC meeting.</u></p> <div data-bbox="603 1167 1385 1261" style="border: 1px solid black; padding: 2px;"> <p>In the course of the appraisal preparation, the Desk Officer (SD) communicates with the Desk Officer (M/D), to clarify some basic issues, if required.</p> </div>
3.	Appraisal at the PEC	<p><u>(At PEC meeting)</u></p> <p>3.1. The Division Chief / Joint Chief (SD) presents the project (DPP) in the PEC meeting along with their findings, observations, and suggestions based on the WP with SAF for the consideration of the PEC.</p> <p>3.2. The representative from (M/D) and (A) responds to the points and suggestions.</p> <p>3.3. The members of the PEC discuss the overall quality and acceptability of the proposed project in light of the discussion points and suggestions.</p> <p>3.4. The members of PEC make a decision whether the project (DPP) is eligible for submission to the appropriate authority with recommendation for approval, with or without conditions, including the <u>necessity of cost rationalization.</u></p>
4.	Compilation of Appraisal results	<p><u>(After the PEC meeting)</u></p> <p>4.1. The Desk Officer (SD) <u>prepares the Minutes of the PEC meeting</u> (MM of PEC).</p> <p>4.2. The MM of PEC is examined by the Deputy Chief, Joint Chief, Division Chief, and Member in order ⁽⁴⁾.</p> <p>4.3. Member (SD) / the chair of the PEC approves the MM of the PEC.</p> <p>4.4. The Desk Officer (SD) <u>circulates the approved and signed MM of the PEC meeting</u> to all members of the PEC, including the Secretary (M/D) and Head (A).</p>

Step ⁽¹⁾	Title ⁽¹⁾	Short description (sub-steps) ⁽¹⁾
		The Desk Officers (SD) communicates with the Desk Officers (M/D) to clarify issues, if required, to prepare the MM of PEC.
5.	Feedback and Consultation	<p>5.1. Submission of the MM of PEC to the Secretary of Ministry/Division. (5.1.1.) Secretary (M/D) sends the MM to Chief of Planning (M/D). The Planning Chief (M/D) asks the head of Planning (A) to recast the DPP. (5.1.2.) Head (A) sends the MM of PEC to Planning (A) to start the recasting of DPP.</p> <p>5.2. When the PEC decides to implement the cost rationalization, a cost rationalization committee is formed to do the work. When the cost rationalization is completed, Secretary (M/D) and Head (A) receive the cost rationalization report.</p> <p>5.3. The Planning (A) recasts the DPP based on the instructions of the PEC Meeting's decision described in the MM of PEC and the SAF, and cost rationalization report and prepares a compliance table (Format).</p> <p>5.4. The Planning (A), with the approval and signature of the Head (A), sends the recast DPP to the Secretary (M/D) with the compliance table.</p> <p>5.5. The Desk Officer (M/D) examines the recast DPP compared to the compliance table, makes comments/suggestions, and submits the file for approval of the Secretary (M/D).</p> <p>The Desk Officer (M/D), with the approval of the Secretary (M/D), sends the recast DPP to the Head (SD) with the signature and seal of the Secretary (M/D).</p>
6.	Follow-up and submission	<p>6.1. The Head (SD) receives the DPP. The file is sent to the Desk Officer (SD) through a proper administrative process⁽⁴⁾.</p> <p>6.2. The Desk Officer (SD) examines the recast DPP using a Check Sheet of SAF, considering the compliance report, MM of PEC, and SAF (original).</p> <p>6.3. If necessary, the Division Chief (SD) holds an internal meeting to review the recast DPP and the Check Sheet.</p> <p>6.4. The Head (SD) examines the recast DPP and the Check Sheet and makes a decision to submit the recast DPP to the appropriate authority. When the Head (S/D) decides to hold another session of a PEC Meeting to discuss some unsolved issues, steps 2 to 5 will continue until the quality of DPP becomes good enough to recommend for approval. In this case, the Desk Officer (SD) recasts the SAF based on recast DPP.</p> <p>6.5. The Desk Officer (SD) prepares a summary for the ECNEC/ Minister for Planning under the signature of the Member recommending approval of the DPP.</p> <p>6.6. The Desk Officer (SD) will submit the DPP, Sector Appraisal Report along with the Mistry Assessment Report and the Summary for the Minister/ ECNEC directly to the Minister/State-minister or to the NEC-ECNEC and Coordination Wing of the Planning Division, with the approval of Member (SD). The Sector Appraisal Report will include five documents: 1) the Check Sheet for recast DPP, 2) a Compliance Table of PEC meeting decisions, 3) Minutes of the PEC meeting, 4) the Working Paper of the PEC meeting, 5) the filled SAF, and 6) [Appendix] Ministry Assessment report</p> <p>The Desk Officer (SD) communicates with the Desk Officer (M/D) and/or (A) to clarify outstanding issues, if any.</p>

[Legend] A: Agency, M/D: Ministry or Division, SD: Sector Division of the Planning Commission
Source: SPIMS

Note 1: The code and title of the steps in this table are consistent with the code and tile in the following sections.

Note 2: See "Handbook for DPP preparation" for the project formulation.

Note 3: See "Manual for Ministry Project Assessment" For the project assessment of DPP at the Ministry level.

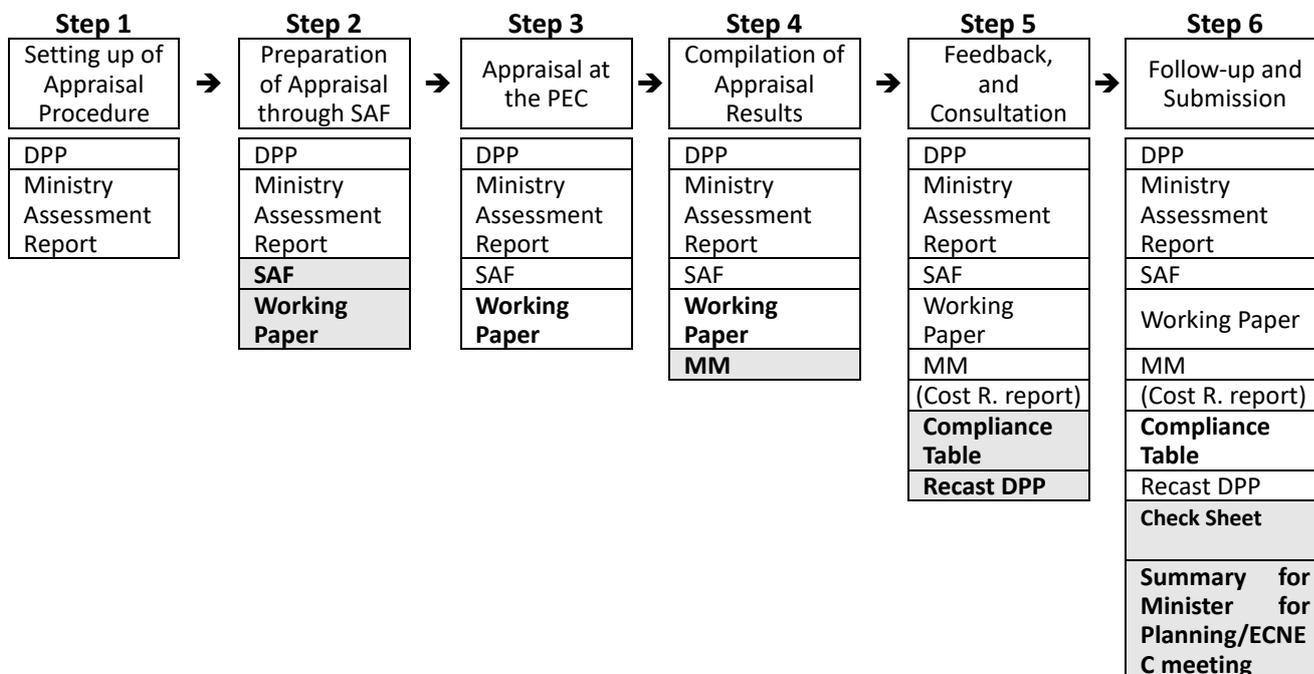
Note 4: General administration flow (Top to down and vice versa) The Head (SD)/ PS receives the DPP from the Secretary (M/D). The Head (SD) sends the DPP to the Chief (SD). The Chief (SD) sends the DPP to the Joint Chief (SD). The Joint Chief (SD) sends the DPP to the Deputy Chief (SD). The Deputy Chief (SD) sends the DPP to the Desk Officer (SD): the Senior Assistant Chief (SD) or the Assistant Chief (SD).

2-1-4 Deliverables of each step

The documents produced in each step must be submitted to the next step. To complete the task of each step, officers must produce the deliverables shown in Figure 19. The deliverables described in bold are the documents to be produced in each step. In the following chapters, the functions and contents of the documents are explained. A simple description of the relations among the documents is given below.

- Step 1: The file is registered after receiving the DPP.
- Step 2: The SAF is prepared based on the information in the DPP and MAR (Ministry Assessment Report)
- Step 3: The working paper for the PEC is prepared based on the SAF.
- Step 4: The Minutes of Meeting (MM) of the PEC are prepared based on the working paper, discussion, recommendations and decisions of the PEC meeting.
- Step 5. The recast DPP and compliance table for PEC's decisions is prepared based on the MM of the PEC meeting.
- Step 6. The Check Sheet is prepared based on the recast DPP. If the contents and the quality of DPP are considered good enough for submission to the approving authority, then the summary for the Hon'ble Minister/state-minister for Planning or the ECNEC meeting is prepared.

At the end of this procedure, "Project Appraisal at the Sector Division of the Planning Commission", the Sector Division submits the appraised DPP and appraisal document: SAF with Check Sheet.



[Legend] W/P: Working Paper, MM: Minutes of Meeting, Cost R. report: Cost Rationalization Report. Comp. letter: Compliance letter with comparison table

Figure 19 Relevant Outputs of Each Step

2-2 Step 1: Setting up of the Appraisal Procedure

This chapter provides detailed operational instructions for "Receive the DPP and prepare for project appraisal". Appraisal is the second of the whole procedure related to PEC preparation, as shown in Figure 20.

In the step 1, the sub-steps in the following sequence are completed (Figure 20).

(Before Step 1)

- Planning (Agency: A) formulates the project, and submits the DPP to Ministry/Division (Ministry/ Division: M/D) with the approval of Head (A).
- Planning (M/D) prepares the results of the project assessment through the Ministry Assessment Format (MAF) and submits the assessed DPP with assessment documents to the Project Scrutiny Committee (PSC)/ Project Assessment Committee (PAC).
- The DPP will be recast based on the decisions of the PSC/PAC meeting. On receipt of the recast DPP from the Agency, the Ministry/Division will ensure that the decisions of the PSC/PAC meeting have been appropriately reflected using Check Sheet and send the recast DPP along with the Ministry Assessment Report to the concerned Sector-Division of the Planning Commission with the approval of the Minister/State-minister.
- The Ministry Assessment Report will include five documents: 1) the Check Sheet for recast DPP, 2) the Compliance Table of PSC/PAC meeting decisions, 3) the Minutes of PSC/PAC meeting, 4) the Working Paper of PSC/PAC meeting, and 5) the filled MAF.

(Before PEC Meeting)

- Sub-step 1.1: The Head (SD) receives the DPP. The file is sent to the Senior Assistant Chief (SD) or Assistant Chief (SD) (hereafter referred to as "the Desk Officer (SD)" through general administration flow.
- Sub-step 1.2: The Desk Officer (SD) prepares the appraisal by registering/ filing the DPP. (File code is given as per secretariat instruction.)
- Sub-step 1.3: The Desk Officer (SD) checks the formality of the DPP.

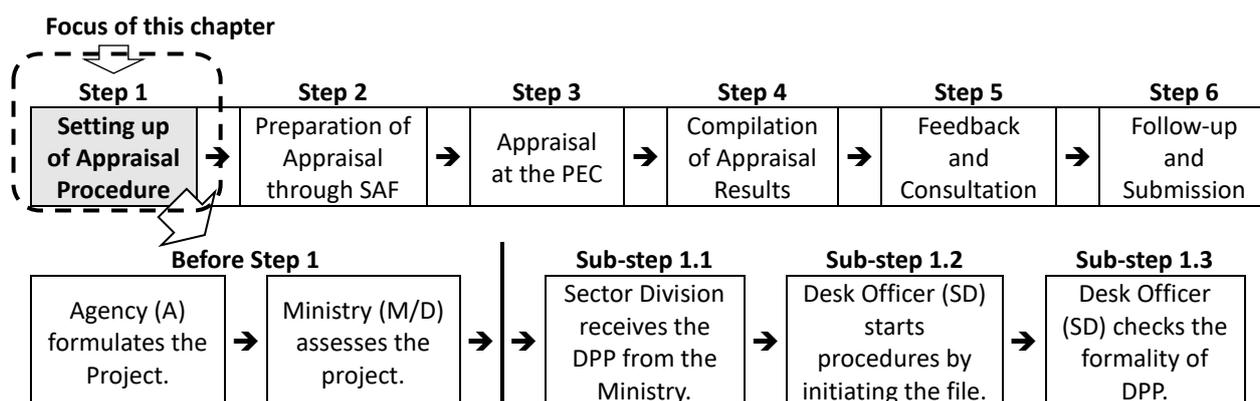


Figure 20 Step 1 "Setup the Appraisal Procedure"

[Memo] For further explanation on the first and second sub-steps before step 1, "Agency (A) formulates the Project", and "Ministry (M/D) assesses the project", see "[the Handbook for DPP preparation](#)", and "[Manual for Ministry Project Assessment](#)", respectively.

2-2-1 Registering/ filling the DPP

The Desk officer(s) in the Sector Division will register the DPP. The DPP is filed according to the Government of Bangladesh Secretariat Instructions. The file code also is taken and registered accordingly.

[NOTE] The file code at the Agency could be treated as the “tentative” project code. Alternatively, the Agency/ Ministry can attach its project code for the DPP at the initial stage of project formulation. Under the current project formulation and appraisal setting, the formal project code is issued by the Finance Division after approval of the Project.

2-2-2 Check the formality

To confirm the formalities of the DPP, the Desk officer (SD) may consult with the Planning (M/D) and/or Planning (A), when required, before conducting project appraisal through SAF. The formality check is done by the Desk Officer (SD). The Desk Officer (SD) is expected to check the items, suggested in Table 13 (next page) at the initial stages of the project appraisal procedure. Items 1 to 13 in Table 13 (next page) are the points expected to be checked at the Ministry/Division level before submitting the DPP to the Sector Division of the Planning Commission, but it is also important that the Planning Commission reviews the formalities on those points to keep the quality of the DPP.

To conduct the review of assessment results in the project appraisal process, the Sector Division needs to obtain the assessment document, namely MAF and Check Sheet of MAF, as listed as item 0 in Table 13. When the Desk Officer (SD) finds some points/items which need to be confirmed before proceeding to project appraisal at the PEC, the Desk Officer (SD) will consult them with the Planning (M/D) and/or Planning (A). When the issues are vital and require the Agency to reconsider and reformulate the project, the Sector Division sends back the DPP to the Ministry/Division via the Head (SD) to the Secretary (M/D).

To have smooth communication among Sector Division, Planning (M/D) and Planning (A), it is recommended to formulate a “Task Team for PEC preparation” among the stakeholders. The proposed members and TOR are given as below:

The Composition of the Task Team could be:

- Head of Wing/Branch/Section (Joint Chief/ Deputy Chief) (SD);
- Desk officer(s) (SD);
- Head of Planning (M/D);
- Desk officer (M/D);
- Head of Planning (A); and
- Desk officer (A).

The TOR of this Task Team would be:

- To exchange information and opinions regarding project appraisal.

Alternatively, the Sector Division holds the “review meeting/ pre-PEC meeting”, before the official PEC meeting to review the contents of discussion at the PEC. The members of the pre-PEC meeting would be the same as the members of the proposed Task Team.

Table 13 List of important items for Formality Check

	Items to be checked	Checked
0	Whether the DPP contains the assessment documents as listed below: 1) Check Sheet 2) Compliance letter to Meeting minutes for Project Scrutiny Committee (PSC)/ Project Assessment Committee (PAC) 3) Meeting minutes for PSC/ PAC 4) Working Paper for PSC/PAC meeting 5) Filled Ministry Assessment Format	
1	Whether the DPP contains the signature of the Head of the Agency	
2	Whether all 33/34 items stipulated in the DPP Format of the Green Book have been completed sequentially. *	
3	Whether all stipulated Annexes * as below have been attached:	
	• Annexure-I: Location wise cost breakdown	
	• Annexure-II: Project management setup (including Organogram of the proposed setup)	
	• Annexure-III: Total Procurement Plan for development project/programme	
	• Annexure-IV: Year wise financial and physical target plan	
	• Annexure-V: Detailed annual phasing of cost	
	• Annexure-VI: Amortization schedule (only for Government loan funded projects)	
	• Annexure-VII: Financing Plan of the proposed project	
4	Whether all stipulated Appendices * as below have been attached:	
	• Appendix 1: Location of the project (map), including Hazard Map	
	• Appendix 2: Summary of findings & recommendations of pre-appraisal/ pre-investment study (if applicable)	
	• Appendix 3: Calculation sheet for financial and economic analysis, Including the summary of assumptions and parameters, and results of sensitivity analysis	
	• Appendix 4: Specification/design of major components	
	• Appendix 5: Environmental Impact Assessment (EIA) Report (If the proposed project is “Red” category project)	
	• Appendix 6: Environment Clearance Certificate	
	• Appendix 7: Copy of relevant pages of Perspective Plan, Five Year Plan, SDGs, Ministry/ Sector Priority	
5	Meeting Minute/ Working Paper of the committee, comprising technical experts and chaired by the head of Agency formulated to examine the DPP, is attached.	
6	In the case of the project with an estimate cost of above Tk. 50 crore	Whether the feasibility study is conducted, endorsed, and attached.
7	In the case of Development Partners’ supported project	7.1 Whether the Preliminary DPP (PDPP) is prepared, endorsed, and attached. 7.2 Whether the loan agreement/ MoU/ Appraisal Report are attached to the DPP.
8	In case of projects of State-Owned/ autonomous institutions	8.1 If funding from the GOB is necessary, whether priority consent of Finance Division is obtained and attached to the DPP. 8.2 If concerned institutions invest their surplus funds in the project, whether No Objection Certificate” from the Finance Division is obtained and attached to the DPP.
9	When the land acquisition is needed	Whether Certificate from the Deputy Commissioner is obtained and attached.
10	When the resettlement is needed.	Whether the Resettlement Action Plan is attached
11	When the Disaster Impact Assessment needed.	Whether the Disaster Impact Assessment Report is attached, including Contingency Plan for Emergency Disaster Management.
12	Sustainability	O&M Plan/ Exit Plan
13	Others	13.1 Whether necessary reports of technical tests (soil test, DIA and others) are attached. 1.2 Technical specification and certification, if any. E.g., No-Objection/ Clearance Certificate form WARPO (for projects related to Water Resources)

* The DPP has two (2) parts with 33/34 items, seven (7) stipulated attachments named “Annexure” and seven (7) supporting attachments (named Appendix in this manual).

2-3 Step 2: Preparation of Appraisal through Sector Appraisal Format (SAF)

This chapter provides detailed operational instructions for “Preparation of Appraisal through the Sector Appraisal Format (SAF)”. The step is the second step of the whole procedure related to PEC preparation, as shown in Figure 21.

In step 2, the sub-steps in the following sequence are completed.

- Sub-step 2.1: The Desk Officer (SD), under the supervision of the senior officials/ Chiefs (SD), examines the quality of the project (DPP), reviews the assessment results, and prepares the appraisal document for PEC by using the template of the Sector Appraisal Format. The appraisal document would be SAF with the MAF as an appendix.
- Sub-step 2.2: The Desk Officer (SD) prepares the Working Paper of the PEC based on the results of SAF, and sets the discussion points of the PEC meeting. The SAF would be an attachment to the Working Paper. ((Annexure RA/५ of Green Book 2022)
- Sub-step 2.3: Joint Chief (SD) and Division Chief (SD) examine the Working Paper of the PEC and SAF.
- Sub-step 2.4: The Division Chief (SD) calls and holds a “review meeting/ pre-PEC meeting” to examine the result of appraisal preparation and proposed discussion points and suggestions before the PEC meeting. The concerned officers (M/D) and (A) can be invited to join the discussion.
- Sub-step 2.5: The Division Chief (SD) submits to the Member (SD) the draft WP for the PEC meeting, including the minutes of the above-mentioned meeting and a suggested date for the PEC meeting to get the consent of the Member (SD) to hold the PEC meeting.
- Sub-step 2.6: The Desk Officer (SD), with the consent of the concerned the Member (SD), issues the notice of the PEC meeting. The DPP, WP of PEC and SAF with MAF will be distributed at least five (5) working days before the PEC meeting.

* A template of the working paper for the PEC meeting is given in Annexure RA of the Green Book 2022.

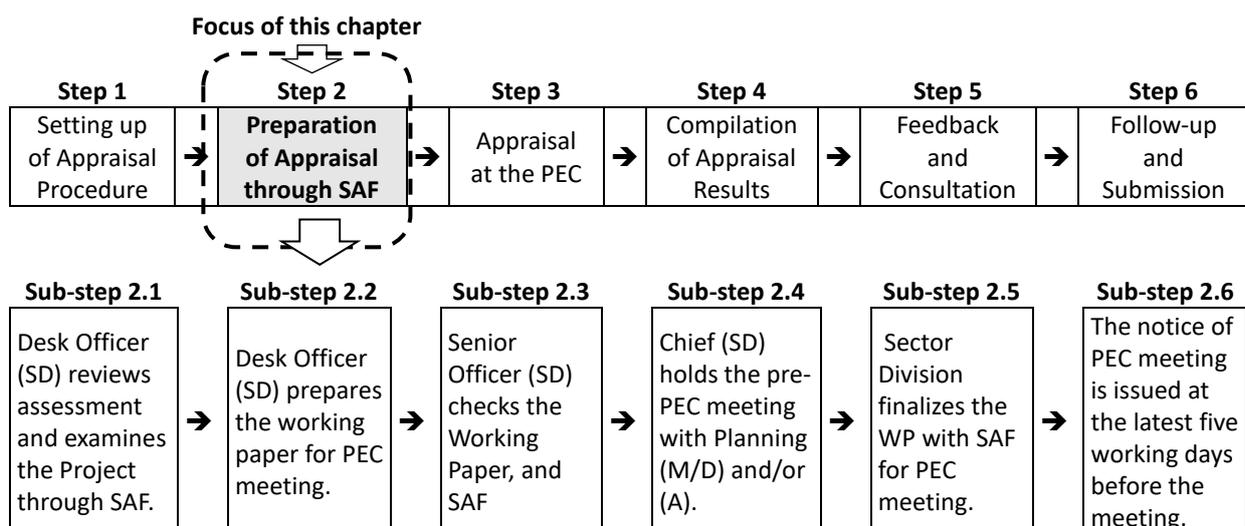


Figure 21 Step 2 “Preparation of Appraisal through SAF”

2-3-1 Appraisal Criteria of the Sector Appraisal Format (SAF)

(1) Purpose of the SAF

The SAF contains a standardized appraisal framework and criteria for the Sector Division of the Planning Commission to study the effectiveness of the proposed project, and whether the project is worth the investment from sector strategy and multi-year investment programme aspects.

(2) Contents of the SAF

The SAF covers all appraisal requirements stipulated in the Green Book, as explained in Part 1 of this Manual. The SAF is composed of the following five (5) parts:

1. **Cover page:** To keep the record of actions for sector appraisal
2. **Readiness check:** to confirm whether the project is ready for sector appraisal
3. **Part I. Basic information:** To check whether the basic information is included in the DPP, including the review of logical framework and Cost Benefit Analysis
4. **Part II. Relevance with the Sector Policy/ Planning and Budgeting:** To check whether the development indicator of the project is consistent with Sector Policy documents, including Sector Strategy Paper (SSP), and whether the project investment and O&M cost are aligned with the government budget plan such as Multi-Year Public Investment Plan (MYPIP). *
5. **Part III. Relevance of manpower:** To review whether the manpower setup is adequate. Relevance is checked in two project stages: 1) project implementation and 2) operation and maintenance after its completion.
6. **Part IV. Relevance of costing:** To review whether the project cost estimation is adequate and whether the facilities and/or service developed by the project is financially sustainable.
7. **Part V. Review of assessment results (evaluation criteria):** to review the value of the project in terms of evaluation criteria

* What Sector Strategy Paper (SSP) and Multi-Year Public Investment Plan (MYPIP) is about is explained in Chapter 3-4.

Table 14 presents the five (5) parts of SAF and their corresponding questions.

The further detailed explanations of each question are given in Part 3 of this Manual.

Table 14 Contents of the Sector Appraisal Format (SAF)

Part	Item	Criteria/ Question
0	Cover page	<ul style="list-style-type: none"> • Project Name • Date of DPP signed by officers responsible for the preparation of DPP • Date of DPP signed by Head of the Agency • Date of endorsement at the Ministry/Division • Date of Submission to the Sector Division, Planning Commission • Date of DPP, the Planning Commission receives • Date of DPP, the Desk Officer receives • Review of Assessment and Sector Appraisal (PEC preparation) Track Record • Date of confirmation of the recast DPP by Desk Officer, using Check Sheet (SCS) • Date of endorsement by the Chairperson, PEC at the Sector Division • Date of Submission to the NEC-ECNEC & Coordination Wing, Planning Division
	Readiness check	<p>A. Sector Division</p> <ol style="list-style-type: none"> 1. Inclusion in the ADP/RADP 2. Project Scrutiny Committee 3. Inter-ministerial meeting <p>B: Confirming Compliance Check</p> <p>B-1: Compliance to the procedure of project formulation at MDA</p> <ol style="list-style-type: none"> 1. Examination by Committee of Agency 2. Feasibility Study 3. Foreign Financing: Grant/Loan [if applicable] 4. Projects of the State-owned/Autonomous Institutions [if applicable] 5. Manpower Fixation Committee <p>B-2: Compliance to the relevant regulations</p> <ol style="list-style-type: none"> 1. Land Acquisition and Rehabilitation/ Resettlement [if applicable] 2. Environmental consideration [if applicable] 3. Disaster and Climate Change Risks [if applicable] <p>B-3: Compliance to the allocation of business and sector specific requirements</p> <ol style="list-style-type: none"> 1. Allocation of Business 2. Sector specific requirements
I	Basic Information of the Project	<ol style="list-style-type: none"> 1. Sponsoring Ministry/Division: 2. Implementing Agency 3. Concerned Division of Planning Commission 4. Duration of the Project 5. Estimated Cost of the Project (in Taka) 6. Project Location 7. Year wise cost A Review of the Logical Frame [Review of MAF] B Review of Cost Benefit Analysis [Review of MAF]
II	Relevance with the Sector Planning and Budgeting	<ol style="list-style-type: none"> 1. The relevance with the sector strategy (planning) 2. The relevance with the budget resources
III	Relevance of manpower	<ol style="list-style-type: none"> 1. Confirmation of the project information related to manpower setting 2. Manpower during project implementation 3. Manpower during operation and maintenance
IV	Relevance of costing	<ol style="list-style-type: none"> 1. Cost estimation for project implementation 2. Vehicles and equipment 3. Price contingency and physical contingency 4. Cost estimation for operation and maintenance
V	Review of assessment results conducted at the	<ol style="list-style-type: none"> 1. Relevance 2. Effectiveness 3. Efficiency

Part	Item	Criteria/ Question
	Ministry/Division	4. Impact 5. Sustainability 6. Risks and Mitigation Measurements

Source: SAF

2-3-2 Contents of the Working Paper for PEC meeting

The Working Paper inscribes the discussion points and proposed solutions/suggestions for the PEC meeting. The members of PEC are expected to discuss the points and suggestions stipulated in the Working Paper. At the conclusion of the PEC meeting, a decision will be made on whether the DPP is sufficient to be sent to the appropriate authority for approval. If not, suggestions about how the Ministry/Division and Agency have to improve the DPP are given.

The Working Paper for the PEC Meeting can be defined as "Notes listing the issues needed to be sorted out and decisions to make for next course of action" and as "Note proposing solutions to the problems/issues for consideration and approval in the meeting including suggestions for improvements."

- 3.1.2 The Project proposal shall be examined in depth in the light of the points mentioned in 3.1.1 and shall be presented to the Project Evaluation Committee (PEC) meeting (Annexure-DHA) by the Sector/Division of the Planning Commission with a Working Paper (Annexure-RRA) which will include their comments and analysis.

The Project Appraiser replaces item 12 of the Working Paper with the results of the Sector Appraisal using SAF, namely the Remarks and suggestions of each part of SAF.

Error! Reference source not found. shows the table of contents of said working paper

Box 6 Contents of Working Paper stipulated in the Green Book 202

Government of the People's Republic of Bangladesh

..... Ministry/Division

Subject: Sample of Working Paper for PEC/DPEC/DSPEC/Project Scrutiny Committee Meeting/s

1. Sponsoring Ministry and Implementing Agency:

(A) Sponsoring Ministry/Division:

(B) Implementing Agency:

2. Implementation period of the Project:

3. Estimated Cost of the Project (In Lac Taka):

Financing	Original	First Revised (Where applicable)	Second Revised (Where applicable)	Total
(A) Total :				
(B) GoB :				
(C) Project Aid:				
(D) Own Fund) :				
(E) Others :				

4. Nature/Type and Source of Funding of the Project:

Sources Type	GoB (Foreign Currency)	Project Aid (RPA)	Own Fund (Foreign Currency)	Other sources (Source/s need to be mentioned)	Source of Project Aid
Loan/Credit					
Grant					
Equity					
Others (Sources need to be mentioned)					
Total					

5. Project Area:

6. Status of the project in the Annual Development Programme and Allocation:

7. Objective of the Project:

8. Main Activities/Outputs of the Project:

9. Component -wise distribution of the Project Cost:

10. Reasons for the revision of the Project (Applicable for Revised Projects):

11. Analysis of the Planning Commission/Ministry:

(A) Analysis of the background, objective/s and purpose of the Project:

- Beneficiaries of the project, developments problems
- Analysis of the beneficial consequences of the project to be achieved as well as the harms/losses if the project is not implemented
- Analysis of whether the objectives of the project are specific, measurable, achievable, relevant and time-bound

(B) Analysis of the relevance/consistency of the project objectives with those of the Five-Year Plan, Perspective Plan as well as the development targets of the United Nations and other International Organizations

(C) Analysis of the following factors if the Project is found to be acceptable in the light of the above analysis:

- Appropriateness of the components and component-wise cost estimates
- Financial and Economic Analysis of the project
- Analysis of the possible impact of the of the project on environment, climate change, employment generation, women and children, poverty alleviation, reduction of regional disparity etc. (with numerical examples/explanations)
- Analysis of the Project Design and Logical Framework, relations between the objectives, purpose, output, input and activities and the indicators to measure them along with their sources and risk analysis
- Analysis of the overlapping of activities under the Programmes of the Revenue Budget and other Projects
- Analysis of the benefits and the sustainability of the facilities after the completion of the project
- Examination /assessment of the appropriateness of duration of the Project
- Examination of the liabilities of the on-going projects along with those of the project under consideration
- Analysis of the impact of the project on the revenue Budget after completion

(D) Analysis of the nature, number, qualification and system /procedure for employment of the proposed manpower for the Project

(E) Analysis of the rationale /justification for the revision (In the case of Revised Projects)

(F) Analysis of other relevant factors/Issues

Source: Green Book 2022

2-3-3 Review meeting or Pre-PEC meeting

At the end of the Pre-PEC meeting, it is expected to conclude whether the proposed project is eligible to be appraised at the PEC meeting. The members mainly discuss the findings and suggestions proposed by Sector Division in the draft Working Paper. Based on the decision among members, the draft Working Paper of the PEC meeting is revised. Planning (M/D) and (A) prepare the responses to the points suggested in the said working paper before the PEC meeting.

The members of the Pre-PEC meeting could be:

- Division Chief (SD);
- Joint Chief (SD) and/or Deputy Chief (SD); and
- Desk officer(s) (SD).

The concerned Officers (M/D) and (A) can be invited as observers in the Review/ Pre-PEC meeting.

The TOR of this Pre-PEC meeting would be as below.

- To prepare the discussion points, and confirm expected questions and answers for the PEC meeting.
- To discuss the results of project appraisal preparation.
- To clarify any point not fully explained in the DPP.

Table 15 shows an example of a Review/Pre-PEC meeting agenda.

Table 15 Sample Agenda of Review/ Pre-PEC Meeting

Items	Responsibility
Opening Remarks	Chief (SD)
Presentation of the project, proposing the discussion points and suggestions	Joint Chief/ Desk Officer(s)(SD)
Response from Ministry/Division and Agency	Planning (M/D) and (A)
Discussions	Participants
Conclusion	Chairperson

2-3-4 Notice of PEC meeting and response

The Green Book stipulates that the Notice of the meeting must be issued at the latest five (5) working days before the PEC meeting. **Along with the Notice, the Working Paper of the PEC meeting, along with the filled SAF and MAF Report, should be shared with the Members of the PEC.** The members of the PEC examine the discussion points and suggestions proposed in the Working Paper of the PEC meeting, along with appraisal results in SAF and prepare their comments on the proposed project before holding the PEC meeting.

If any member of PEC cannot send a representative from the organization, **the member of PEC should send written comments on the proposed project from his/their specific perspectives as per the Allocation of Business, Schedule I of Rule of Business, or letter with No-Objection.**

2-4 Step 3: Appraisal at Project Evaluation Committee (PEC)

This chapter provides instructions for conducting the Project Evaluation Committee (PEC). This appraisal is the third step in the whole procedure related to PEC preparation, as shown in Figure 22.

In the step 3, the sub-steps in the following sequence are completed.

(At PEC Meeting)

- Sub-step 3.1: The Division Chief / Joint Chief (SD) presents the project (DPP) in the PEC meeting along with their findings, observations, and suggestions based on the WP with SAF for the consideration of the PEC.
- Sub-step 3.2: The representative from (M/D) and (A) responds to the points and suggestions.
- Sub-step 3.3: The members of the PEC discuss the overall quality and acceptability of the proposed project in light of the discussion points and suggestions.
- Sub-step 3.4: The members of PEC make a decision whether the project (DPP) is eligible for submission to the appropriate authority* with recommendation for approval, with or without conditions, including the necessity of cost rationalization.

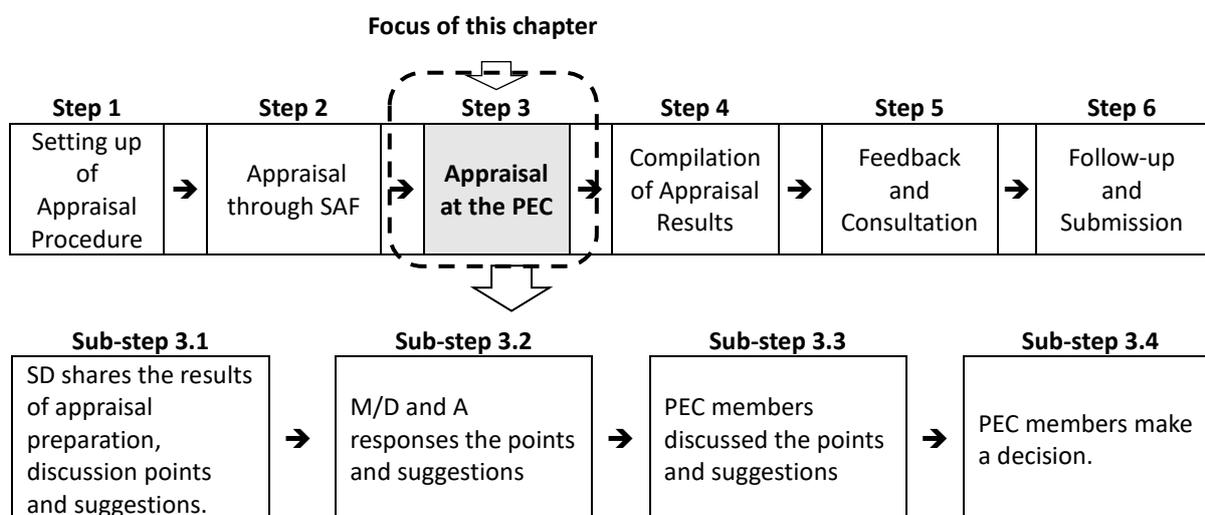


Figure 22 Step 3 “Appraisal at the PEC”

2-4-1 Roles of the Project Evaluation Committee

The Green Book 2022 stipulates the members and their roles in the Project Evaluation Committee (PEC) and Sector Division of the Planning Commission in para 3.1.2 and annexure (DHA). It is also explained in sub-chapters 2-1 of this Manual (page 41)

2-4-2 Procedures at the Meeting

At the end of the meeting, the members of the PEC are expected to reach a conclusion on project appraisal and decide whether the DPP can be recommended to the ECNEC/Minister/State-minister for Planning for approval.

The members discuss the findings and suggestions proposed by Sector Division in the Working Paper. As the chairperson, the Member of the concerned Sector Division manages the meeting, ensuring that issues are discussed point by point. Table 16 shows an example of a PEC meeting agenda.

Table 16 Sample Agenda of PEC Meeting

Items	Responsibility
Opening Remarks	Member (Sector-Division)
Presentation of the project, proposing the discussion points and suggestions	Chief (SD) with the support of Desk Officer(s)(SD)
Response from the Ministry/ Division/ Agency	Chief Planning (Ministry/Division/ Agency)
Discussions	Participants
Conclusion	Chairperson

2-4-3 Use of Working Paper

The proposed suggestions in part 2 of the Working Paper are the basis of discussion. The suggestions made by the Sector Division are offered based on the findings and results of project appraisal through SAF. The proposed suggestions are also shared and discussed with the Ministry/Division and Agency before the PEC meeting, at the Review/ Pre-PEC meeting. The Ministry/Division and Agency are expected to prepare the responses and/or counter-proposals before the PEC meeting. In the meeting, the members of PEC have opportunities to hear from both sides: suggestions from Sector Division and the replies from Ministry/Division and Agency. They will then further discuss, conclude and make a decision whether the conclusions are convincing.

Members of the PEC are expected to make comments/ suggestions based on their position in the Allocation of Business.

2-5 Step 4: Compilation of Appraisal Results

This chapter provides detailed instructions for “Compilation of Appraisal Results”. This is the fourth step of the whole procedure related to PEC Preparation, as shown in Figure 23.

In step 4, the sub-steps in the following sequence will be completed.

(After PEC Meeting)

- Sub-step 4.1: The Desk Officer (SD) prepares the Minutes of the PEC meeting (MM of PEC).
- Sub-step 4.2: The MM of PEC is examined by the Deputy Chief, Joint Chief, Division Chief, and Member in order (4).
- Sub-step 4.3: Member (SD) / the chair of the PEC approves the MM of the PEC.
- Sub-step 4.4: The Desk Officer (SD) circulates the approved and signed MM of the PEC meeting to all members of the PEC, including the Secretary (M/D) and Head (A).

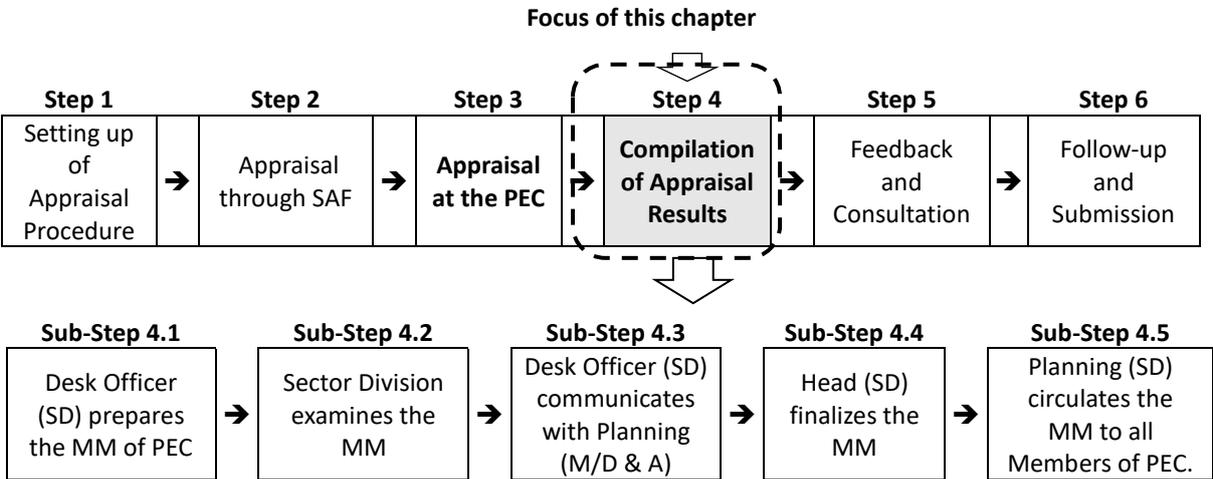


Figure 23 Step 4 “Compilation of Appraisal Results”

2-5-1 Contents of Minutes of Meeting

The Desk Officer (SD) drafts the Minutes of the Meeting from the PEC Meeting Working Paper and actual discussions, conclusions and decisions made in the Meeting.

The MM has two parts:

- **Part 1:** General statement, and
- **Part 2:** Discussions and decisions/recommendations.

Part 1 includes the meeting's basic facts, including venue, date, time and name of the Chairperson.

Part 2 covers the following three topics:

- 1) **Proposed suggestions:** Same contents as in the Working Paper;
- 2) **Summary of discussions: Comments, suggestions/recommendations of the members of PEC,** with indications of names of speakers; and
- 3) **Decisions/Recommendations:** The final consensus agreement among the members of PEC

A proposed comparison table of PEC meeting minutes is shown in Figure 24. **Error! Reference source not found.**

Items	Proposed suggestion	Discussion	Decision
Readiness Check	<div style="border: 1px dashed gray; border-radius: 15px; padding: 10px; background-color: #e0e0e0;"> This part will have the same contents as those of the working paper. </div>		
Review of Logical Framework			
Review of Cost Benefit Analysis			
Relevance to Sector Planning			
Relevance to Sector Budgeting.			
Review of Manpower			
Review of Costing			
Review of Assessment Results (Evaluation Criteria)			
Other issues			

Figure 24 Proposed Comparison Table for PEC Meeting Minutes

2-5-2 Sending the Meeting Minutes, Working Paper and SAF

The MM of the PEC Meeting will be circulated along with the Working Paper attached with the SAF and MAF. The Ministry/Division and Agency receives the conclusions and decisions of the PEC Meeting in the form of MM. The Desk officer (M/D, and A) can also understand the reasons for such decisions made through the SAF results.

2-6 Step 5: Feedback and Consultation

This chapter provides detailed instructions for “Feedback and Consultation”. This is the fifth step of the whole procedure related to PEC preparation, as shown in Figure 25.

In step 5, the sub-steps in the following sequence are completed.

- Sub-step 5.1: Submission of the MM of PEC to the Secretary of Ministry/Division.
 - Sub-step 5.1.1: Secretary (M/D) sends the MM to Chief of Planning (M/D). The Planning Chief (M/D) asks the head of Planning (A) to recast the DPP.
 - Sub-step 5.1.2: Head (A) sends the MM of PEC to Planning (A) to start the recasting of DPP.
- Sub-step 5.2: When the PEC decides to implement the cost rationalization, a cost rationalization committee is formed to do the work. When the cost rationalization is completed, Secretary (M/D) and Head (A) receive the cost rationalization report.
- Sub-step 5.3: The Planning (A) recasts the DPP based on the instructions of the PEC Meeting's decision described in the MM of PEC and the SAF, and cost rationalization report and prepares a compliance table (Format).
- Sub-step 5.4: The Planning (A), with the approval and signature of the Head (A), sends the recast DPP to the Secretary (M/D) with the compliance table.
- Sub-step 5.5: The Desk Officer (M/D) examines the recast DPP compared to the compliance table, makes comments/suggestions, and submits the file for approval of the Secretary (M/D).
- Sub-step 5.6: The Desk Officer (M/D), with the approval of the Secretary (M/D), sends the recast DPP to the Head (SD) with the signature and seal of the Secretary (M/D).

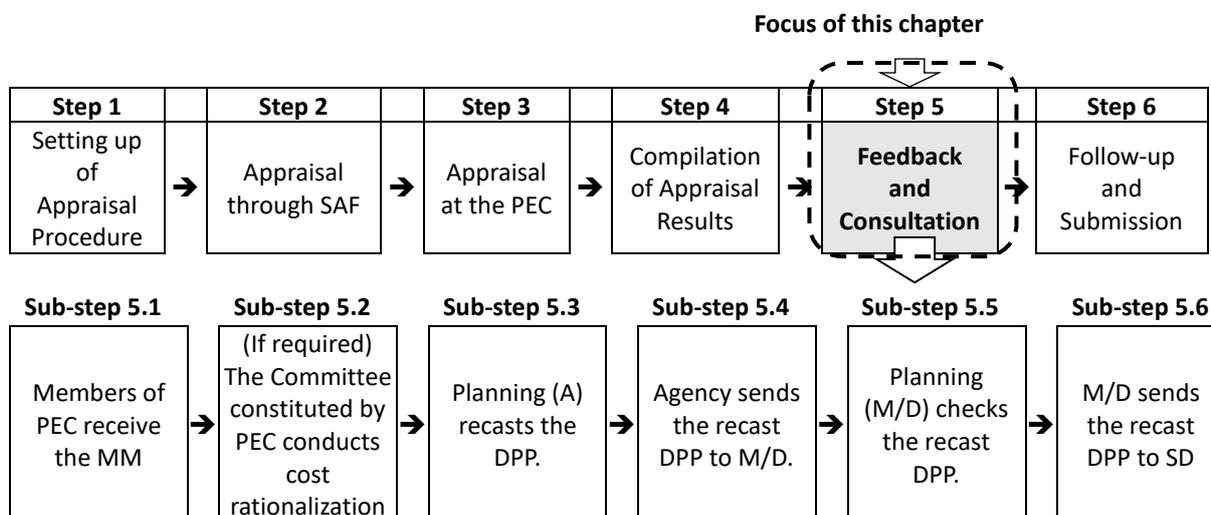


Figure 25 Sub-steps for Step 5 “Feedback and Consultation”

2-6-1 Cost Rationalization

The cost rationalization is conducted when the PEC decides to do so. **The PEC determines the members and TOR.**

- 3.1.10 If recasting of the DPP becomes necessary as per the decision of the PEC meeting, the sponsoring Ministry/ Division shall within 20 (twenty) working days of receipt of the minutes of the meeting send the recast DPP to the Planning Commission. In special cases cost rationalization of the proposed project may be done by the Cost Rationalization Committee constituted by the PEC. The Committee shall do that within 15 (fifteen) working days of receiving such decision /minutes of the PEC meeting and shall inform the sponsoring Ministry/Division including the Planning Commission. The concerned /sponsoring Ministry/Division shall, within 20 (twenty) working days of receipt of the rationalized cost estimates prepare the recast DPP reflecting the rationalized cost estimates and send it to the Planning Commission. Recast DPP may be sent to the Planning Commission within 35 (thirty-five forty) working days of receipt of the PEC decision/meeting minutes or cost rationalization exercise but the reasons for the delay must have to be explained.

2-6-2 Recasting the DPP by Agency

The officer(s) in the Planning (A) recasts the DPP based on PEC's decision, described in the MM. The officer also takes into account the suggestions **for cost rationalization**. It is also recommendable for the officers (s) in the Planning (A) to read the SAF to understand the background of the decisions at the PEC meeting.

The comparison table between the PEC decisions and suggestions on cost rationalization, and Agency's reactions is prepared and sent to the Ministry/Division with the recast DPP. The comparison table illustrates how the Agency incorporates the PEC decisions, and cost rationalization suggestions into the recast DPP. To specify the Agency's reactions to the PEC decision, each cell in the comparison table should include the item number and the page number. An idea of the template of comparison is shown in Figure 26.

When the Agency cannot fully incorporate the suggestions, the Agency should explain the reasons along with a proposal of alternative actions.

Items	Decisions of PEC meeting, and suggestions from cost rationalization	Reply from Agency after recast DPP
Readiness Check	<div style="border: 1px dashed gray; border-radius: 15px; padding: 10px; width: fit-content; margin: auto;"> <p>This part will have the same contents of the Meeting minutes.</p> </div>	
Review of Logical Framework		
Review of Cost Benefit Analysis		
Relevance to Sector Planning		
Relevance to Sector Budgeting.		
Review of Manpower		
Review of Costing		
Review of Assessment Results (Evaluation Criteria)		
Suggestions by the Cost Rationalization Committee		<div style="border: 1px dashed gray; border-radius: 15px; padding: 5px; width: fit-content; margin: auto;"> <p>This part will have the same contents of the decision of the cost rationalization committee.</p> </div>

Figure 26 Proposed Comparison Table for Reply from Agency after recasting the DPP

2-6-3 Examine the recast DPP by Ministry/Division

The Planning (M/D) examines the recast DPP after receiving it from the Agency before submitting it to Sector Division. The Desk Officer (M/D) checks the following two aspects:

- Whether the Agency made responses to all suggestions in the comparison table. The Agency is expected to record the item of the DPP and pages where the Agency recast.
- Whether each response correctly addresses the suggestions with logical reasons.

After confirming that the response from the Agency is appropriate, the Ministry/Division countersigns in the comparison table prepared by the Agency, to ensure that they have confirmed the changes/improvements.

2-7 Step 6: Follow-up and Submission

This chapter provides detailed instructions for “Follow up and Submission”. This is the sixth and final step of the whole procedure related to PEC preparation, as shown in Figure 27.

In step 6, the sub-steps in the following sequence are completed. Among them, the next sub-chapters explain the detailed actions for the underscored sub-steps (Figure 27Error! Reference source not found.).

- Sub-step 6.1: The Head (SD) receives the DPP. The file is sent to the Desk Officer (SD) through a proper administrative process.
- Sub-step 6.2: The Desk Officer (SD) examines the recast DPP using a Check Sheet of SAF, considering the compliance report, MM of PEC, and SAF (original).
- Sub-step 6.3: If necessary, the Division Chief (SD) holds an internal meeting to review the recast DPP and the Check Sheet.
- Sub-step 6.4: The Head (SD) examines the recast DPP and the Check Sheet and makes a decision to submit the recast DPP to the appropriate authority.
 - When the Head (S/D) decides to hold another session of a PEC Meeting to discuss some unsolved issues, steps 2 to 5 will continue until the quality of DPP becomes good enough to recommend for approval. In this case, the Desk Officer (SD) recasts the SAF based on recast DPP.
- Sub-step 6.5: The Desk Officer (SD) prepares a summary for the ECNEC/ Minister for Planning under the signature of the Member recommending approval of the DPP.
- Sub-step 6.6: The Desk Officer (SD) will submit the DPP, Sector Appraisal Report along with the Mistry Assessment Report and the Summary for the Minister/ ECNEC directly to the Minister/State-minister or to the NEC-ECNEC and Coordination Wing of the Planning Division, with the approval of Member (SD).

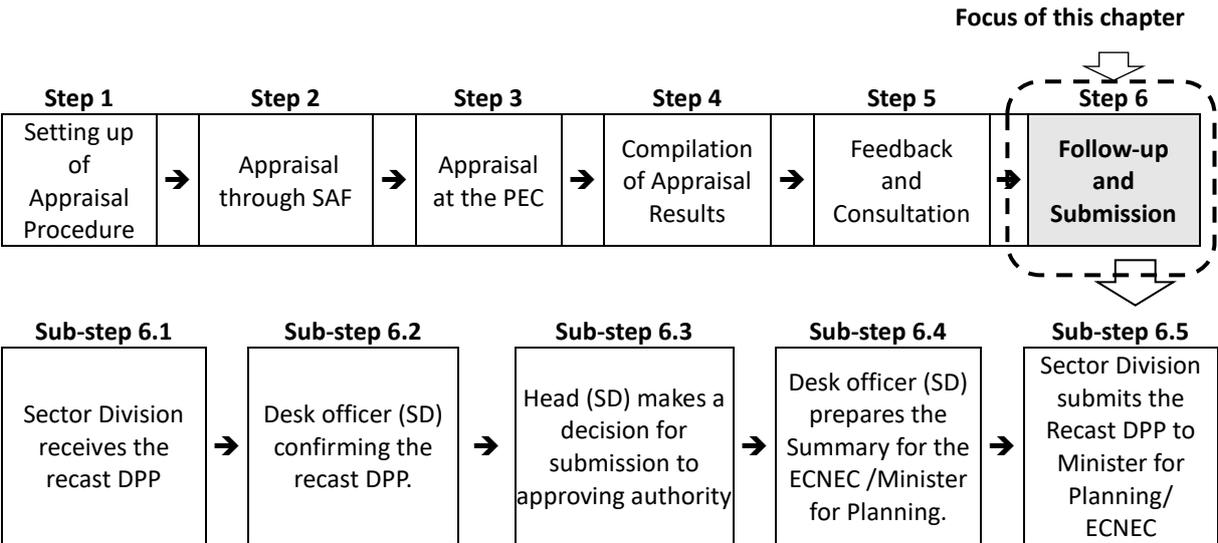


Figure 27 Step 6 “Submission to the ECNEC”

NOTE: Steps 2 to 5 of the project appraisal procedure will be repeated if the results of SAF

(recast) need further discussions and recast and the *PEC* decides to do so.

2-7-1 Confirming the recast DPP

The Planning (SD) confirms whether the DPP was recast appropriately based on the decisions at the PEC meeting by using the Check Sheet.

Suppose the Head (SD) decides to hold another session of the PEC Meeting to discuss some unresolved issues. In that case, the Planning (SD) appraises the recast DPP by recasting Sector Appraisal results in line with the revised contents of the recast DPP.

Part 3 of this manual explains how to fill the Check Sheet.

2-7-2 Finalization of project appraisal

The Head (SD), as the Chairperson of the PEC, makes the final decision on the project appraisal/ SAF to complete the Sector Division project appraisal process. The completion of project appraisal through SAF with MAF guarantees the quality of the project/DPP.

2-7-3 Sending the recast DPP

The recast DPP and summary of the ECNEC meeting will be sent to the Sector Division of Planning Commission from the sponsoring Ministry/Division to place at the ECNEC with the Appraisal Report.

The Appraisal Report includes the following documents/ papers:

- Check Sheet of SAF
- Compliance Report /Table of PEC decisions /recommendations
- Minutes of the PEC meeting and
- Working Paper of PEC meeting
- Filled SAF

The template of the summary for the ECNEC meeting is given in the Green Book as Annexure – JA.

Part 3

How to complete the Sector Appraisal Format (SAF)

3 Instructions: How to complete the Sector Appraisal Format (SAF)

The SAF has the following components. This chapter gives detailed explanations on how to complete each component.

1. **Cover page:** To keep the record of actions for project appraisal in Sector Division
2. **Readiness Check:** to check whether the project has been formulated in accordance with the relevant rules and regulations.
3. **Part I. Basic information:** To check whether the basic information is included in the DPP and review the contents of logical framework and Cost Benefit Analysis.
4. **Part II. Relevance to the Sector Planning and Budgeting:** To appraise the relevance of the proposed project to the sector strategy/ plan and financial resources from the Sector's viewpoints.
5. **Part III. Relevance to Manpower:** To review the manpower setup from third-party points of view.
6. **Part IV. Relevance to Costing:** To review the cost estimation from third-party points of view.
7. **Part V. Review of Assessment Results (Evaluation Criteria):** To review the value of project considering evaluation criteria from third-party points of view.
8. **Check Sheet:** to confirm whether the DPP is recast based on recommendations of the PEC meeting.

It is important to note that the Sector Division does not confirm the quality of the Ministry's Assessment or providing the comments on the MAF, but review the result of the Ministry's Assessment by examining the DPP, and provide the comment on the DPP.

3-1 Cover Page

The main objective of Cover Page is to give instructions on how to use the format and keep a record of actions in Sector Appraisal.

Instruction

Reference: SAF
Instructions
[After receiving the DPP] Desk Officer prepares Working Paper for Project Evaluation Committee (PEC) based on the information of this format that needs to be completed by the concerned Sector Divisions of the Planning Commission when the DPP is received from the Ministry/Division. The following points are appraised through this format: The Working Paper and the filled MAF will be placed to the Committee meeting. Readiness Check [Part I] Basic Information of the Project (including Review of Logical Framework, and Cost Benefit Analysis) [Part II] Relevance to the Sector Planning and Budgeting [Part III] Relevance to Manpower during Project Implementation and Operation [Part IV] Relevance to Costing [Part V] Review of Assessment Results Conducted by the Ministry/Division (Review of Evaluation Criteria)
[After receiving the recast DPP] 1. If it is necessary to hold PEC Meeting for appraising the recast DPP, Desk officer will examine the recast DPP using SAF. 2. If it is not necessary to hold PEC meeting for appraising the recast DPP, by using Check Sheet, Desk officer will confirm if all decisions of last PEC Meeting based on the relevant comments in SAF are reflected into the recast DPP.
[When sending the DPP to the approval authority] - [Investment Project with estimated cost of above Tk. 50 (fifty) crore] Working Paper/ Presentation Paper for PEC meeting, based on SAF, will be sent to the NEC-ECNEC & Coordination wing of Planning Division, as an attachment to the section 'recommendation and date of PEC meeting' in the 'Summary for consideration to ECNEC meeting (Annexure JA, Page 225-226, Green Book 2022)' along with the DPP. - [Investment Project with estimated cost of below or equal to Tk. 50 (fifty) crore] Working Paper/Presentation Paper for PEC meeting, based on SAF, will be sent to the office of Hon'ble Minister/State-Minister for Planning, as an attachment to the section 'recommendation and date of PEC meeting' in the 'Summary to the Hon'ble Minister/State-Minister for Planning for approval of the Project' (Annexure RA, Page 227-228, Green Book 2022)' along with the minutes of PEC meeting.
- NOTE: This format outlines the criteria for assessment of new Development Project Proposals (DPPs) based on Planning Division Circular for Instructions on Development Project Formulation, Processing, Approval and Revision (Memo no: 20.00.0000.404.014.61.2020(Part- 1)/133, Date: June 12 2022) (Hereinafter, named "Green Book 2022") * Green Book paragraphs/examination aspects used in this format are unofficially translated.

This instruction explains when and how to use the Sector Appraisal Format (SAF). For the Procedure of Project Appraisal in Sector Division, Planning Commission, in detail, see Part 2 of this manual.

When and how

- Use SAF when checking the readiness for sector appraisal
 - by completing Part "readiness check".
- Use SAF when reviewing the submitted DPP and attached documents, appraising the project from a Sector Development perspective, and preparing the working paper for the Project Evaluation Committee
 - by completing Part I to Part V.
- Use SAF when confirming if all decisions of the last Project Evaluation Committee Meeting based on the relevant comments in SAF are reflected in the recast DPP
 - by completing the Check Sheet

If the PEC Meeting needs to be held again, use the SAF again/ recast the SAF to examine the recast DPP.

Project Name

The project name should be the same as what is indicated in the DPP. During the project formulation period, a project proposal can only be identified through its project name, since, in the current system, the project ID code is only obtained after the project is approved.

Date of actions before Project Appraisal, Sector Division

Reference: SAF	
Date of signature of DPP by Agency official(s) responsible for DPP preparation:	_____
Date of signature of DPP by Head of Agency:	_____
Date of endorsement at the Ministry/ Division	_____
Date of submission to the Sector Division, Planning Commission:	_____
Date of receipt at the Planning Commission:	_____
Date of receipt of DPP by the Desk Officer:	_____

Date of DPP signed by the officers (s) responsible for the preparation of DPP, and head of the Agency

The signing date of the officer(s) responsible for the preparation of DPP can be obtained from the last page of Part A: Project Summary of DPP. The signature of the Head of the Implementing Agency can be found on the last page of Part B: Project Details, which indicates the endorsement of the DPP by the appropriate authority.

The Head of Agency is expected to sign the DPP to make the officer accountable for future references and correspondence.

Date of endorsement at the Ministry/Division

The date can be obtained from the last page of part B: project detail of DPP. As the chairman of the Project Scrutiny Committee (PSC), the head of sponsoring Ministry/Division is expected to sign the DPP.

* This Manual name the Committee to assess the project as the Project **Assessment** Committee (PAC), although the Green Book calls the same committee as the Project **Scrutiny** Committee (PSC). This is because of avoiding confusion in connection with the abbreviation of Project Scrutiny Committee: "PSC, as, in general, the abbreviation of PSC stands for Project **Steering** Committee.

Date of submission of DPP to the Sector Division, Planning Commission

The date can be obtained from the forwarding letter from the sponsoring Ministry/Division to the concerned Sector Division of the Planning Commission.

Date of receipt of DPP by the Sector Division of Planning Commission, and by the Desk Officer of Sector Division of Planning Commission

The date can be obtained from the register book of the Members office at the concerned Sector Division of the Planning Commission.

Date of actions during Project Appraisal, Sector Division

Reference: SAF

Review of Assessment Results and Sector Appraisal (Preparation for PEC) Track Record

Date	Activity conducted	Follow-up requirements
	Started Project Appraisal.	
	Prepared working paper of Project Evaluation Committee	
	Held Project Evaluation Committee Meeting	
	Issued Minutes of Project Evaluation Committee Meeting	
	Received the comments related to Cost Rationalization, if applicable	
	Received recast DPP from Ministry/ Division at Sector Division	
	Received recast DPP from Ministry/ Division by Desk officer	

Track Record

Each action within the sector appraisal procedure will be recorded to make the process accountable and transparent. The record is important to show the progress in following the stipulated process and in cases of countermeasures against unexpected issues. The track record has three parts to be filled in:

- Date: Write the date of the activity conducted
- Activity conducted: Describe what kind of activities were conducted
- Follow-up requirements: Make suggestions for the following actions

In the format, a standardized process is mentioned shown as below. However, ***it is flexible and modifiable to adjust the practical process.***

- Start Project Appraisal
- Prepared a working paper for the Project Evaluation Committee
- Held Project Evaluation Committee Meeting
- Issued Minutes of Project Evaluation Committee Meeting
- Received the comments related to Cost Rationalization, if applicable
- Received recast DPP from Ministry/ Division at Sector Division
- Received recast DPP from Ministry/ Division by Desk officer

[Tips]

The minimum requirement of the track record is to indicate the dates and contents of each activity. When further discussions and activities will be conducted, those should also be included in chronological order.

Date of finalizing the Project Appraisal, Sector Division

Reference: SAF
Date of confirmation of the recast DPP by Desk Officer, using Simplified Check Sheet (SCS) _____
Date of endorsement by the Chairperson, PEC at Sector Division: _____
Date of Submission to the NEC-ECNEC & Coordination Wing, Planning Division _____

Date of Conformation

Indicate the date which the Desk officer will confirm, by using the Check Sheet, whether all decisions of the last Project Evaluation Committee Meeting based on the relevant comments in SAF are reflected in the recast DPP.

Date of Endorsement

Indicate the date of signing by the Chairperson of the Project Evaluation Committee (PEC) at the designated place of the DPP. The signing date by the Member of the Sector Division describes the date of the DPP document (along with the project assessment results) is cleared /being cleared at the Sector Division level.

The date can be taken from the Summary for the ECNEC signed by the concerned Member of the Sector Division.

Date of Submission

The Date will be the official date of submission; therefore, it may be taken from the cover letter to submit the DPP from the Sector Division to NEC- ECNEC& Coordination Wing of Planning Division.

3-2 Readiness Check

There are two blocks of readiness check, A: Sector Division and B: Confirming Compliance Check.

In A: Sector Division, confirm whether the DPP is assessed by the Ministry/Division by following procedure.

- A-1: Inclusion in the ADP/RADP
- A-2: Project Scrutiny Committee
- A-3: Inter-ministerial meeting

In B: Confirming Compliance Check, confirm whether DPP is formulated in compliance with the following procedures of project formulation, appraisal, and approval specified in the Green Book 2022.

- B-1: Compliance with the procedure of project formulation at the Ministry/Division and Agency
 - B-1.1: Examination by Committee of Agency
 - B-1.2: Feasibility Study
 - B-1.3: Foreign Financing
 - B-1.4: Project of State-owned/ Autonomous Institutions
 - B-1.5: Manpower Fixation Committee
- B-2: Compliance with the relevant regulations related to land acquisition, rehabilitation/ resettlement, environmental impact, and disaster and climate change risks.
 - B-2.1: Land Acquisition and Rehabilitation/ Resettlement
 - B-2.2: Environmental consideration
 - B-2.3: Disaster and Climate change risks
- B-3: Compliance with the allocation of business and sector-specific requirements
 - B-3.1: Allocation of Business
 - B-3.2: Sector Specific Requirements

A-1: Inclusion in the ADP

Reference: SAF

1. Inclusion in the ADP/RADP

A. Relevant paragraphs in Green Book 2022	
- 21.5: The Inter-ministerial Programming Committee constituted under the chairmanship of the Member, Programming Division of Planning Commission (ANNEXURE-MA) will scrutinize the new projects received from the different Ministries/ Divisions and fix their priority with recommendation for inclusion in the ADP/RADP. The unapproved new projects included in the ADP/RADP without allocation will be processed for approval. However, for processing the approval of any new unapproved projects not included in the ADP/RADP (in special cases) it will be necessary to obtain the recommendation of the Special Meeting of the Inter-ministerial Programming Committee and prior approval of the Hon'ble Minister/State-Minister for Planning.	
B. Reference	
- List of Unapproved New Projects (Green Page) in the latest ADP/RADP	
a) Is the proposed project included in the list of unapproved new projects of the current ADP/RADP? (Tick the box)	
<input type="checkbox"/> Yes (→ go to c)	<input type="checkbox"/> No (→ go to b-1)
b-1) Is the project recommended by the special meeting of inter-ministerial programming committee and approved by the Minister/State Minister? (Tick the box)	
<input type="checkbox"/> Yes (→ go to b-2)	<input type="checkbox"/> No (→ Obtain the Minister / State Minister of Planning's approval)
b-2) If the answer to b-1) is "YES", is the approval letter attached to the DPP?	
<input type="checkbox"/> Yes (→ go to c) (Write date and number.)	<input type="checkbox"/> No (→ attach the approval letter)
Date of approval:	Appendix:
c) Remarks and suggestions	

Paragraph 21.5 of the Green Book 2022 stipulates the process of recommendation for inclusion in the ADP/RADP, before project appraisal at Sector Division, Planning Commission.

a) Inclusion of proposed project in the list of unapproved new projects (green page)

- Check that the proposed project is included in the list of unapproved new projects of the latest ADP/RADP by looking at the green page of the latest ADP or RADP.
- Select one of two options.
 - Yes: The proposed project is listed on the green.
 - No: The proposed project is not listed on the green page.
- If the answer is "Yes", go to c).
- If the answer is "No", go to b-1)

b-1) Prior approval of the Hon'ble Minister/State-Minister for Planning

- Check that the project is recommended by the special meeting of the inter-ministerial programming committee and approved by the Minister/State-Minister, by looking at the "approval letter" as an appendix to the DPP.
- Select one of two options.
 - Yes: The prior approval is obtained.
 - No: The prior approval is not obtained.
- If the answer is "Yes", go to question b-2).
- If the answer is "No", skip the questions b-2). Request the Ministry/Division to obtain the prior approval from the authority.

b-2) Record

- Write the date of approval by looking at the "approval letter" as an appendix to the DPP.
- Write the serial number of the appendices "approval letter".

c) Remarks and suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

A-2: Project Scrutiny Committee

Reference: SAF

2. Project Scrutiny Committee

A. Relevant paragraphs in Green Book 2022	
- 1.9 The instructions issued by NEC-ECNEC & Coordination Wing of the Planning Division (Annexure EE) regarding use of the Public Investment Management (PIM) tools prepared/developed by the Programming Division of the Planning Commission will have to be followed for making public investment management stronger and more result oriented.	
- 2.3 The Planning Wing /Branch of the sponsoring Ministry /Division shall examine the DPP in the context of the above points and arrange the meeting of the Project Scrutiny Committee (PSC) under the chairmanship of the Sr. Secretary/Secretary of the Ministry/ Division (Annexure- DA/সংযোজনী- দ/সংযোজনী- ড). If the project is found to be acceptable in consideration of the points mentioned above, the project Implementing Agency will revise/recast the DPP, if necessary, as per the recommendations of the PSC meeting. The minutes of the PSC meeting (along with a checklist) will have to be attached with the DPP.	
- 2.4 Within 10 (ten) working days of the receipt of the recast DPP (recast as per decision of the PSC meeting) from the Agency, the sponsoring Ministry/Division will send 20 (twenty) copies of the DPP to the concerned Sector/Division of the Planning Commission.	
- 3.1.3 At the time of processing a project in the Planning Commission, the recommendations of the Feasibility conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO (for projects related to water resources), Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase (for the phased projects) and the comments/ recommendations of Survey and Evaluation (as applicable) will have to be considered.	
B. Referred items/ attachments in DPP	
- Appendix: Results of incorporation on the decision of Project Scrutiny Committee into recast DPP	
- Appendix: Minutes of the meeting of Project Scrutiny Committee	
- Appendix: Working Paper for Project Scrutiny Committee	
- Appendix: Filled-up Ministry Assessment Format/ Ministry Assessment Report and Simplified Check Sheet	
a) Was the Project Scrutiny Committee meeting held?	
<input type="checkbox"/> Yes (→ go to b) (Write date of meeting)	<input type="checkbox"/> No (→ send back the DPP to Sponsoring Ministry/Division, go to c)
Date: _____	
b) Is the Minutes of the meeting with Working Paper and filled-up MAF attached to the DPP?	
<input type="checkbox"/> Yes (→ go to c) (Write Appendix No.)	<input type="checkbox"/> No (→ Attach the minutes of the meeting, working paper and filled-up MAF)
Appendix No. (): Minutes of the meeting	Appendix No. (): Working paper of Project Scrutiny Committee
Appendix No. (): Filled-up MAF	Appendix No. (): Results of incorporation
c) Remarks and suggestions	

Paragraphs 1.9, 2.3, 2.4, and 3.1.2 of the Green Book 2022 stipulated the necessity to obtain the recommendation of the Project Scrutiny Committee of Sponsoring Ministry/Division, before Sector Appraisal.

a) Holding the Project Scrutiny Committee

- Check that the proposed project is assessed by the Project Scrutiny Committee by looking at the “Minutes of Project Scrutiny Committee Meeting”.
- Select one of two options.
 - Yes: The proposed project was examined by the Project Scrutiny Committee.
 - No: The proposed project was not examined by the Project Scrutiny Committee.
- If the answer is “Yes”, go to c).
- If the answer is “No”, go to b-1).

b-1) Meeting Minutes, Working Paper, and filled MAF

- Check that the Minutes of the meeting with the Working Paper and filled-up MAF are attached to the DPP.
- Select one of two options:
 - Yes: They are attached
 - No: They are not attached
- If the answer is “Yes”, go to question b.
- If the answer is “No”, skip the questions b and Request the Ministry/Division to attach them.

b-2) Record

- Write the serial number of appendices.

c) Remarks and suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

A-3: Inter-ministerial meeting

Reference: SAF

3. Inter-ministerial meeting

A. Relevant paragraphs in Green Book 2022	
-3.1.1 (1) For projects having links with more than one Sector /Ministry/Division and for projects which are nationally important and big, coordination should be established among different Sectors of the Planning Commission. For considering such projects an inter-ministerial meeting at the initiative of the concerned lead Sector of the Planning Commission with all other concerned Sectors of the Planning Commission and the concerned Ministry/Division shall have to be organized before the PEC meeting. If necessary, the Hon'ble Minister/State-minister for Planning can discuss such Projects with the Members of the concerned Sector-Division of the Planning Commission.	
B. Referred items/ attachments in DPP	
- 2.1 Sponsoring Ministry/Division, 2.2 Implementing Agency, 2.3 Concerned Division of Planning Commission	
- 3. Objectives and Targets (of Beneficiaries)	
- 28.2 Alignment with the Allocation of Business of the Sponsoring Ministry/ Division	
- Appendix: Minutes of the meeting of inter-ministerial meeting	
- Appendix: Working Paper for Inter-ministerial meeting	
- [If applicable] Feasibility Study, Section 8: Institutional and Legal Analysis	
a) Are the objectives and targets of the project linked with more than one Sector?	
<input type="checkbox"/> Yes (→ go to b-1)	<input type="checkbox"/> No (→ go to c)
b-1) Was the inter-ministerial meeting held before organizing the PEC meeting?	
<input type="checkbox"/> Yes (→ go to b-2)	<input type="checkbox"/> No (→ hold the inter-ministerial meeting)
b-2) If the answer to b-1 is "YES", are the Minutes of the meeting with Working Paper attached to the DPP?	
<input type="checkbox"/> Yes (→ go to c) (Write Appendix No.)	<input type="checkbox"/> No (→ attach the minutes of the meeting and working paper)
Appendix No. (Minutes of the meeting):	Appendix No. (Working Paper):
c) Remarks and suggestions	

Paragraph 3.1.1 (1) of the Green Book 2022 stipulates the process of appraisal and approval for projects having links with more than one Sector /Ministry/Division, and for projects which are nationally important and big, coordination should be established among different Sectors of the Planning Commission.

a) The objectives and targets of the projects

- Check that the objectives and targets of the project are linked with more than one sector by looking into the DPP items 2, 3, and 28.2.
- Select one of two options.
 - Yes: The proposed project is linked with more than one sector.
 - No: The proposed project is not linked with more than one sector.
- If the answer is "Yes", go to b-1.
- If the answer is "No", go to c

b-1) Inter-ministerial meeting

- Check that the project is examined by the inter-ministerial meeting by looking at "Minutes of Meeting" and "Working Paper" of the inter-ministerial meeting.
 - Yes: The inter-ministerial meeting was held.
 - No: The inter-ministerial meeting was not held.
- If the answer is "Yes", go to question b-2.
- If the answer is "No", skip the questions b-2. Request organizing the Inter-ministerial meeting.

b-2) Record

- Write the serial number of the appendices "Minutes of Meeting" and "Working Paper".

c) Remarks and suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

B-1: Compliance with the procedure of project formulation at the Ministry/Division and Agency

Reference: SAF

B-1.1, B-1.2, B-1.3, B-1.4, and B-1.5 are configured as shown in the figure below.

2. Feasibility Study

A. Relevant paragraphs in Green Book 2022
- 1.1.2: Before taking up any Investment Project with estimated cost of above Tk. 50 (fifty) crore, Feasibility Study must be conducted by an experienced organization in the concerned field and Feasibility Study Report has to be prepared in the prescribed format (Annexure – KA/KHA). Recommendations and important parts (Executive Summary, Cost estimates, design/conceptual design etc.) of the Report will have to be attached with the Project Proposal (DPP). Feasibility Study will have to be conducted also for projects with estimated cost of up to Tk. 50 (fifty) crore in consideration of the importance and nature of a project.
- 3.1.3 At the time of processing a project in the Planning Commission , the recommendations of the Feasibility conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO (for projects related to water resources) , Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase (for the phased projects) and the comments/ recommendations of Survey and Evaluation (as applicable) will have to be considered.
B. Referred items/ attachments in DPP
- 17: Whether any feasibility study was conducted before formulating of this project?
- Appendix: Summary of findings and recommendations
- Appendix: MAF Compliance Check A-2

Results of MAF [The information for this box will come from the Simplified Check Sheet (SCS) of MAF or the recast MAF]	
a) Is the cost of proposed projects more than TK. 50 crore? (Tick the box)	
<input type="checkbox"/> Yes (→go to b)	<input type="checkbox"/> No (→go to c)
b-1) Whether feasibility study was conducted? (Tick the box)	
<input type="checkbox"/> Yes (→go to b-2)	<input type="checkbox"/> No (→The DPP should be sent back to the Agency)
b-2) Date of receipt of the feasibility study by the implementing agency	
Date (DD/MM/YYYY):	Appendix of DPP:
c) Remarks and suggestions	

a) Is the project formulated in compliance with the instructions in relevant paragraphs of Green Book?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

- B-1.1: Examination by Committee of Agency**
- B-1.2: Feasibility Study**
- B-1.3: Foreign Financing**
- B-1.4: Project of State-owned/ Autonomous Institutions**
- B-1.5: Manpower Fixation Committee**

a) Confirmation

- Confirm that the project is formulated and assessed in compliance with the procedures of project formulation, appraisal, and approval specified in the Green Book 2022, which is listed in the box above, by looking at the compliance check of MAF or Check Sheet of MAF.
- Select one of two options.
 - Yes: The project is formulated and assessed in compliance with the stipulated procedure.
 - No: The project is not formulated and assessed in compliance with the stipulated procedure.

b) Remarks and Suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book.

For further explanation on each stipulated procedure, see the Compliance Check of MAF and Check Sheet of MAF in the “Manual for Project Assessment Ministry/ Division.

B-2: Compliance with the relevant regulations related to land acquisition, rehabilitation/ resettlement, environmental impact, and disaster and climate change risks.

B-2.1: Land Acquisition and Rehabilitation/ Resettlement

Reference: SAF

1. Land Acquisition and Rehabilitation/ Resettlement [if applicable]

A. Relevant paragraphs in Green Book 2022

- 1.4 Generally, acquisition of land will have to be avoided for Development Projects. For projects requiring acquisition of land, information about quantity of the land to be acquisitioned, availability of land and prevailing market price along with the Certificate from the concerned Deputy Commissioner in this regard will have to be obtained and attached with the DPP. For ascertaining the previous condition /situation of the proposed land, it will be necessary to collect and preserve the photograph and/ video of the land before preparing the proposal.

- Are the number of Project Affected Persons (PAP) adequate, underestimated or overestimated?
 - Are the impacts of the land acquisition to the PAP adequate, underestimated or overestimated?
 - Is the cost related to land acquisition, rehabilitation and resettlement adequate, underestimated or overestimated?

Referred items/ attachments in DPP

- 9. Estimated Cost Summary: Economic Code 4141101
 - 30./31. (If foreign financing is involved) Compensation, Rehabilitation/ Resettlement
 - Appendix: Land Acquisition Management Plan
 - Appendix: Resettlement Action Plan
 - Appendix: Certificate from Deputy Commissioner
 - Appendix: MAF Compliance B-1 & B-2
 - Appendix: MAF Part III Land Acquisition and Involvement of Compensation, Rehabilitation/ Resettlement
 - [If applicable] Feasibility Study, Section 4: Technical/ Technological & Engineering analysis, (a) Location; (d) Cost Estimation
 - [If applicable] Feasibility Study, Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis, 5.1 Environmental, Climate Change and Disaster Risk Analysis, (f) resettlement

Note: Relevant rules and regulations

- Acquisition and Requisition of Immovable Property Act, 2017
 - Immovable Property Acquisition Manual, 1997
 - Chittagong Hill Tracts (Land Acquisition) Regulation (Amendment) Act 2019

a) Is the project formulated in compliance with rules and regulations above?

Yes No (Amendment is necessary)

b) Is the project designed adequately in terms of "Land Acquisition and Rehabilitation/ Resettlement", considering the questions above?

Yes No (Amendment is necessary)

c) Remarks and suggestions

Note: When considering Part V of SAF: Review of Assessment Results (Evaluation Criteria), particularly impact as an evaluation criterion, compliance with this issue can be verified.

a) Confirmation 1

- Confirm that the project is formulated in compliance with relevant rules and regulations by looking at the compliance check of MAF, part III of MA, and the Check Sheet of MAF.
- Select one of two options.
 - Yes: The project is formulated in compliance with relevant rules and regulations.
 - No: The project is not formulated in compliance with relevant rules and regulations.

b) Confirmation 2 (Review of Project design)

- Confirm that the project is designed adequately in considering the following questions.
 - Are the number of Project Affected Persons (PAP) adequate, underestimated, or overestimated?
 - Are the impacts of the land acquisition on the PAP adequate, underestimated, or overestimated?
 - Is the cost related to land acquisition, rehabilitation, and resettlement adequate, underestimated or overestimated?
- Select one of two options.
 - Yes: The project is designed adequately.
 - No: The project is not designed adequately.

c) Remarks and suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book.

B-2.2: Environmental consideration

Reference: SAF

2. Environmental consideration [if applicable]

<p>A. Relevant paragraphs in Green Book 2022</p> <ul style="list-style-type: none"> - 1.1.8 Appropriateness of preparing the cost estimates of the project: 1.1.8.2 (d) Identification of possible risks during project implementation (economic, technical, environmental, impact of climate change and disaster etc.) and mitigation measures thereof; - 1.1.11: Analysis of the impact of the project on environment, climate change and other cross cutting issues - 21.3 As per Bangladesh Environment Protection Act, 1995 and Environmental Conservation Rules, 1997*, before taking up/formulation and approval of any Investment Project of the RED category (especially in the water, power, energy and mineral resources, industry, communication and transport sectors) Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) Survey will have to be conducted and the design of the project will have to be modified compulsorily according to the recommendations of Study With a view to the mitigating /reducing the adverse impact on environment, the Environmental Management Plan received from the EIA Survey will have to be attached with the DPP. In applicable cases, Disaster Impact Assessment (DIA) will have to be conducted and necessary actions will have to be taken accordingly. - 3.1.3 At the time of processing a project in the Planning Commission, the recommendations of the Feasibility conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO (for projects
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related to water resources), Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase (for the phased projects) and the comments/ recommendations of Survey and Evaluation (as applicable) will have to be considered.

* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and issued Environmental Conservation Rules, 2023.

<ul style="list-style-type: none"> - Are the environmental impacts adequate, underestimated or overestimated? - Is the cost related to environmental protection adequate, underestimated or overestimated?
--

Referred items/ attachments in DPP

<ul style="list-style-type: none"> - 25. The effect/impact, adaptation, and specific mitigation measures thereof if any on: 25.2 environment sustainability. - 26. Whether environmental clearance under the ECA 1995 (Revised 2010) has been obtained? (If yes, attach the certificate. If not, mention the reason) - Appendix : Environmental Clearance Certificate (ECC) - Appendix: Environmental Impact Assessment Report - Appendix: Environmental Management Plan - Appendix: MAF Compliance B-1 & B-3 - Appendix: MAF Part IV Environmental Requirements and Disaster & Climate Change Risk - [If applicable] Feasibility Study, Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis, 5.1 Environmental, Climate Change and Disaster Risk Analysis

Note: Relevant rules and regulations

<ul style="list-style-type: none"> - Environmental Conservation Act 1995 (revised 2010) - Environmental Conservation Rules, 2023
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a) Is the project formulated in compliance with rules and regulations above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Is the project designed adequately in terms of "environmental considerations", considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
c) Remarks and suggestions	

Note: When considering Part V of SAF: Review of Assessment Results (Evaluation Criteria), particularly impact as an evaluation criterion, compliance with this issue can be verified.

a) Confirmation 1

- Confirm that the project is formulated in compliance with relevant rules and regulations by looking at the compliance check of MAF, part IV of MAF or the Check Sheet of MAF.
- Select one of two options.
 - Yes: The project is formulated in compliance with relevant rules and regulations.
 - No: The project is not formulated in compliance with relevant rules and regulations.

b) Confirmation 2 (Review of Project design)

- Confirm that the project is designed adequately in considering the following questions.
 - Are the environmental impacts adequate, underestimated or overestimated?
 - Is the cost related to environmental protection adequate, underestimated or overestimated?
- Select one of two options.
 - Yes: The project is designed adequately.
 - No: The project is not designed adequately.

c) Remarks and suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book.

B-2.3: Disaster and Climate Change Risks

Reference: SAF

3. Disaster and Climate Change Risks [if applicable]

A. Relevant paragraphs in Green Book 2022

- 1.1.8 Appropriateness of preparing the cost estimates of the project: 1.1.8.2 (d) Identification of possible risks during project implementation (economic, technical, environmental, impact of climate change and disaster etc.) and mitigation measures thereof;
- 1.1.11: Analysis of the impact of the project on environment, climate change and other cross cutting issues
- 1.1.11(a) For identification, formulation, and processing of Investment Projects the issue of Green and Climate Resilient Development (GCRD), a sub-paragraph (25.3(a)) will have to be added to paragraph 25.3 of the Development Project Proposal (DPP). In this case sector-wise statement and analysis in line with the concept of GCRD will have to be included in the DPP.
- 1.16 In the case of infrastructure projects reports of technical tests (soil test, DIA and others), speed of cyclone, maximum height of flood and justification about the selection of site will have to be attached with the PDD/RDDP.
- 21.3 As per Bangladesh Environment Protection Act, 1995 and Environment Protection Regulations, 1997*, before taking up/formulation and approval of any Investment Project of the RED category (especially in the water, power, energy and mineral resources, industry, communication and transport sectors) Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) Survey will have to be conducted and the design of the project will have to be modified compulsorily according to the recommendations of Study With a view to the mitigating /reducing the adverse impact on environment, the Environmental Management Plan received from the EIA Survey will have to be attached with the DPP. In applicable cases, Disaster Impact Assessment (DIA) will have to be conducted and necessary actions will have to be taken accordingly.
- 21.3(a) In the case of identification, formulation, processing of Development Projects the issue of Green and Climate Resilient Development (GCRD) will have to be included as sub-paragraph 25.3(a) of paragraph 25.3 of DPP in line with the stipulation at sub-paragraph 1.1.11(a).

* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and issued Environmental Conservation Rules, 2023.

- Are the risks of Disaster and Climate Change adequate, underestimated or overestimated?
- Is the cost related to Disaster and Climate Change management adequate, underestimated or overestimated?

Referred items/ attachments in DPP

- 25. The effect/impact, adaptation, and specific mitigation measures thereof if any on: 25.3 Disaster Management, Climate change.
- Appendix: Disaster Impact Assessment Report
- Appendix Contingency Plan for Emergency Disaster Management
- Appendix: MAF Compliance B-1 & B-3
- Appendix: MAF Part IV Environmental Requirements and Climate Change Resilience
- [If applicable] Feasibility Study, Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis, 5.1 Environmental, Climate Change and Disaster Risk Analysis, 5.2 Assessment of Disaster Resilience of the Project

a) Is the project formulated in compliance with the DIA guidelines?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Is the project designed adequately in terms of "disaster and climate change risks", considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
c) Remarks and suggestions	

Note: When considering Part V of SAF: Review of Assessment Results (Evaluation Criteria), particularly impact as an evaluation criterion, compliance with this issue can be verified.

a) Confirmation 1

- Confirm that the project is formulated in compliance with relevant rules and regulations by looking at the compliance check of MAF, part IV of MAF or the Check Sheet of MAF.
- Select one of two options.
 - Yes: The project is formulated in compliance with relevant rules and regulations.
 - No: The project is not formulated in compliance with relevant rules and regulations.

b) Confirmation 2 (Review of Project design)

- Confirm that the project is designed adequately in considering the following questions.
 - Are the risks of Disaster and Climate Change adequate, underestimated or overestimated?
 - Is the cost related to Disaster and Climate Change management adequate, underestimated or overestimated?
- Select one of two options.
 - Yes: The project is designed adequately.
 - No: The project is not designed adequately.

c) Remarks and suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book.

B-3: Compliance with the allocation of business and sector-specific requirements

B-3.1: Allocation of Business

Reference: SAF

1. Allocation of Business	
A. Relevant paragraphs in Green Book 2022	
<ul style="list-style-type: none"> - 1.1.1 Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. - 21.1 The Ministries/Divisions will prepare /formulate projects within their jurisdiction as per the Allocation of Business. For the project proposals to be prepared in coordination with more than one Ministry/Division, the appropriate Ministry/Division will have to be identified as the Lead Ministry/Division. However, formulation of cluster/ umbrella projects in coordination with more than one Ministry/Division will be generally avoided. 	
B. Referred items/ attachments in DPP	
<ul style="list-style-type: none"> - 28.1 Vision and Mission of Ministry/Division and Agency - 28.2 Allocation of Business of Ministry/ Division - [If applicable] Feasibility Study, Section 8: Institutional and Legal Analysis 	
a) Is the project formulated in compliance with allocation of business of sponsoring Ministry/Division?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

a) Confirmation

- Confirm that the project is formulated in compliance with the allocation of business of sponsoring Ministry/Division by looking into the DPP items 28.1 and 28.2 and project purpose.
- Select one of two options.
 - Yes: The project is formulated in compliance with the allocation of business of sponsoring Ministry/ Division.
 - No: The project is not formulated in compliance with the allocation of business of the sponsoring Ministry/ Division.

b) Remarks and Suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book.

B-3.2: Sector Specific Requirements

Reference: SAF

2. Sector specific requirements	
A. Relevant paragraphs in Green Book 2022	
<ul style="list-style-type: none"> - Note: Note: In addition to specific requirements or standards mentioned in the Green Book 2022, other specific requirements or standards may be stipulated based on other relevant laws and regulations.. - 3.1.3 At the time of processing a project in the Planning Commission , the recommendations of the Feasibility study conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO (for projects related to water resources) , Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase (for the phased projects) and the comments/ recommendations of Survey and Evaluation (as applicable) will have to be considered. 	
B. Referred items/ attachments in DPP	
<ul style="list-style-type: none"> - 23. Technical Specification/ Design of Major Items - Appendix: MAF Part V Sector Specific Analysis/ Sector Specific Requirements - [If applicable] Feasibility Study, Section 4: Technical/Technological & Engineering analysis, (b) technical design 	
a) Is the project formulated in compliance with the Sector Specific Requirements	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

a) Confirmation

- Confirm that the project is formulated in compliance with the relevant paragraphs of the Green Book 2022 listed Box 7, by looking into the DPP item 23 and the appendix of DPP item 23.
- Select one of two options.
 - Yes: The project is formulated in compliance with the specific requirements for the nature of the proposed project.
 - No: The project is not formulated in compliance with the specific requirements for the nature of the proposed project.

b) Remarks and Suggestions

- Request the Ministry/Division to take necessary action to comply with the Green Book, when the MAF or Check Sheet shows the project is not formulated in compliance with the instructions in relevant paragraphs of the Green Book.

Box 7 Specific requirements mentioned in the Green Book 2022.

- 1.1.15 The proposed projects for the construction of **highways** under the Roads and Highways Division should include provision for the construction of service roads on both sides of the highway to facilitate the movement of slow-moving vehicles and pedestrians. The national highways will have to be constructed, taking into consideration the highest level (height) of floods in the last one hundred years. There should not be any slope/ditch or low land by the side of the highway. In addition, under-pass/over-pass or U-loop will have to be constructed in phases on the four-lane highways and in the busiest location /area and the inter-sections during expansion of the highways.
- 1.1.16 Provision for installing Weighing Machines for controlling the excel load of the vehicles have to be kept for ensuring the sustainability of the existing /to be constructed bridges, Express Way and Tunnel on the **Highways**. In addition, special control measures have to be in place to ensure that heavy vehicles are not allowed to run on the village roads/bridges.
- 1.2 **DPP for Road Transport Sector projects** will have to be prepared and processed based on the information given in the Project Appraisal Framework (PAF). Project Appraisal Report (PAR) and Appraisal Summary Table (AST) shall have to be prepared following the PAF and attached with the DPP. In addition, the classification and standard design of roads will have to be taken into consideration.
- 1.3 For project proposals for construction of **bridges longer than 100 meters** in length, and for projects for **river bank protection** and construction of **embankment on the river**, recommendations of hydrological and morphological study reports and navigational and bathymetric study shall have to be attached with the DPP. The Study should consider the characteristics of the river, flow of water, movement of boats, movement of the chars, aerial view of the hidden/underwater chars and also include information about changes of the course and bank of the rivers. In addition, taking into consideration the recommendations of the study necessary dredging and construction of embankment works have to be included in the DPP as per procedure stated below:
 - 1.3.1 Capital Dredging works need to be considered for inclusion in the **River Bank Protection projects**. For ensuring navigability of the rivers, arrangements have to be made for yearly Maintenance Dredging after Capital Dredging. Arrangements for the use of the dredged materials (mud, silt and sand) will have to be made as per relevant existing law in consultation with the local administration. However, priority will be given to works like elevating rail line and high way, earth filling on the roadside and other works (housing, economic zone). Cultivable and croplands cannot be used for these purposes. The recommendation of the Expert Committee/ Technical Committee for special cases (if any) will have to be mentioned in the DPP with proof/evidence;
 - 1.3.2 Where **embankments** will be constructed in coastal or other areas, the issue of climate change has to be considered for making the embankment sustainable and green belt has to be created /afforestation has to be done on both sides of the embankment;
 - 1.3.3 With a view to protecting the environment and ecology, consideration should be given to the construction of **submerged road/elevated road** where necessary **in the Hoar and low-lying areas**. For ensuring the normal flow of water, the tendency for construction of regulator and sluice gates should be avoided as far as possible for the projects for water management and construction of embankment and the opinion of the Department of Haor and Waterland Development will also have to be obtained;
 - 1.3.4 Before construction of any infrastructure in the countryside of the **embankment** by any organization, the opinion of the appropriate authority will have to be obtained.
 - 1.3.5 The **design of the bridge** should be prepared, taking into consideration the navigability and ensuring uninterrupted water flow of the river. There should be plan for construction of a minimum possible number of bridges on the river. The design of the bridge should be prepared in such a way that movement of boats are not obstructed, and the bridge is not damaged at the time of re-excavation/dredging of the river at a later stage;
 - 1.3.6 In this case, a Navigational Clearance Certificate from the concerned authority (BIWTA and Others) will have to be obtained and attached with the DPP.
 - 1.3.7 In accordance with the Bangladesh Water Act 2013 and Bangladesh Water Regulation 2018, Certificate / No Objection has to be obtained from the Water Resources Planning Organization (WARPO) for **specific type of projects** and attached with the DPP.
 - 1.3.8 Considering the involvement of the project where applicable Certificate / No Objection will have to be

obtained from the appropriate Authority as per the prevailing **Rail Act**. In addition, necessary Certificate/ No Objection will have to be obtained from other concerned Authorities in the light of relevant Acts, Regulations and Policies.

- 1.6 In the case of **construction of Government Office buildings and residential buildings**, provision of sufficient open space and water body has to be kept and preserved in consideration of future need and the environment. Consideration should be given to construction of buildings with provision for vertical expansion instead of constructing more than one building horizontally. The instruction for accommodating all the offices in one building at the field level instead of constructing separate buildings for different offices will have to be followed. Provision should be made for using the same infrastructure e.g., Hall Room, Auditorium, Training Centre etc. by the various agencies for multipurpose use.
- 1.16 **In the case of infrastructure projects**, reports of technical tests (soil test, DIA and others), speed of cyclone, maximum height of flood and justification about the selection of site will have to be attached with the PDD/RDDP
- 21.20 The issue of **waste management for the projects** relating to development of the Upazila, district and towns will have to be included with special importance. The proposed activities for waste management will have to be included in the DPP with specific and firm allocations. The waste /sewage of the city/town cannot be drained into any river or canal.
- 21.21 There should be provision/arrangement for Central Effluent Treatment Plant (CETP) in all the **Industrial Areas**. Appropriate actions must be taken to ensure the use of the CETP compulsorily by paying fees as per scheduled rate.
- 21.22 Provision for Ramp and disabled-friendly toilets will have to be made **in all structures (in applicable cases)**.
- 21.23 A Master Plan will have to be prepared first for the development of the **Public Universities**, projects will be taken, and development works will be implemented accordingly. Student Hostels for the Universities/Colleges will have to be constructed with the provision of equal ratio of seats for boys and girls.
- 21.24 As land is scarce in the city of Dhaka and other big cities, the Government Agencies/ planning to construct office building in their own land will also consider accommodating space for offices of other Agencies/Organizations. Where applicable facilities and arrangements for commercial use should also be kept.
- 21.25 With the aim /objective of bringing /locating all **the Government offices** at Upazila, District, Division and at central level, provisions for under-ground parking, parking on the basement, 1st floor/2nd floor, waiting space, conference canter, more than one meeting rooms, cafeteria, prayer room and day care centre etc. will have to be kept. In addition, a model design for a multi-storied building will have to be prepared with provision of facilities of separate and spacious wash-room/toilet for ladies and gents and mothers' corner on each floor. The Exterior Design of the Building will be the same for all locations.
- 21.26 If there is provision for **Auditorium/ large Hall Room** in the design of the project, it will have to be constructed on the ground floor/first floor or on the adjacent vacant space of the building. This can never be located on the upper floors of the building.
- 21.31 The issue of preservation of natural water body /pond/lake will have to be considered at the time of preparation of design of the projects for **construction of office, residential and commercial buildings**, and if necessary, provision for water body/ pond/ lake has to be kept. In addition, arrangements have to be made for using and preserving the rain water through separate drain from the roof of the buildings to the water body, pond and lake. It has to be very carefully seen/observed that the sewerage line does not have any connection/ or does not mix up with the rainwater drain. In addition, the buildings will have to have provision for setting up solar panels.

Source: Green Book 2022

3-3 Part I: Basic Information of the Project

Reference: SAF

Part I: Basic Information on the Project
(Refer to the DPP document: PART A)

1. Sponsoring Ministry/Division: _____
2. Implementing Agency: _____
3. Concerned Sector Division of Planning Commission _____
4. Planned Duration of Project: Start: _____
(Month, Year) Completion: _____
Duration in months: _____
5. Estimated Cost of the Project (in lakh Taka):

GOB (JDCF/DRGA or any other Debt Cancellation):	lakh	
PA:	lakh	
Own fund:	lakh	
Others:	lakh	
Total:		
6. Project Location _____
7. Year Wise Cost

Financial Year (1)	GOB (FE) (2)	PA		Own Fund (FE) (5)	Others (Specify) (6)	Total (7)
		RPA (3)	DPA (4)			
Year 1						
Year 2						
Year 3						
Grand Total						

Part I: Basic Information shows the fundamentals of the project.

(I-1, I-2 & I-3) Sponsoring Ministry/ Division, Implementing Agency, and Concerned Division of Planning Commission

The Sponsoring Ministry/Division and Implementing Agency can be taken respectively from Items 2.1 and 2.2 of the DPP. It is important to identify and specify the Ministry and Agency responsible for implementing the project.

The Concerned Division of Planning Commission can be taken from the DPP item 2.3. It is crucial to identify and specify the Sector Division of Planning Commission responsible for project evaluation before approval from the Minister of Planning or ECNEC.

Tips:

Should check carefully “Allocation of Business” in B-3.1 of SAF

(I-4) Planned Duration of Period (Month, Year):

The information “Project Implementation Period” is Item 4 of the DPP. The information of duration (by months) can be calculated from the information of i) Date of commencement and ii) Date of completion of item 4.

$\text{Total Duration (months)} = \text{DPP item 4 (Kha) date/month completion} \\ - \text{DPP item 4 (KA) Date /month of commencement} + 1 \text{ month}$
--

(I-5) Estimated Cost of the Project (In lac Taka)

“Project Cost” is indicated in Items 5.1 and 5.2 of the DPP. It is essential to clarify the sour-wise project cost at the formulation stage of the project. It must be ensured that the total cost matches the sum of GOB, PA, Own Fund, and other costs.

Reference: DPP Format

5.1 Estimated Cost of the Project (*Taka in lac*)

	Total :
(JDCF/DRGA-CF or any other Debt Cancellation)	GOB :
Project Aid (PA) :	Own Fund :
Others :	:

5.2 Exchange Rate(s) with Date :
(Source: Bangladesh Bank)

(I-6) Summary of Project Location

Project Location is indicated in Item 7.1 of the DPP. It is important to select the project location before starting the project. List the name of the Division(s) where the project is expected to be implemented. Ideally, the map of the project location should be attached to the DPP to recognize the location visually.

Reference: DPP Format

7.0 Name of Districts / City Corporations/Upazilas/Pouroshova

Division 1	District 2	City Corporation/Pouroshova/ Upazila 3

(Attach map, where necessary)

(I-7) Year-wise Estimated Cost

The Year Wise Estimated Cost can be found in the DPP item 6.2. It is important to clarify the year-wise estimated cost of the project with the source and type of fund (loan, grant, equity, and other). In the I-7, it is required to clarify the source of funding, and finance mode (loan, grant, equity, and others). The information can be obtained from item 6.1 of the DPP.

Source: DPP Format

6.1 Mode of Financing with Source *(Taka in Lac)*

Source Mode	GOB (FE)	PA (RPA)	Own Fund (FE)	Others (Specify)	PA Source
(1)	(2)	(3)	(4)	(5)	(6)
Investment					
Loan/ Credit					
Equity					
Grant					
Others (Specify)					
Total					

A: Review of Logical Framework

This part is to review the project design via logical framework.

Reference: MAF

A. Review of the Logical Framework

A. Relevant paragraphs in Green Book 2022				
- 1.1.4 Purpose of the Project: The purpose of the Project has to be Specific, Measurable, Achievable, Relevant and Time-bound. Any activity not consistent with the title and purpose of the project cannot be included.				

Review the following items and relevant attachment of DPP				
- 10. Logical Framework				
- Appendix: MAF Part II Clarity of Logical Framework				

[Copy] Item 10 of DPP

	Narrative Summary (NS)	Objectively Verifiable Indicators (OVI)	Mode of Verification (MOV)	Important Assumptions (IA)
Goal				
Purpose/ Objective				
Outputs				
Inputs				

Box 8 explain the outline of Logical Framework. For the detailed information, see Note for Logical Framework.

Box 8 Outline of Logical Framework (need the translation)

Structure of Logical Framework: The structure of the Logical Framework, in general, is as below.

- The Logical Framework shows a project design in the form of a four-by-four matrix.
- The **vertical logic of the Logical Framework** is the phases of expected situations, linked by the causality of the project: 1) Inputs; 2) Outputs; 3) Purpose/Objective, and 4) Goal.
- The **horizontal logic of the Logical Framework** explains the phases of expected situations: 1) Narrative Summary, 2) Objectively Verifiable Indicator (OVI), 3) Mode of Verification (MOV), and 4) Important Assumptions (IA).

Vertical Logic: The vertical logic of the Logical Framework shows the necessary causal sequence in the project to achieve the desired objective, beginning with Inputs, moving through Activities and Outputs and culminating in Outcome and Impact." (Hereafter named "**results chain**".)

Impact	Longer and broader development effects aligned with the Outcome.
⇓	
Outcome	Short-term and medium-term effects that the beneficiaries obtain by using the Outputs.
⇓	
Outputs	Products/ services generated by using the Inputs via Activities and delivered to the beneficiaries
⇓	
Activities	Groups of tasks to be carried out by using Inputs to produce the Outputs
⇓	
Inputs	Financial, human, and material resources required to materialise the Activities

The Purpose/Objective of the project can be explained as "the result of the project that is expected

to be achieved at the time of project completion." So, the level of Purpose/Objective of the Logical Framework in the DPP is positioned generally at the "Outcome" level of the results chain, expected to be reached at the time of project completion, in general.

The Goal of the project can be explained as "the result of the project that is expected to achieve after 2 to 3 years of achievements of the Purpose/Objective." The level of Goal of the Logical Framework in the DPP is located generally at the "Impact" level of the results chain, expected to achieve after 2 to 3 years of the achievement of the Purpose/Objective, in general.

It should be noted that the logic "Goal is at the Impact level" and "Purpose/Objective is at the Outcome level" is not always true. The achievement level of Outcome and Impact at the time of project completion, and after 2 to 3 years of the achievement of the Purpose/Objective, largely depends on the project's design and nature. For example, in some cases of infrastructure construction projects, the Outcome level in Purpose/Objective is very close to the "Outputs" level, because the effects that the beneficiaries obtain by using the outputs do not always start before the completion of the project.

Horizontal Logic: The horizontal logic of the Logical Framework explains each phase in the results chain: 1) Narrative Summary, 2) Objectively Verifiable Indicators (OVI), 3) Mode of Verification (MOV), and 4) Important Assumptions (IA).

- The Narrative Summary concisely states the achievement of each element of vertical logic of the Logical Framework.
- OVI is the indicator to measure the results of achievement. OVI includes the targets to define "success."
- MOV is a data source that specifies where the data for the proposed indicator comes from. . MOV ensures that the proposed OVIs can be collected and analysed in practice.
- Important Assumptions are the critical factors uncontrollable by the project that could affect the achievement of the project's planned result. In other words, important assumptions are the conditions required to step up each phase of the results chain: Inputs to Outputs, Outputs to Purpose/Objective, and Purpose/Objective to Goal.

Source: GOB-SPIMS 2023 Note for Logical Framework

(A-1) Is the results chain of the proposed project adequate?

Reference: SAF
1. Is the results chain of the proposed project adequate?
- Are the purpose/objective and goals adequate, underestimated or overestimated? - Are any critical important assumptions missing?
a) Is the project designed adequately in terms of "logical framework", considering the questions above?
<input type="checkbox"/> Yes <input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions

a) Questions for Review

- Review the DPP item 10, logical framework, in the light of the following questions.
 - Are the purpose/objective and goals adequate, underestimated or overestimated?
 - Are any critical important assumptions missing?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

Tips: Some points for check

- Purpose/Objective describes the situation at the end of project implementation as the immediate and direct benefits (Outcome) of using Output.
- The Goal describes the situation 2 to 3 years after project completion as the Outcome and/or Impact.
- The Goal is linked to the Purpose/Objective, considering the Important Assumptions of the Purpose/Objective to the Goal.
- Purpose/Objective will be achieved in time by combining the proposed Outputs. In other words, to achieve a certain Purpose/Objective, a group of individual Outputs should be delivered. If the Outputs are not sufficient or overlap each other to achieve the Purpose/Objective, either the Purpose/Objective or Outputs should be modified.
- Purpose/Objective is linked to Outputs, considering the Important Assumptions of Outputs to Purpose/Objective.
- Outputs are delivered by using Inputs via project Activities. Thus, Outputs without Inputs cannot be listed in the Logical Framework.
- Outputs are linked to Inputs, considering the Important Assumptions of Inputs to Outputs.
- Financial, human, and material resources required for the project are considered as Inputs.
- Important Assumption specifically describes the critical factors uncontrollable by the project.

GOB-SPIMS 2023 Note for Logical Framework

(A-2) Are Objectively Verifiable Indicators (OVI) and Mode of Verification (MOV) adequate?

Reference: SAF

2. Are Objectively Verifiable Indicators (OVI) and Means of Verification (MOV) adequate?

- Do the indicators represent the narrative summary?	
- Are the OVI and MOV practically available?	
a) Is the project designed adequately in terms of "logical framework", considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

a) Questions for Review

- Review the DPP item 10, logical framework, in the light of the following questions.
 - Do the indicators represent the narrative summary?
 - Are the OVI and MOV practically available?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

Tips: Some points for check

- The OVI represents the corresponding narrative summary. Several OVIs are adopted to represent the corresponding narrative summary. Once the narrative summary is edited, the OVI should be revisited and revised accordingly.
- The OVIs fulfil the basic requirements of performance indicators, such as "SMART (Specific, Achievable, Measurable, Relevant, and Time-bound)" and "QQTL (Quantity, Quality, Time, and Location)." See the example below.
- The MOV is stated clearly to confirm the availability of required data and where the data can be collected from.
- For primary data, the schedule and cost of collecting the data should be included in the project management activities and budget.
- For secondary data, the timing of reporting by concerned authorities should be confirmed.

Example of OVI with SMART information

Narrative Summary	OVI with SMART information
The quality of river water improved.	The level of concentration of heavy metals (Specific) in the project area is reduced by 25% (Measurable)* between 2022 and 2025 (Timebound) to meet the national health and pollution control standards (Relevance with government policy).

* This target figure should be "**Achievable**" by the end of the project.

B: Review of Cost Benefit Analysis

This part is to review the accuracy of source and method, and results of financial and economic analysis.

Reference: SAF

B. Review of Cost Benefit Analysis

Relevant paragraphs in Green Book 2022
- 1.1.8.2 Justification for preparing the cost estimates: (g) Conducting realistic financial and economic analysis

Review the following items and relevant attachment of DPP

- Item 18, Financial and Economic Analysis
- Appendix: Calculation Sheet
- [If applicable] Feasibility Study, Section 6: Cost-Benefit Analysis, 6.1 Financial Analysis
- [If applicable] Feasibility Study, Section 6: Cost-Benefit Analysis, 6.2 Economic Analysis
- [If applicable] Feasibility Study Section 9: Risk (uncertainly) and Sensitive Analysis
- [If applicable] Feasibility Study, Section 10: Alternative/ Option Analysis

[Copy] Item 18 of DPP, Financial & Economic Analysis

	(Discount rate: %)	Net Present Value (NPV)	Benefit-Cost Ratio (BCR)	Internal Rate of Return (IRR)
Financial				
Economic				

Box 9 explain the outline of Financial and Economic Analysis. For the detailed information, see Handbook for CBA.

Box 9 Outline of Financial and Economic Analysis

- **The Economic Analysis (EA)** aims to provide the justification for “taking the project in the context of the overall economic situation in the country” (para 1.1.5 (d) Green Book 2022). The discount rate prescribed by the GOB is called the social discount rate (SDR). If the EIRR>SDR then a project is considered to contribute sufficiently to welfare in the country to justify its inclusion in the ADP. This aligns with the fiscal policy principle of economic efficiency. The EA tries to monetize all significant positive and negative impacts of a project on the welfare in society. The calculation process involves; (i) categorizing the inputs and outputs in traded goods, non-traded goods, production factors and externalities; (ii) using data on conversion factors and Willingness to Pay values; and (iii) calculating the EIRR, ENPV, and EBCR.
- **The Financial Analysis (FA)** provides information on financing needs, profitability and financial sustainability of a project. The FA can calculate full costs recovery levels for setting user prices for the products and services generated by the project. The key profitability indicator is the financial rate or return on total investment (FIRRI) and on equity capital (FIRRC); the FNPV and the FBCR provide additional information at a glance.
- **The Indicators EIRR, ENPV and EBCR** are expressed in constant prices. The calculations are done by applying the discounted cash flow technique (DCF) to the net cash flow of non-financial operations. The government sets one discount rate for the Financial Analysis (all sectors) and one separate discount rate for Economic Analysis. Note that the discount rate for analysis in constant prices should differ from the discount rate in nominal prices by a percentage approximately equal to the inflation rate.

The value of the project is judged by balancing the two factors: Economic Relevance and Financial Sustainability. The two factors will be shown in three forms, namely 1) NPV, 2) BCR; and 3) IRR.

- **The Net Present Value (NPV)** shows present (when the project is being formulated) value

of the stream of costs and benefits over the economic lifetime of a project. The NPV is calculated using discounting techniques and a given discount factor. While in the EA this is social discount rate (SDR), in the FA this is a market interest rate of discount (MDR). The NPV > 0 means that the Net benefit (the difference between the NPV of all revenues/benefits and the NPV of all costs) is positive, given the specified discount rate. The discount rate fixed by the GoB is called the Social Discount Rate.

- **The Benefit Cost Ratio (BCR)** gives a relative indicator of project performance. The BCR > 1.1 means that the NPV of the project benefits are 10% higher than the NPV of project costs. The BCR = 1 means that the NPV of benefits and the NPV of the costs are the same at the given discount rate.
- **The Internal Rate of Return (IRR)** shows the return on investment. The IRR shows the discount rate which gives the NPV of zero for the projects net cash flow of non-financial operations. If the EA shows that the EIRR > SDR then the project performance will be better than the welfare benchmark defined by the GOB with the SDR; If the FA shows that the FIRR > MDR than this means the project will be profitable for all stakeholders.

Decision Making Framework (translation from Bangla to English)

The following matrix shows how the IRR information from FA and EA can be combined to inform decision makers on the justification for allocating public investment resources for investing in development projects. The picture shows that there are four possible outcomes.

- **NO GO:** The Financial and economic indicators are both unsatisfactory.
- **GO and finance the gap.** This means provide government grants to the extent necessary for positive financial returns (FNPV > 0 or FIRR > FDR).
- **GO but no subsidies.** The financial and economic indicators are both satisfactory. However, in that case there is no need for public investment.
- **Go & Tax or internalized welfare cos.** GO but only if the negative welfare cost associated with the project are internalized in the financial analysis (e.g., polluter pay taxation or additional investments to prevent pollution etc.)

CBA Decision rules

CBA outcomes	EIRR < SDR ENPV < 0; EBCR < 1	EIRR > SDR ENPV > 0 EBCR > 1
FIRR < FDR FNPV < 0 FBCR < 1	NO GO	GO and Finance the gap
FIRR > FDR FNPV > 0 FBCR > 1	GO & Tax or internalize the welfare costs	GO but no subsidies

EIRR = Economic Internal Rate of Return
 FIRR = Financial Rate of Return on Investment
 FDR = Financial Discount Rate
 SDR = Social Discount Rate

Source: SPIMS (2018) GUIDANCE FOR CBA TRAINERS

Check the necessity to conduct the Financial Analysis

Reference: SAF

Is the proposed project a revenue generating project?

Yes (Financial and Economic Analysis are required)

No (Only Economic Analysis is required)

Questions for review

Is the proposed project a revenue generating project?

Nature of the project

- Check the nature of the project by referring to the finance plan for O&M in item 13, 18, and 33.
- Select one of two options.
 - Yes: project cost is revenue generating project
 - No: project cost is non-revenue generating project
- If answer is “Yes”, go to “1. Financial Analysis”
- If answer is “No”, skip the next “1. Financial Analysis”.

A distinction can be made between income-generating and non-income-generating projects.

- **Non-income-generating projects** include roads, bridges and other public goods for which there is no direct *user charge*. For this category of projects, the Operation and Maintenance (O&M) costs will always put a claim on the operating budget of the State; / or grants, or Project Aid.
- **Income-generating projects** include Infrastructure in Energy Networks, ICT networks, Ports and Rail, Agriculture, Education, Health etc. In this category, there will be projects which generate sufficient revenues to cover O&M expenditures fully; and projects for which the user fees and other charges/revenue sources are insufficient to cover O&M costs fully. The project's financial sustainability can only be assured if the Government or other sources of finance are available to make up for the difference.

(B-1) Financial Analysis

Reference to SAF

1. Financial Analysis

- | |
|---|
| - Is the financial analysis conducted in the case of income generating projects?
- Is cost (expenditure) adequate, underestimated or overestimated?
- Is benefit (profit) adequate, underestimated, or overestimated? |
|---|

a) Is the project designed adequately in terms of "financial analysis", considering the questions above?

Yes

No (Amendment is necessary)

b) Remarks and suggestions

a) Questions for Review

- Review the financial analysis in the light of the following questions, by reading the Reference items in the DPP and Feasibility Study.
 - Is the financial analysis conducted in the case of income generating projects?
 - Is cost (expenditure) adequate, underestimated or overestimated?
 - Is benefit (profit) adequate, underestimated, or overestimated?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 18. Financial & Economic Analysis
 - [Appendix] Calculation sheets
- Check the following sections in feasibility study report.
 - 3. Market Demand Analysis
 - 6. Cost-Benefit Analysis, 6.1 Financial Analysis
 - 9. Risk (uncertainly) and Sensitive Analysis
 - 10. Alternative/ Options Analysis

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

[Tips] The summary table in Part VI of the MAF provides useful information for reviewing the financial analysis from the following perspectives.

- Whether incremental analysis is adopted correctly.
- Whether source of information and the costing data are reliable.
- Whether inputs/costs, and benefits/outcomes/impact are identified adequately.
- Whether constant price is used for the BCR, IRR and NPV calculations.
- Whether assumptions about demand for the project services are explained.
- Whether all key assumptions are spelt out.
- Whether discounted cash flow (DCF) calculations are correctly done.
- Whether market price is used for the financial analysis.
- Whether financing needs and justification given for the mix of financing sources are explained.
- Whether the Sensitivity Analysis is conducted.
- Whether the results of Sensitivity Analysis are adequate.

(B-2) Economic Analysis

Reference to MAF	
2. Economic Analysis	
<ul style="list-style-type: none"> - Is the economic analysis conducted? - Is cost adequate, underestimated, or overestimated? - Is benefit adequate, underestimated, or overestimated? 	
a) Is the project designed adequately in terms of "economic analysis", considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

a) Questions for Review

- Review the economic analysis in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
 - Is the economic analysis conducted?
 - Is cost adequate, underestimated, or overestimated?
 - Is benefit adequate, underestimated, or overestimated?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 18. Financial & Economic Analysis
 - [Appendix] Calculation sheets
- Check the following sections in feasibility study report.
 - 3. Market Demand Analysis
 - 6. Cost-Benefit Analysis, 6.2 Economic Analysis
 - 9. Risk (uncertainty) and Sensitive Analysis
 - 10. Alternative/ Options Analysis

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

[Tips] The summary table in Part VI of the MAF provides useful information for reviewing the economic analysis from the following perspectives.

- Whether incremental analysis is adopted correctly.
- Whether source of information and the costing data are reliable.
- Whether inputs/costs, and benefits/outcomes/impact are identified adequately.
- Whether constant price is used for the BCR, IRR and NPV calculations.
- Whether assumptions about demand for the project services are explained.
- Whether all key assumptions are spelt out.
- Whether discounted cash flow (DCF) calculations are correctly done.
- Whether economic prices and conversion factors used for the economic analysis.
- Whether all significant impacts are included in the Economic analysis (land, resettlement, environment, and greenhouse gas emissions).
- Whether financing needs and justification given for the mix of financing sources are explained.
- Whether the Sensitivity Analysis is conducted.
- Whether the results of Sensitivity Analysis are adequate.

(B-3) The calculated values of the performance indicators

Reference to MAF	
a) Is the proposed project worth the public investment, taking into account both financial and economic value?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) Remarks and suggestions	

a) Questions for Review

- Review the value of project in the light of the following questions, by reading the DPP listed in box below.
 - Is the proposed project worth the public investment, taking into account both financial and economic value?
- Select one of two options.
 - Yes: the project is worth the public investment.
 - No: the project is not worth the public investment.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 18. Financial & Economic Analysis
 - [Appendix] Calculation sheets
- Check the following sections in feasibility study report.
 - 3. Market Demand Analysis
 - 6. Cost-Benefit Analysis, 6.1 Financial Analysis
 - 9. Risk (uncertainly) and Sensitive Analysis
 - 10. Alternative/ Options Analysis

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Tips
 It is useful to refer to the decision matrix to consider the value of a project for public investment.

 Explanation of the matrix is given in the Box 9 (page 92).

	EIRR < SDR ENPV < 0 EBCR < 1	EIRR > SDR ENPV > 0 EBCR > 1
CBA outcomes		
FIRR < FDR FNPV < 0 FBCR < 1	No GO	Go and Finance the gap
FIRR > FDR FNPV > 0 FBCR <> 1	GO and Tax or internalize the welfare cost	GO but No subsidies

[Legend] EIRR: Economic Internal Rate of Return, FIRR: Financial Rate of Return on Investment, FDR: Financial Discount Rate, SDR: Social Discount Rate

3-4 Part II: Relevance with Sector Planning and Budgeting

Part II is to check the relevance with Sector Planning and Budgeting and has the following parts below.

- 2-1 Relevance of the project with the Sector Strategy (Planning)
 - (2-1-1) Existence of Sector Strategy Paper (SSP)/ Sector Action Plan (SAP) for the related sector at the time of appraisal
 - (2-1-2) Comments related to the relevance of the project with the SSP/SAP
 - (2-1-3) Comments related to the relevance of the project in terms of the Bangladesh Delta Plan 2100, Perspective Plan 2021-2041, Five Year Plan, and other documents related to Sector Policy and SDGs (if any)
- 2-2 Relevance of the project with budgetary resources
 - (2-2-1) Existence of the Multi-Year Public Investment Plan (MYPIP) for the sector at the time of appraisal
 - (2-2-2) Comments related to the relevance of the project with the MYPIP
 - (2-2-3) Comments related to the relevance with MTBF
 - (2-2-4) Comments related with unapproved new project included in the ADP/RADP of the concerned Sector and the sponsoring Ministry/Division

Table 17 shows the key sector policy documents to be referred to in Part II.

Table 17 List of key sector policy documents for sector appraisal

	Main reference	Supporting reference
Sector Planning	Sector Strategy Paper (SSP)	<ul style="list-style-type: none"> - Five-Year Plan (Sector Policy, & Result Framework) - Sector Write-up of ADP/RADP - Documents related to Sector Policy/ Plan, e.g., Power Sector Masterplan (if any)
Sector Budgeting	MYPIP	<ul style="list-style-type: none"> - ADP/RADP (List of Unapproved Projects) - Mid-Term Budget Framework - Ministry Budget - Project Briefs (cost of unapproved projects)

Source: SIMPS

What do the Sector Strategy Paper (SSP) and Multi-Year Public Investment Plan (MYPIP) mean?

The SSP and MYPIP are currently in the process of development (introduction) under the Strengthening Public Investment Management System (SPIMS) Project by the Planning Commission. Therefore, those questions apply only to the sectors that have already introduced this framework. In future, if SSP/SAP/MYPIP is formulated for any other sectors, these tools will be applicable for those sectors as well.

What is SSP The SSP is a key GoB planning tool to help translate national (macro) goals and priorities outlined in the FYP into Sector objectives and strategies. The FYP sets out national (macro) goals across the Sectors and has a high-level Development Results Framework (DRF). The SSPs will complement this by providing greater detail and structure to Sector-level objectives and strategies, thus aiding project design, appraisal and approval as well as broader planning, budgeting and Monitoring and Evaluation (M&E) processes.

Multi-Year Public Investment Program (MYPIP) considers allocation for the current budget year along with the projections (based on **Forward Baselined Estimations** of two outer years consisting of MTBF ceilings for the Ministry/ Division). MYPIP analysis provides project wise demand of allocation which helps in bargaining the Ministry/Division for their required MTBF ceiling; thus, becomes a tool for determining MTBF ceiling for the ADP.

Source: Strategy ADP Guidelines

(II-1) Relevance of the project with Sector Strategy (Planning)

Carry out this section to comply with the following stipulation in Green Book 2022.

- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account a detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, **linkage of the proposed project with the national and sectoral priority**, capacity of the implementing agency in implementation of projects, pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.

(2-1-1) Existence of Sector Strategy Paper (SSP)/ Sector Action Plan (SAP) for the related sector at the time of appraisal

Reference: SAF

(1) Existence of the Sector Strategy Paper (SSP)/Sector Action Plan (SAP) for the related sector at time of appraisal.

Yes (Go to 2 and then 3) No (Go to 3 directly)

- Check whether the concerned sector has prepared a Sector Strategy Paper (SSP).
- Select one of two options.
 - Yes: the concerned sector has an SSP/SAP.
 - No: the concerned sector does not have an SSP/SAP.
- If “Yes”, go to question (2-1-2) first and then (2-1-3).
- If “No”, go to question (2-1-3) directly,

The following reference explains key characteristics of Sector Strategy Paper (SSP).

Key elements of Sector Strategy Paper (SSP)

Theory of Change: Theory of Change is a graphical representation of how the Sector Goal is to be achieved in terms of both the contributing outcomes at different levels and, crucially, the different assumptions that need to be met for this to happen.

Sector Result Framework: The Sector Results Framework (SRF) provides substance to the hierarchy of objectives presented in the Sector Theory of Change by showing how achievement of these will be measured in practice (through the elaboration at each level of indicators and associated intermediate and final targets).

Source: Strategic ADP Guidelines

(2-1-2) Comments related to relevance of the Project with SSP/SAP

Reference: SAF

(2) Comments related to the relevance with the Sector Strategy Paper (SSP)/Sector Action Plan (SAP)	
a) Reference to the project in the SSP/SAP	
Write SSP's/SAP's sector outcome and/or intermediate outcome indicators relevant to the proposed project.	
b) Reference in the DPP	
Write purpose/objective and goal level's objectively verifiable indicators in the Logical Framework of proposed project.	
c) Comments	

a) Reference to the project in the SSP/SAP

- Write the sector goal, relevant sector outcome, and intermediate outcome in the narrative form and with indicators by looking into the following items.
 - Theory of Change in the SSP/SAP
 - Sector Results Framework/ Sector Results Matrix in the SSP

b) Reference in the DPP

- Write purpose/objective and goal level's objectively verifiable indicators in the Logical Framework of the proposed project, illustrated in the right-side figure.

	Narrative Summary (NS)	Objectively Verifiable Indicators (OVI)	Means of Verification (MV)	Important Assumptions (IA)
Project Goal (PG)	NS-PG	OVI-PG	MV-PG	
Project Purpose (PP)	NS-PP	OVI-PP	MV-PP	IA-PP
Output (OP)	NS-OP	OVI-OP	MV-OP	IA-OP
Input (IP)	NS-IP			IA-IP (Precondition)

- Look into the following DPP items for reference.
 - 3. Objectives and Targets
 - 7. Location of the project
 - 10. Logical Framework
 - 14. Background information
 - 15. Project description
 - 27. Specific linkage
 - [If applicable] Feasibility Study Section 3 Market Demand Analysis (b) Relevance of the Project Idea

b) Remarks and Suggestions

- Write the comments on the target of the project by considering to what extent the proposed project can contribute to the sector purpose.
- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

(2-1-3) Comments related to relevance with other documents that expresses medium-term sector plan

Reference: SAF

(3) Comments related to the relevance of the project in terms of the Bangladesh Delta Plan 2100, Perspective Plan 2021-2041, Five Year Plan, and other documents related to Sector Policy and SDGs (if any)

a) Reference in the other relevant Strategy/Plan documents
Write quantitative goals, targets and indicators relevant to the proposed project, as set out in the strategy/planning documents other than the SSP.
b) Reference in the DPP
Write purpose/objective and goal level's objectively verifiable indicators in the Logical Framework of the proposed project.
c) Comments

a) Reference to the relevant Strategy/Plan documents

- Write the sector goal, relevant sector outcome, and intermediate outcome in the narrative form and with indicators by looking into the following documents.
 - Bangladesh Delta Plan 2100,
 - Perspective Plan 2021-2041
 - Five Year Plan,
 - Other documents related to Sector Policy, e.g., Power Sector Master Plan
 - SDGs

b) Reference in the DPP

- Write purpose/objective and goal level's objectively verifiable indicators in the Logical Framework of proposed project, illustrated in the right-side figure.

	Narrative Summary (NS)	Objectively Verifiable Indicators (OVI)	Means of Verification (MV)	Important Assumptions (IA)
Project Goal (PG)	NS-PG	OVI-PG	MV-PG	
Project Purpose (PP)	NS-PP	OVI-PP	MV-PP	IA-PP
Output (OP)	NS-OP	OVI-OP	MV-OP	IA-OP
Input (IP)	NS-IP			IA-IP (Precondition)

- Look into the following DPP items for reference.
 - 3. Objectives and Targets
 - 7. Location of the project
 - 10. Logical Framework
 - 14. Background information
 - 15. Project description
 - 27. Specific linkage
 - [If applicable] Feasibility Study Section 3 Market Demand Analysis (b) Relevance of the Project Idea

b) Remarks and Suggestions

- Write the comments on the target of the project by considering to what extent the proposed project can contribute to the sector purpose.
- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

(II-2) Relevance of the project with budgetary resources

Carry out this section to comply with the following stipulation in Green Book 2022.

- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough **review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division**, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.

(2-2-1) Existence of the Multi-Year Public Investment Programme (MYPIP) at the time of appraisal

Reference: SAF

(1) Existence of the Multi-Year Public Investment Programme (MYPIP) for the sector at time of appraisal.

Yes (Go to 2 and then 3)

No (Go to 3 directly)

- Check whether the concerned sector has prepared a sectoral Multi-Year Public Investment Programme (MYPIP).
- Select one of two options.
 - Yes: the concerned sector has a sector MYPIP.
 - No: the concerned sector does not have a sector MYPIP.
- If “Yes”, go to question (2-2-2) first and then (2-2-3).
- If “No”, go to question (2-2-3) directly,

key characteristics of Multi-Year Public Investment Programme (MYPIP) are explained below.

Key elements of Multi-Year Public Investment Programme (MYPIP)

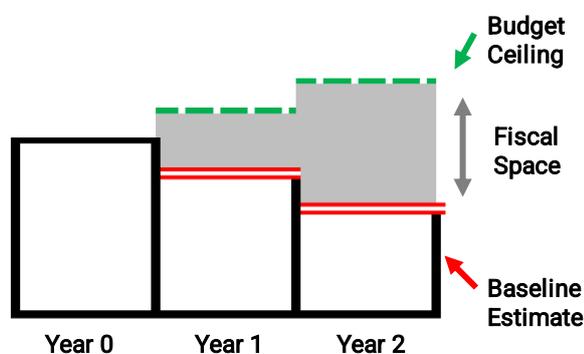
There are three key elements of the MYPIP, namely: i) Sector ceilings; ii) Forward Baseline Estimates (FBEs); and iii) fiscal space. This section will outline each of these key elements in further detail.

Sector Ceilings: The sector ceilings refer to the sector ceilings for development expenditure outlined in the Medium-Term Budget Framework (MTBF). The Finance Division (FD) of the Ministry of Finance estimates ceilings by development and non-development expenditure for each Ministry and Division for the upcoming budget year and two outer years. The sector ceilings for development expenditure are calculated by amalgamating the development expenditure ceilings of each Ministry and Division in the sector.

Forward Baseline Estimates (FBEs): FBEs are accurate, reliable and up-to-date estimates of future expenditure of existing projects. The MYPIP Guidelines estimate the future cost of existing projects in the ADP based on two main components: i) project expenditure information available in the government system; and ii) indicative expenditure profiles. Indicative expenditure profiles refer to a generalizable pattern of expenditure for a particular category of projects.

Fiscal Space: Fiscal space is calculated by subtracting the FBEs from the Sector ceiling.

Source: Strategic ADP Guidelines (forthcoming)



(2-2-2) Comments related to the relevance of the Project with MYPIP

Reference: SAF

(2) Comments related to the relevance with the Multi-Year Public Investment Programme (MYPIP)

a) Reference in the MYPIP: Write fiscal space of current year and 2 outer years.*			
	Current FY	Next 1 st FY	Next 2 nd FY
(a) Budget Ceiling			
(b) Forward Baseline Estimates			
(c) Fiscal Space (c=a-b)			
(d) Accumulated cost of other projects**			
(e) Balance (e=c-d)			

b) Reference in the DPP: Write year wise cost of the proposed project.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
[Copy] 6.2 Year Wise Estimated Cost						

c) Comments						

* Data for (a), (b), (c), (d), and (e) may be derived from the AMS.

** Accumulated cost of other projects in the same sector, which have been already approved.

a) Reference to the MYPIP

- Write the fiscal space of the current year and 2 outer years, by looking into the following information.
 - (a) Budget ceiling of the sector
 - (b) Forward Baseline Estimates
 - (c) Fiscal Space (c= a- b)
 - (d) Accumulated cost of other projects
 - (e) Balance (e=c-d)
- Obtain the information on (a) to (e) from the ADP Management System (AMS), especially the MYPIP Module.
- For (d), accumulate the year-wise cost of other projects in the same sector, which have been already approved.

b) Reference in the DPP

- Write the year-wise cost of the proposed project by copying the information of DPP item 6.2, illustrated in the figure below.

6.2 Year wise Estimated Cost:

(Taka in Lac)

Financial Year	GOB (FE)	Project Aid (PA)		Own Fund (FE)	Others (Specify)	Total
		Reimbursable PA(RPA)	Direct PA (DPA)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(2)+(3)+(4)+(5)+(6)
Total						

b) Remarks and Suggestions

- Write the remarks of the relevance for project budgeting by considering whether and to what extent the project costs and the alignment of costs within the project period should match the budget plan of the sector.
- If Fiscal Space (Financing Capacity) is negative, examine the way of financing the proposed project.

(2-2-3) Comments related to the relevance with MTBF

Reference: SAF
(3) Comments related to the relevance with other documents concerned with budgeting of the proposed project (i.e., MTBF and Annexure VII of DPP)
a) Reference in the other document: (MTBF)
b) Reference in the DPP: Write the Row 7 to 12 of Annexure VII of DPP
c) Comments

a) Reference to the MTBF

- Writes the following information from MTBF/ MBF.
 - Allocation and projection for the sponsoring Ministry/Division in MTBF

b) Reference in the DPP

- Copy the information from the rows 7 to 12 in Annexure-VII of DPP, illustrated in the figure below.

			Current FY	Next 1 st FY	Next 1 st FY
6.	Projected resources for the Sponsoring Ministry/Division in 8 th Five Year Plan (in present value)	:			
7.	Allocation & Projection for the sponsoring Ministry/Division in MTBF	:			
8.	Allocation required for the projects of the sponsoring Ministry/Division as per approved project documents (already included in ADP).	:			
9.	Number of projects already approved (yet not included in the ADP with allocation) & allocation required and the projects recommended by PEC (a) No. of approved projects (??) (b) No. of projects recommended by PEC (??)	: : :			
10.	Allocation required for the proposed project	:			
11.	Total requirement of Allocation [Total of row 8,9 & 10]	:			
12.	Fiscal Space (Capacity) [Subtract Row 11 from Row 7]	:			

Source Green Book 2022

C) Remarks and Suggestions

- Write the remarks of the relevance for project budgeting by considering whether and to what extent the project costs and the alignment of costs within the project period should match the budget plan of the sector.
- If fiscal Space (Financing Capacity) is negative, examine the way of financing the proposed project.

(2-2-4) Comments related with unapproved new project included in the ADP/RADP of the concerned Sector and the sponsoring Ministry/Division

Reference: SAF
(4) Comments related with unapproved new project included in the ADP/RADP of the concerned Sector and the sponsoring Ministry/Division
a) Unapproved new project in the ADP/RADP
b) Comments

a) Proposed projects

- Write the projects listed in the unapproved new project of the relevant sector (Green Page in the ADP/RADP).

For example:

Agency: Chattogram WASA (3 Projects)			
31	Management Information System Implementation Project for CWASA (MISIPC) (July 2022-June 2025)	3630.90	High
32	Construction of Head Office Building of Chattogram WASA (July 2021-June 2025)	38515.70	High
33	MOHRA WATER SUPPLY PROJECT (PHASE-2) (July 2022-June 2026)	344847.74	Low
Agency: Department of Public Health Engineering (22 Projects)			
34	Development of safe water supply and sanitation system in Durgapur, Kamalkanda and Atpara upazilas of Netrokona district (July 2022-December 2024)	4812.00	High
35	Safe water supply and environmental sanitation projects in 31 municipalities across the country. (July 2022-December 2026)	156780.49	High
36	Development project of water supply and sanitation system in Sadar upazila and Sreepur upazila of Magura district. (July 2022-June 2024)	4428.41	Medium

Source: ADP

C) Remarks and Suggestions

- Write the comments on the relevance for the project budget of the proposed project, considering the priority among other unapproved new projects.
- If the proposed project is not a “high” priority project on the list of Unapproved New Projects in the ADP or RADP, carefully consider whether the Sector Division will submit this proposed project to the ECNEC for approval during the current APD or RADP period.

3-5 Part III: Relevance to Manpower

Carry out this section to comply with the following stipulation in Green Book 2022.

- 3.1.1. (5) In the PEC meeting it has to be ensured that the type /nature, post/number of manpower proposed for the implementation of the project has been recommended by the Manpower Fixation Committee of the Finance Division and the matter has to be confirmed in the PEC meeting (Details at paragraph 1.1.14).

The Manpower is discussed in the Ministry/Division and also the Manpower Fixation Committee before the Ministry/Division sends the DPP to the Sector Division of the Planning Commission. The purpose of this part III "Relevance of Manpower" is to review the manpower issue from a third party's perspective in order to avoid appraising the project with bias.

TOR: The circular (No. MPB/C: B: Sh: SK -01/2003/28, issued by Cabinet Division, dated 22 January 2003) says "The Committee will give recommendation on the determination of the nature and number of post/ manpower requirement of the different projects at the time of formulation of the PCP/ PP by each Ministry/Division/Agency."

Member: The same circular stipulates three members of the committee.

- 1) Additional Secretary, Finance Division, Convener
- 2) Joint Secretary, Ministry of Public Administration Member
- 3) Joint Secretary of concerned Administrative Ministry/Division Member

For determination of the type /nature, and post/post/amount of manpower for a project, the PEC meeting will examine the proposals thoroughly and make specific recommendations. The Working Paper for the PEC meeting will include an analysis and recommendations in this regard.

Part III reviews the manpower status in two phases: 1) manpower during project implementation, and 2) manpower after completion of the project, during its operation.

Part III has three parts.

- 3-1. Confirmation of the project information related to manpower setting
- 3-2 Manpower during project implementation
 - 1) Comments by the Finance Division related to the manpower
 - 2) Planned Manpower related to project implementation
- 3-3 Manpower during operation
 - 1) Comments by the Finance Division related to the manpower
 - 2) Planned Organization/Manpower related to O&M after project completion

(III-1) Confirmation of the project information related to the Manpower setting

[During Project Implementation]

- Obtain the following information from Annexure 2 of the DPP, and/or Situation Analysis Paper if Manpower Fixation was done via the Manpower Fixation Committee at Finance Division.
 - Project's Organizational Structure
 - Posts (deputation/ direct recruiting/ outsourcing)
 - Incurred Costs
 - Expected date of Formulation/appointment
 - Central/ local distribution of manpower
 - Balance and burden of duties
 - Technical requirements

What is Situation Analysis Paper?

The situation analysis paper is the paper prepared by the Agency to provide information related to the manpower requirements for the proposed project. The paper explains the relevance of the project, with similar projects to compare the adequacy of manpower setting and the availability of the manpower within the existing structure of the Agency. The Manpower Fixation Committee reviews the information submitted by the Agency and suggests a rational manpower setup for the implementation of the project

[During Operation and Maintenance]

- Obtain the following information on manpower setting during Operation and Maintenance by reading the Reference points in the DPP and Feasibility Study.
 - O&M Management Responsibility
 - Organizational Structure
 - Government involvement in O&M
 - Required Technical Aspects
 - O&M Budget Source

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 13. After completion, whether the output of the project needs to be transferred to the revenue budget
 - 32.1/33.1 (If foreign financing is involved) Sustainability of the project benefit with Exit Plan
 - Appendix: Exit Plan/ Operation and Maintenance Plan
- Check the following sections in feasibility study report.
 - 7. Human Resources and Administration Support
 - 8. Institutional and Legal Analysis

(III-2) Manpower during project implementation

Carry out this section to comply with the following stipulation in Green Book 2022.

- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, **capacity of the implementing agency in implementation of projects**, pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.

- 3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, **consistency with manpower and their use and the recommendation of the Committee for determination of manpower**. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.

(III-2-1) Comments by the Finance Division related to the manpower

<p>Reference: SAF</p> <p>(1) Comments by the Finance Division related to manpower (Refer to Minutes of Manpower Rationalization Committee Meeting and Situational Analysis Report for Manpower Rationalization)</p> <div style="border: 1px solid black; height: 50px; width: 100%;"></div>

- Review whether the manpower setup for project implementation is designed adequately based on the comments of the Manpower Fixation Committee.
 - When the Manpower Fixation Committee Meeting is held, its Minutes and reference papers may be treated as comments. Specific comments from the Situation Analysis Reports for Manpower Fixation may also be considered.

(III-2-2) Comments based on various aspects of Manpower Formulation

- Review the manpower setup for project implementation and provide remarks considering the proposed scope and budget of the project by analyzing the following seven aspects: 1) Structure, 2) Posting/ recruitment method, 3) Cost, 4) Date of formulation, 5) Distribution of manpower, 6) Balanced distribution of duties, 7) Technical requirement. Table 18 gives the detailed explanation of each aspect.
- Provide remarks to review and modify the manpower setup for project implementation in a large scale in the following two cases.
 - (a) Change in relation to the scope of the project objective and outputs: after evaluating the project at Part II “Relevance to Sector Planning and Budgeting”, the scope of the project objective and/or the expected outcomes may be changed. This can imply the necessity to review the manpower. Specific suggestions should be made to provide changes in the manpower formulation in the implementation stages in line with the suggestions made in the change of scope.
 - (b) Change in relation to the scope of budget and input: after evaluating the project at Part II “Relevance to Sector Planning and Budgeting”, the scope/allocation of the budget may

be changed. This can imply the necessity to review the manpower. Specific suggestions to the manpower formulation, and if possible, allocation of approximate budget for manpower budget and its formulation as appropriate inputs, should be made.

Table 18 Aspects for Analysis of proposed manpower setup for project implementation

	Aspects	Explanation
1	Project's Organizational Structure	The Project Appraiser will deeply review the organizational structure and check whether the structure matches the characteristics of the project. The structure must match the size, location(s), managerial and technical requirements of the project during its implementation.
2	Posts (Deputation/ Direct Recruitment/ Outsourcing)	The Project Appraiser will analyze the nature of the proposed posts and the recruitment method. The current personnel system has three types of personnel positioning: i) Deputation, ii) Direct recruitment, and iii) outsourcing.
3	Incurred Costs	The Project Appraiser will review the total estimated costs for manpower, mainly by comparing the costs to other projects of similar characteristics. Since this aspect should be covered by the Manpower Fixation, the working paper and the minutes thereof may be referred to.
4	Expected date of formulation/appointment	Many projects take excessive time to arrange and appoint manpower. To ensure that manpower formulation will be finalized and posting will be made accordingly, the target date or period in this regard should be clearly mentioned in the project implementation plan.
5	Central/local distribution of manpower	The Project Appraiser will check the balance of manpower placements in central (in Agencies, Ministries/Divisions) and local (close to project sites). Imbalance of placements may affect the efficiency of the project. Since projects tend to place more manpower in the central offices in relation to local offices, the strict viewpoint of project efficiency is essential as the standpoint of the Project Appraiser.
6	Balance and burden of duties	The Project Appraiser will check the balance of duties amongst the manpower to ensure efficiency in the implementation of the project.
7	Technical requirements	The Project Appraiser will check the technical requirements within the manpower formulation, and ensure that the quality of the project will be ensured.

(III-3) Manpower during operation

Carry out this section to comply with the following stipulation in Green Book 2022.

3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account a detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, **pressure on the operating budget after project completion** and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.

3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, **consistency with manpower and their use and the recommendation of the Committee for determination of manpower.** In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.

Manpower formulation for Operation and Maintenance (O&M) after completion of the project is also an important point to appraise. Many projects overlook this factor in the planning stages. This may trigger a lack of sustainability of the project, and result in fewer outcomes than what was originally designed for.

At the initial project planning stage (including the DPP formulation stage), it is difficult for projects to make specific sustainability measures and detailed O&M plans. However, it is important that initial measures to ensure that O&M are taken into consideration within the project design. In the aspect of manpower formulation, organizations or groups, government or non-government must be considered, since they would be the determining factor for effectiveness of the outcomes.

(III-3-1) Comments by the Finance Division related to the manpower

<p>Reference: SAF</p> <p>(1) Comments by the Finance Division related to manpower (Refer to Minutes of Manpower Rationalization Committee Meeting and Situational Analysis Report for Manpower Rationalization)</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>

- Review whether the manpower setup during Operation and Maintenance is designed adequately based on the comments of Manpower Fixation Committee.

(III-3-2) Comments related to Planned Organization/Manpower for Operation & Maintenance and Management after Completion of Project

- Review the manpower setup for operation and maintenance and provide remarks considering the proposed scope and budget of the project by analyzing the following five aspects: 1) Operation and Maintenance Management Responsibility, 2) Organizational Structure, 3) Government Involvement in Operation and Maintenance, 4) Required Technical Aspects, and 5) O&M budget allocation. **Error! Reference source not found.** gives the detail explanation of each a spect
- Provide remarks to review and modify the manpower setup for operation maintenance in a large

scale in the two cases, the same cases explained in (3-2-2)

Table 19 Aspects for Analysis of proposed manpower setup for operation and maintenance

	Aspects	Explanation
1	Operation and Maintenance Management Responsibility	The Project Appraiser will check the responsible organization/group for O&M. It should also be checked whether the organization/group already exists, or it is expected to be newly formed.
2	Organizational Structure	The Project Appraiser will check the expected structure of the organization/group for O&M. If the organization/group already exists, the readiness of the organization/group to cope with the O&M for the project should be checked, including possible requirements of additional manpower. If O&M is planned to be appointed through bidding procedures, basic conditions of manpower setup and schedules of appointment should be checked. If the organization/group is newly formed to specifically conduct O&M for the project in question, it must be checked whether the formulation is part of the project scope and activities. For all aspects, management viewpoints and operational viewpoints should be separately analyzed.
3	Government Involvement in Operations and Maintenance	The involvement of the Government in O&M will be checked. If the O&M is planned to be conducted by a government organization/group, it should clearly state specific responsibilities to be borne by the Government. If the Government is involved in advisory or conduct outsourcing of all or part of O&M, the involvement level should be checked. Again, management viewpoints and operational viewpoints should be separately analyzed.
4	Required Technical Aspects	Technical requirements of O&M and the formulation of a manpower structure that can cope with and sustain such requirements are essential. The Project Appraiser must check whether the existing/new organization/group has the readiness to cope with the technical requirements for conducting O&M. If the organization/group is to be newly formed, the Project Appraiser checks whether technical training or manpower appointment activities are included as part of the project.
5	Budget for Operations and Maintenance*	The Project Appraiser will check the implication of recurrent budget related to the manpower or posting after the completion of the project.

***Financial sustainability**

The Project Appraiser examines items 13.0, 31.0, and 32.1 of the DPP, explaining how the facilities constructed by the project would be operated and maintained after its completion.

Although this issue is also expected to be checked at the Ministry Project Assessment stage, since the financial sustainability is directly linked to future fiscal space in the revenue budget (or in other resources where it should be clearly indicated), the Sector Division must reconfirm the necessity and magnitude of O&M cost. The cost issue also relates to the manpower issue, where the organization in charge of O&M must be clear including the costs incurred for its management.

3-6 Part IV: Relevance of Costing

Carry out this section to comply with the following stipulation in Green Book 2022.

- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, **pressure on the operating budget after project completion** and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
- 3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, consistency with manpower and their use and the recommendation of the Committee for determination of manpower. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.
- 3.1.1(6) For consideration of project proposals to be implemented in phases, the IMED Project Completion Evaluation Report or the Special Evaluation Report on the previous phase of the project will have to be examined properly and recommendation /suggestion for approval of the proposed project will have to be made accordingly. However, phase wise projects should not be taken continuously for implementation of those activities which can be implemented under operating budget, rather initiatives should be taken to implement these activities under operating budget.
- 3.1.1(9) Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.
- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal

The Costing is discussed in the Ministry/Division and also the Cost Rationalization Committee after the Project Evaluation Committee Meeting. The purpose of this part IV “Relevance of Costing” is to review the project cost from a third party’s perspective in order to avoid appraising the project with bias.

Part IV has four parts.

- 1. Cost estimations for project implementation
- 2. Price contingency and physical contingency
- 3. Vehicles and equipment
- 4. Cost estimation for operation and maintenance

Although these issues are expected to be checked through Ministry Project Assessment, since the project cost is directly linked to the sector budget framework which will be examined in Part IV, it is required for the Sector Division to independently reconfirm the relevance of the project cost.

(IV-1) Cost estimation for project implementation

Reference to MAF

1. Cost estimation for project implementation

<ul style="list-style-type: none"> - Are cost estimates underestimated by excluding the cost of necessary Inputs to produce the planned Outputs? - Are cost estimates overestimated by including the cost of Inputs that are not required to produce the Planned Outputs? - Did the design of scheduled items follow the latest rate schedule? - Did the design of non-scheduled items follow the list of an item-wise unit price considering the market price prepared by the Ministry/Division? - Are cost estimates overestimated or underestimated in consideration of the technical standards? 	
a) Is the project designed adequately in terms of "cost estimation for project implementation", considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

a) Questions for Review

- Review the cost estimation for project implementation in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
 - Are cost estimates underestimated by excluding the cost of necessary Inputs to produce the planned Outputs?
 - Are cost estimates overestimated by including the cost of Inputs that are not required to produce the Planned Outputs?
 - Did the design of scheduled items follow the latest rate schedule?
 - Did the design of non-scheduled items follow the list of an item-wise unit price considering the market price prepared by the Ministry/Division?
 - Are cost estimates overestimated or underestimated in consideration of the technical standards?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP

- Check the following DPP items.
 - 9. Estimated Cost Summary
 - 20. Basis of Item wise cost estimation and date
 - 21. Comparative Cost of Major Items of Similar Other Projects
 - 22. Detailed Annual Phasing of Cost
 - 23. Technical Specification/ Design of major item
 - Annexure V (a): Detailed Estimated Cost
 - [Appendix] Minutes of the meeting of the Cost Rationalization Committee
- Check the following sections in the feasibility study report.
 - 4. Technical/ Technological & Engineering analysis, (d) Cost Estimation

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

(IV-2) Price contingency and physical contingency

Reference to MAF

3. Price contingency and physical contingency

- Are the proposed price contingency and physical contingency within the upper limit?	
- Are the proposed price contingency and physical contingency reasonable based on the experiences of similar projects?	

a) Is the project designed adequately in terms of "price contingency and physical contingency", considering the questions above?

<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
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b) Remarks and suggestions

a) Questions for Review

- Review the price contingency and physical contingency in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
 - Are the proposed price contingency and physical contingency within the upper limit?
 - Are the proposed price contingency and physical contingency reasonable based on the experiences of similar projects?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 9. Estimated Cost Summary
 - 22. Detailed Annual Phasing of Cost
 - Annexure V (a): Detailed Estimated Cost
 - [Appendix] Minutes of the meeting of the Cost Rationalization Committee
- Check the following sections in the feasibility study report.
 - 4. Technical/ Technological & Engineering analysis, (d) Cost Estimation

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

Tips: Outline of cost estimation table

- Revenue Component (A- Taka): including procurement of **services**
- Capital Component (B -Taka): including procurement of **goods** and **works**
- Physical Contingency (C- %): currently stipulated as up to **2% of total cost of (B)**; and
- Price Contingency (D- %): currently stipulated as up to 8% of total cost of **(A+B)**.

The next table explains the definition of (A) to (E) with example.

Item	Short Description	Example (Lac)
A	Sub-total of Revenue components	50
B	Sub-Total of Capital Components	100
	Sub-total (A+B)	150
C	Physical Contingency: (C-%) = (B) *2% = C	2
D	Price Contingency: (D%) = -(%) = (A+ B) *8% = D	12
E	Grand Total (A+B+C+D)	164

(IV-3) Vehicle and equipment

Reference: SAF

2. Vehicles and equipment

- | |
|--|
| <ul style="list-style-type: none"> - Are the proposed number of vehicles and equipment reasonable in consideration of the status of the vehicles and equipment procured under operating and development budget? - Are the management cost of proposed vehicles and equipment considered carefully in the financial plan? - Are the O&M of proposed vehicles and equipment considered carefully in the O&M Plan? |
|--|

a) Is the project designed adequately in terms of “cost related to vehicles and equipment”, considering the questions above?	
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- | | |
|------------------------------|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No (Amendment is necessary) |
|------------------------------|--|

b) Remarks and suggestions

- Review the cost of vehicle and equipment in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
 - Are the proposed number of vehicles and equipment reasonable in consideration of the status of the vehicles and equipment procured under the operating and development budget?
 - Are the management costs of proposed vehicles and equipment considered carefully in the financial plan?
 - Are the O&M of proposed vehicles and equipment considered carefully in the O&M Plan?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 9. Estimated Cost Summary
 - 13. After completion, whether the project needs to be transferred to the revenue budget
 - 22. Detailed Annual Phasing of Cost
 - 32.1/33.1 (If foreign financing is involved) Sustainability of the project benefits with Exit Plan
 - Annexure V (a): Detailed Estimated Cost
 - [Appendix] Minutes of the meeting of the Cost Rationalization Committee
 - [Appendix] O&M Plan (Exit Plan)
- Check the following sections in the feasibility study report.
 - 4. Technical/ Technological & Engineering analysis, (d) Cost Estimation

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Matters relating to the use, maintenance, and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.

(Source: Para 3.1.1 (3), Green Book 2022)

(IV-4) Cost Estimation for Operation and Maintenance

Reference: SAF

4. Cost estimation for operation and maintenance

- Are the cost estimates for O&M realistic based on the experiences of similar projects?	
- Are proposed O&M costs secured in future operational budgets?	
a) Is the project designed adequately in terms of “cost estimation for operation and maintenance”, considering the questions above?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No (Amendment is necessary)
b) Remarks and suggestions	

- Review the cost estimation for operation and maintenance in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
 - Are the cost estimates for O&M realistic based on the experiences of similar projects?
 - Are proposed O&M costs secured in future operational budgets?
- Select one of two options.
 - Yes: Considering the above questions, the project is adequately designed.
 - No: Considering the above questions, the project is not adequately designed.

Reference points in the DPP and Feasibility Study

- Check the following DPP items.
 - 13. After completion, whether the project needs to be transferred to the revenue budget
 - 32.1/33.1 (If foreign financing is involved) Sustainability of the project benefits with Exit Plan
 - [Appendix] O&M Plan (Exit Plan)
- Check the following sections in feasibility study report.
 - 4. Technical/ Technological & Engineering analysis, (d) Cost Estimation

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

3-7 Part V: Review of Assessment Results Conducted at the Ministry/Division

The main objective of Part V of the SAF is to review the results of the Project Assessment conducted by the sponsoring Ministry/Division, especially Part VII of the MAF: Evaluation Criteria. It is expected that the quality of the project (DPP) is ensured by the sponsoring Ministry/Division through the Project Scrutiny Committee (PSC)/ Project Assessment Committee (PAC). The Ministry/Division uses the **Ministry Assessment Format (MAF)** to assess the quality of the project (DPP).

Through Part V of SAF, the Sector Division review the result of the Ministry's Assessment by examining the DPP via Evaluation Criteria, and provide comments on the DPP.

Part V has six parts.

- 1. Relevance
- 2. Effectiveness
- 3. Efficiency
- 4. Impact
- 5. Sustainability
- 6. Risks during Operation and Maintenance

Table 20 shows the summary of assessment questions in MAF Part VII “Evaluation Criteria”

Table 20 Summary of assessment questions in MAF Part VII “Evaluation Criteria”

Part	Item	Criteria	Question
VII	Evaluation Criteria	1) Relevance	1) Consistency with Plans, Strategies, and Programmes: Is the project included in the strategies, development plans and programmes stipulated by the Government / Sector? Are the Project Goal and Project Purpose consistent with these?
			2) Consistency with financing resources (Ministry/Division- Level Multi-Year Public Investment Programme (MYPIP) <i>if available and/or Medium-Term Budget Framework (MTBF)</i>): Is the financing secured for the project?
			3) Beneficiaries: Are the project beneficiaries appropriately identified? Does the Project Purpose match the needs of the beneficiaries?
			4) Project Location: Can the Project Purpose be achieved given the location(s) where the project will be implemented?
		2) Effectiveness	1) Are the Outputs identified appropriately so that the Project Purpose would be achieved?
			1) 1.1) Is the cost estimation of the project appropriate and reliable? 1.2) Cost comparison with other completed (or approved) projects of the same nature
		3)Efficiency	2) Is the duration of the project reasonable? Is the schedule of the project reasonable, considering sequence of activities/ procurement plan, seasonal/functional fluctuations?
			3) Are the materials, equipment, facilities and technology required for the implementation of the project sufficient to conduct activities and achieve the Outputs?
			4) Is the manpower required for the implementation management of the project sufficient to conduct activities and achieve the Outputs?
			5) Are there any important controllable and uncontrollable risks that are liable to affect the implementation of the project?
			6) What are the mitigation measures considered for risks that are indicated in (5) above?

Part	Item	Criteria	Question
			<p>4.1 Impact (A): To evaluate the extent to which the longer and broader development effects are aligned with the achievement of Project Purpose.</p> <p>Are the longer and broader development effects aligned with the achievement of Project Purpose adequately identified and practically achievable?</p>
			<p>4.2 Impact (B): To evaluate the indirect effects of the project (both positive and negative) on matters not related to the long-term goal of the project.</p>
	4) Impact		<p>1) During the project implementation</p> <p>1-1) Negative Impact: Are there any possibilities of the Project and its activities generating negative social and natural environmental impacts? Are Mitigation measures considered and incorporated into the project design?</p> <p>1-2) Positive Impact: Are there likely to be any positive impact that improves social and natural environmental conditions?</p> <p>2) During Operation and Maintenance</p> <p>1-1) Negative Impact: Are there any possibilities of the Project and its activities generating negative social and natural environmental impacts? Are Mitigation measures considered and incorporated into the project design?</p> <p>1-2) Positive Impact: Are there likely to be any positive impact that improves social and natural environmental conditions?</p>
	5) Sustainability		<p>1) Institutional Sustainability: Does the organization proposed for O&M have legal or administrative responsibilities and functions for O&M facilities to be developed by the proposed project?</p> <p>2) Organisational Sustainability: Does the organization assigned for O&M have enough human and technical capacity for O&M?</p> <p>3) Financial Sustainability: Are there any documented plans for operation and maintenance after the project is completed, with clear foundation of financial resources to maintain realized effects by the project?</p>
	6) Risks and mitigation measures		<p>1) Are there any important controllable and uncontrollable risks that are liable to affect the project after its completion and during its operation?</p> <p>2) What are the mitigation measures considered for risks that are indicated in (1)?</p>

Source: Ministry Assessment Format (MAF)

(V-1) Relevance

a) Questions for Review

- Review the relevance of the proposed project in the light of the questions and perspectives shown in the table below, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
<p>Consistency with Plan, Strategies, and Programmes: Is the project included in the strategies, development plans and programmes stipulated by the Government / Sector? Are the Project Goal and Project Purpose consistent with these?</p>	<ul style="list-style-type: none"> - Whether the problems to be addressed under the proposed project are consistent with the macro development objectives stipulated in the Five Year/ Perspective Plans and Programs and/or Sector Strategy Paper (SSP)/ Sector Actin Plan (SAP). - Whether the linkages shown with other projects/ institutions are appropriate and relevant. - Whether the key indicators of Goal and the Purpose/Objective of the proposed Project are consistent and relevant with development plans and programs stipulated by the Government sector with reference to the Delta Plan, Perspective Plan, Five Year Plan, Sector Strategy Paper (SSP)/Sector Action Plan (SAP), and Sustainable Development Goals (SDGs). - Whether the scope of the project is within the Allocation of Business of the Sponsoring Ministry/Division, the Vision, Mission of the sponsoring Ministry/Division and Implementing Agency, and within the jurisdiction of the concerned Sector Division of the Planning Commission. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 2.1 Sponsoring Ministry/ Division - 2.2 Implementing Agency - 2.3 Concerned Division - 14. Background - 15. Project Description - 27. Linkage - 28.1 Vision and Mission of Ministry/Division and Agency, - 28.2 Allocation of Business of Ministry/ Division <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 3. Market Demand Analysis (b) Relevance of the Project Idea - 8: Institutional and Legal Analysis
<p>Consistency with financing resources: Is the financing secured for the project?</p>	<ul style="list-style-type: none"> - Whether the sources of financing are adopted adequately: GOB, DPs, Implementing Agency and others. - Whether the mode(s) of financing is/are adopted adequately. - Whether the proposed budget allocation is consistent with sector programme budget allocation, Medium Term Budgetary Framework (MTBF) and Multi-Year Public Investment Programme (MYPIP)* - Whether necessary attachments/ appendices, explained in the table below, are attached to the DPP. - Whether the year-wise estimated cost is adequate considering the project implementation - Whether the estimated project cost is adequate in light of year wise fiscal space of sectors 	<p>[DPP]</p> <ul style="list-style-type: none"> - 6.3 Financing Plan (Annexure VII) - 12.2 Year-wise target (Annexure IV) - 22. Annual phasing of cost (Annexure V) - 24. Amortization Schedule (Annexure VI)

Questions	Perspectives	Reference points in the DPP and Feasibility Study
	<ul style="list-style-type: none"> - Whether there is no overlap between the proposed project and other development projects/programmes outside the ADP, on-going projects/programmes under the Climate Change Trust Fund (CCTF) or other funds, and on-going activities under the operational budget. 	
<p>Beneficiaries: Are the project beneficiaries appropriately identified? Does the Project Purpose match the needs of the beneficiaries?</p>	<ul style="list-style-type: none"> - Whether the problems, the causes of the problems, and the possible sequences of the problem are identified. - Whether the beneficiaries of this project are appropriately identified. - Whether the current and future demands of beneficiaries are appropriately identified. - Whether the proposed project responds the beneficiaries' demand. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 3. Objectives and Targets - 14. Background - 15. Project Description - 16. Population Statistics <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 3 Market Demand Analysis (d) Stakeholders, and (e) Demand Analysis
<p>Project Location: Can the Project Purpose be achieved given the location(s) where the project will be implemented?</p>	<ul style="list-style-type: none"> - Whether the information of the project location up to City Corporation/Pouroshova/ Upazila level is specified. - Whether the selected project site is a prioritized geographical area, considering government policies and master plan, including poverty alleviation, removal of regional disparity, and existing, ongoing, and pipelined projects, institutions, and facilities. - Whether the selected project site is suitable for the technology adopted for the proposed project. - Whether the selected project site is NOT within or near the environmentally protected area. - Whether the selected project site is adequate considering disaster and climate change risks. - Whether a map is appended with the DPP, showing linkage to other existing, ongoing, and pipelined projects, institutions, and facilities. - Whether a hazard map is attached to the DPP, showing the climate change risks and disaster management, e.g., the relations with Climate Stress Areas mentioned in the National Adaptation Plan. (Section 4: Technical/ Technological & Engineering analysis, (a) Location) - If the location of sub-projects is planned to be selected during the project implementation stage, whether the selection criteria of the sub-project location are explained. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 7.1 Location of the Project - 7.2 Justification of selecting the project area - [Appendix] MAP <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 4: Technical/ Technological & Engineering analysis, (a) Location

(V-2) Effectiveness

a) Questions for Review

- Review the effectiveness of the proposed project in the light of the questions and perspectives shown in the table below, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
Are the Outputs identified appropriately so that the Project Purpose would be achieved?	<ul style="list-style-type: none"> - Duplicate or missing outputs to achieve project purpose - Over or under specification to achieve project purpose 	[DPP] <ul style="list-style-type: none"> - 10. Logical Frame - 14. Background - 15. Project Description [Feasibility Study Report] <ul style="list-style-type: none"> - 3. Market Demand Analysis (c) Proposed Project Interventions - 4. Technical/ Technological & Engineering analysis, (c) Output Plan - 8. Institutional and Legal Analysis

(V-3) Efficiency

a) Questions for Review

- Review the efficiency of the proposed project in the light of the following questions, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
<p>Cost Estimation: Is the cost estimation of the project appropriate and reliable?</p> <p>Cost comparison with other completed (or approved) projects of the same nature</p>	<ul style="list-style-type: none"> - Whether the process of cost estimation is adequate, e.g., estimation of contingency. - Whether the ratio between revenue and capital components is reasonable with respect to the nature of the proposed project. - Whether the updated rate of schedule/ standards/ pay scales, and the present market price are used. - In the case of non-scheduled items, e.g., medical, ICT, and other specialized equipment/ materials/ commodities, whether the cost estimation conforms to unit price considering the market price. - Whether the cost estimation of the project is appropriate and reliable at the item level (standards and prevailing market price). - Whether the major Items and Units are comparable. - Whether the unit costs of the main components of the proposed project are reasonable compared to other similar projects. - Whether the reason(s) of differences is/are provided and justifiable. - Whether the unit cost reflects the prevailing market prices. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 9. Estimated Cost Summary - 11.1 Project management setup (Annexure II) - 12.1 Procurement Plan (Annexure III (a), III (b), III(c)) - 20. Basis of item-wise cost estimation and date - 21. Comparative cost - 22. Detailed Annual Phasing of Cost (As per Annexure –V(a) & V(b)) <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 4: Technical/ Technological & Engineering analysis, (d) Cost Estimation
<p>Project Duration: Is the duration of the project reasonable? Is the schedule of the project reasonable, considering a sequence of activities/ procurement plan, seasonal/functional fluctuations?</p>	<ul style="list-style-type: none"> - Whether the proposed project period is appropriate compared to other similar completed/on-going projects. - Whether the proposed project period is practical in consideration of the following issues. <ul style="list-style-type: none"> - Land acquisition/ Utility shifting - procurement schedule - seasonal fluctuation - project appraisal and approval schedule - availability of fund - Whether the completion time of the project is appropriate considering the expected achievement status of the project purpose. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 4. Project implementation period - 12.1 Procurement Plan (Annexure III) - 12.2 Year-wise Financial and Physical Target Plan (Annexure IV) - [Appendix] Gantt Chart of project activities <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 4: Technical/ Technological & Engineering analysis, (e) Implementation Plan

Questions	Perspectives	Reference points in the DPP and Feasibility Study
	<ul style="list-style-type: none"> - Whether the Procurement Plan fits into the project period as a whole as well as the output-wise timeline, considering seasonal and functional fluctuations. 	
<p>Materials, equipment, facilities and technology: Are the materials, equipment, facilities and technology required for the implementation of the project sufficient to conduct activities and achieve the Outputs?</p>	<ul style="list-style-type: none"> - Whether prevailing norms, and technical standards are applied while preparing Specification/Design. - Whether the technical specification/ design is sufficient to meet the objective of each component/ item. - Whether the proposed materials, equipment, facilities and technology are sufficient to conduct activities and achieve the Outputs. - Whether the proposed facilities are climate and disaster resilient 	<p>[DPP]</p> <ul style="list-style-type: none"> - 12.1 Procurement Plan (Annexure III) - 23. Technical Specification/ Design of major items - [Appendix] for 23. <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 4: Technical/ Technological & Engineering analysis, (b) Technical Design
<p>Manpower: Is the manpower required for the implementation management of the project sufficient to conduct activities and achieve the Outputs?</p>	<ul style="list-style-type: none"> - Whether the manpower required for the project implementation is sufficient to conduct activities and to realize the outputs by comparing them with similar projects. - Whether Organogram of the proposed project is attached. - Whether the manpower setup is formulated along with the recommendations of the Manpower Fixation Committee of the Finance Division. - Whether necessary attachments/ appendices are attached to the DPP 	<p>[DPP]</p> <ul style="list-style-type: none"> - 11.1 Project management setup (Annexure II) - 12.1 Procurement Plan (Service) (Annexure III (c)) - [Appendix] Situation Analysis Paper/ Working Paper for Manpower Fixation Committee - [Appendix] Minutes of Manpower Fixation Committee Meeting <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 7. Human Resources and Administration Support - 8. Institutional and Legal Analysis
<p>Risks: Are there any important controllable and uncontrollable risks that are like to affect the implementation of the project? What are the mitigation measures considered for risks that are indicated in above?</p>	<ul style="list-style-type: none"> - Whether the risks (internal conditions and external conditions) are identified. - Whether the mitigation measurements of risks (internal conditions) are identified, and incorporated into the activities of the project. - Whether the risks, which cannot be controlled by the project (external conditions), are explained in the column "Important Assumptions" of the Logical Framework (DPP Item 10). - Whether the lessons learnt and good practices from projects with a similar nature are adopted. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 10. Logical Framework "Important Assumptions" - 31. /32. (if foreign financing is involved) Risk analysis and mitigation measures <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 3. Market Demand Analysis, (f) SWOT analysis - 5. Environmental Sustainability, Climate Resilience and Disaster Risk Analysis - 9. Risk (uncertainty) and Sensitive analysis

(V-4) Impact

a) Questions for Review

- Review the impact of the proposed project in the light of the questions and perspectives shown in the table below, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
Are the longer and broader development effects aligned with the achievement of Project Purpose adequately identified and practically achievable?	- Whether the longer and broader development effects aligned with the achievement of Project Purpose are identified.	[DPP] - 10. Logical Frame - 14. Background - 15. Project Description
During project implementation and O&M: - Are there any possibilities of the Project and its activities generating negative and positive social and natural environmental impacts? - Are there any negative impacts on welfare (i.e., social or environmental impacts) that have not been identified?	- Whether there are any possibilities of the project and its activities causing social and environmental negative effect/ impact on - Whether the mitigation measures are considered and incorporated into the project design. - Whether the proposed facilities are designed considering the negative social and environmental impacts and mitigation measures.	[DPP] - 25. Effect/impact, adaptation and specific mitigation measures thereof - [Appendix] Gendre Action Plan etc. [Feasibility Study Report] - 1: Basic Information, 1.6: Project Category - 5. Environmental Sustainability, Climate Resilience and Disaster Risk Analysis

(V-5) Sustainability

a) Questions for Review

- Review the sustainability of the proposed project in the light of the questions and perspectives shown in the table below, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
Institutional Sustainability: Does the organization proposed for O&M have legal or administrative responsibilities and functions for O&M facilities to be developed by the proposed project?	<ul style="list-style-type: none"> - Whether the Operation and Maintenance (O&M) Plan/ Exit Plan is prepared. - Whether the responsible group/organization for O&M already exists or is expected to be newly formed. - If the organization for O&M is newly formed to specifically conduct O&M for the project, whether the formulation is part of the project scope and activities. - If the Government involves in O&M, whether specific responsibilities to be borne by the Government are identified - Whether the rules and regulations and guidelines and manuals for O&M to facilitate institutional sustainability are available and functional. - Whether the proposed facilities are institutionally sustainable. 	[DPP] <ul style="list-style-type: none"> - 13. After completion, whether the project needs to be transferred to the revenue budget - 32.1/33.1 (if foreign financing is involved): Sustainability of the project benefit - [Appendix] Exit Plan/ Operation and Maintenance Plan [Feasibility Study Report] <ul style="list-style-type: none"> - 7. Human Resources and Administration Support - 8. Institutional and Legal Analysis
Organisational Sustainability: Does the organization assigned for O&M have enough human and technical capacity for O&M?	<ul style="list-style-type: none"> - Whether the existing group/organization is ready to cope with the O&M for the project - If the organization for O&M already exists, <ul style="list-style-type: none"> - whether additional manpower is needed. - Whether the existing organization for O&M have the readiness to cope with the technical requirements for conducting O&M. - If the organization for O&M is newly formed to specifically conduct O&M for the project, <ul style="list-style-type: none"> - whether technical training or manpower appointment activities are included as part of the project. 	[DPP] <ul style="list-style-type: none"> - 13. After completion, whether the project needs to be transferred to the revenue budget - 32.1/33.1 (if foreign financing is involved): Sustainability of the project benefit - [Appendix] Exit Plan/ Operation and Maintenance Plan [Feasibility Study Report] <ul style="list-style-type: none"> - 7. Human Resources and Administration Support - 8. Institutional and Legal Analysis

Questions	Perspectives	Reference points in the DPP and Feasibility Study
	<ul style="list-style-type: none"> - Whether the proposed facilities are technically sustainable. 	
<p>Financial Sustainability: Are there any documented plans for operation and maintenance after the project is completed, with clear foundation of financial resources to maintain realized effects by the project?</p>	<ul style="list-style-type: none"> - Whether the agency responsible for operations will have enough financing for effectively maintain the operation and maintenance (O&M) costs. - Whether the implication of the recurrent budget for O&M is identified/determined. - Whether the cost and manpower required for O&M are sufficient to provide the services adequately by comparing these with similar facilities presently under operation. - Where the capacity for O&M is developed under the proposed project, if so, the budget for capacity development is proposed in the DPP. - Where the O&M budget comes from. - Whether the budget is secured. - Whether the proposed facilities are financially sustainable. 	<p>[DPP]</p> <ul style="list-style-type: none"> - 13. After completion, whether the project needs to be transferred to the revenue budget - 18. Financial an Economic Analysis - 32.1/33.1 (if foreign financing is involved): Sustainability of the project benefit - [Appendix] Exit Plan/ Operation and Maintenance Plan <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 4. Technical/ Technological & Engineering analysis, (d) Cost Estimation - 5. Cost Benefit Analysis

(V-6) Risks during Operation and Maintenance

a) Questions for Review

- Review the risks during Operation and Maintenance in the light of the questions and perspectives shown in the table below, by reading the Reference points in the DPP and Feasibility Study.
- Select one of two options.
 - Yes: Considering the questions below, the project is adequately designed.
 - No: Considering the questions below, the project is not adequately designed.

b) Remarks and Suggestions

- Provide concrete opinions or alternatives; “XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ”.

Questions	Perspectives	Reference points in the DPP and Feasibility Study
<p>Are there any important controllable and uncontrollable risks that are liable to affect the project after its completion And during its operation?</p> <p>What are the mitigation measures considered for risks that are indicated above?</p>	<ul style="list-style-type: none"> - Whether the risks (internal conditions and external conditions) are identified. - Whether the mitigation measurements of risks (internal conditions) are identified, and incorporated into the activities of the project. - Whether the lessons learnt and good practices from projects with a similar nature are adopted. 	<ul style="list-style-type: none"> - 13. After completion, whether the project needs to be transferred to the revenue budget - 31. /32. (if foreign financing is involved) Risk analysis and mitigation measures - 32.1/33.1 (if foreign financing is involved): Sustainability of the project benefit - [Appendix] Exit Plan/ Operation and Maintenance Plan <p>[Feasibility Study Report]</p> <ul style="list-style-type: none"> - 7. Human Resources and Administration Support - 8. Institutional and Legal Analysis - 9. Risk (uncertainly) and Sensitive analysis

[Tips]

Risks can be examined the following aspect.

- Institutional aspect: the condition of policy & plan, law, rules, and guidelines
- Financial aspect: the cost and source, and financial capacity and management.
- Organizational/ Technical aspects: manpower and their required skills and qualifications.
- Environmental and Climate change aspects

For example:

- The actual level of use is lower than initially estimated, due to changes in social and economic conditions.
- The starting of operation is delayed, because of delay in capacity development.
- The technology adopted for maintenance becomes obsolete, and the maintenance cost becomes higher than initially planned.

3-8 Check Sheet (After receiving the recast DPP.)

The chapter makes the Project Appraiser understand how the Project Appraiser should fill in each blank of the Check Sheet.

After receiving the recast DPP,

- Check whether it is necessary to hold the Project Evaluation Committee Meeting to appraise the recast DPP,
 - If yes, use the SAF to examine the recast DPP.
 - If no, use the Check Sheet to confirm whether all decisions of the last Project Evaluation Committee Meeting based on the relevant comments in SAF are reflected in the recast DPP.

3-8-1 Cost Rationalization Committee

Reference: SAF

a) Did the previous PEC meeting decide to recast the DPP through Cost Rationalization Committee?	
<input type="checkbox"/> Yes (→ go to b-1)	<input type="checkbox"/> No (→ go to c)
b-1) Was the DPP recast based on the decision of Cost Rationalization Committee?	
<input type="checkbox"/> Yes (→ go to b-2) (write date of meeting)	<input type="checkbox"/> No (→ hold the Cost Rationalization Committee)
Date of Meeting:	
b-2) If the answer to b-1) is "YES", Are the Minutes of the meeting with Working Paper attached to the DPP?	
<input type="checkbox"/> Yes (→ go to c) (Write Appendix No.)	<input type="checkbox"/> No (→ Attach the minutes of the meeting, working paper)
Appendix No. (): Minutes of the meeting	Appendix No. (): Working paper
c) Remarks and suggestions	

Before confirming whether all decisions of the last Project Evaluation Committee Meeting are reflected in the recast DPP, confirm whether necessary actions related to cost rationalization have been taken.

Paragraph 3.1.10 of the Green Book 2022 stipulates "In special cases cost rationalization of the proposed project may be done by the Cost Rationalization Committee constituted by the PEC."

a) Decision of PEC Meeting

- Check whether the previous PEC meeting decided to recast the DPP through the Cost Rationalization Committee by looking at the Minutes of the PEC meeting.
 - Yes: the PEC meeting decided to recast the DPP through the Cost Rationalization Committee.
 - No: the PEC meeting did not decide to recast the DPP through the Cost Rationalization Committee.
- If the answer is Yes, go to question b-1).
- If the answer is No, skip the next questions b-1) and b-2). Go to question c).

b-1) Decision of the Committee

- Check whether the proposed cost estimation is prepared according to the Cost Rationalization Committee's decision by looking at the "Minutes of the Cost Rationalization Committee Meeting" as an appendix to the DPP.
- Select one of two options:
 - Yes: the proposed cost estimation is prepared based on the committee's decision.
 - No: the proposed cost estimation is not prepared based on the committee decision.
- If the answer is "Yes", go to question b-2).
- If the answer is "No", skip the questions b-2). Go to c).
 - Provide suggestions like "the Cost Rationalization Committee should be organized and the DPP should be recast based on the decision of the same committee."

b-2) Record

- Write the serial number of the appendices "Minutes of the Committee Meeting" and Working Paper of the meeting.

c) Remarks and suggestions

- Provide concrete opinions or alternatives; "XXX is not clear enough in terms of YYY, and XXX can be changed as ZZZ".

Example: To verify the decision of the Committee, "Minutes of the Cost Rationalization Committee Meeting" should be attached to the DPP. This point can be discussed in the meeting.

3-8-2 Applicable for the Recast DPP

Reference: SAF

Instruction

- Confirm if all the comments and suggestions of PEC meeting based on SAF are incorporated into the recast DPP.
- When the necessary comments are reflected into the recast DPP, tick the box "YES".
- When the necessary comments are NOT reflected into the Recast DPP, tick the box "No", and provide the remarks and suggestions.
- When there are no comments and suggestion in the concern section of the SAF, tick the box "Not Applicable".

- Confirm whether all the comments and suggestions of PEC based on SAF are incorporated into the recast DPP by looking into the "Compliance Table" and relevant items, annexures, and appendix of DPP.
 - Tick the box "yes", when the necessary comments are reflected into the recast DPP.
 - Tick the box "no", when the necessary comments are NOT reflected in the recast DPP.
 - In this case, provide remarks and suggestions, e.g. "The decision of the PEC meeting was not taken into account. Recast the relevant parts of the DPP based on the decision of the PEC meeting. If it is difficult to recast the relevant parts, explain why."
 - Tick the box "Not Applicable", when there are no comments and suggestions in the concern section of the SAF.



STRENGTHENING PUBLIC INVESTMENT MANAGEMENT SYSTEM PROJECT

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

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