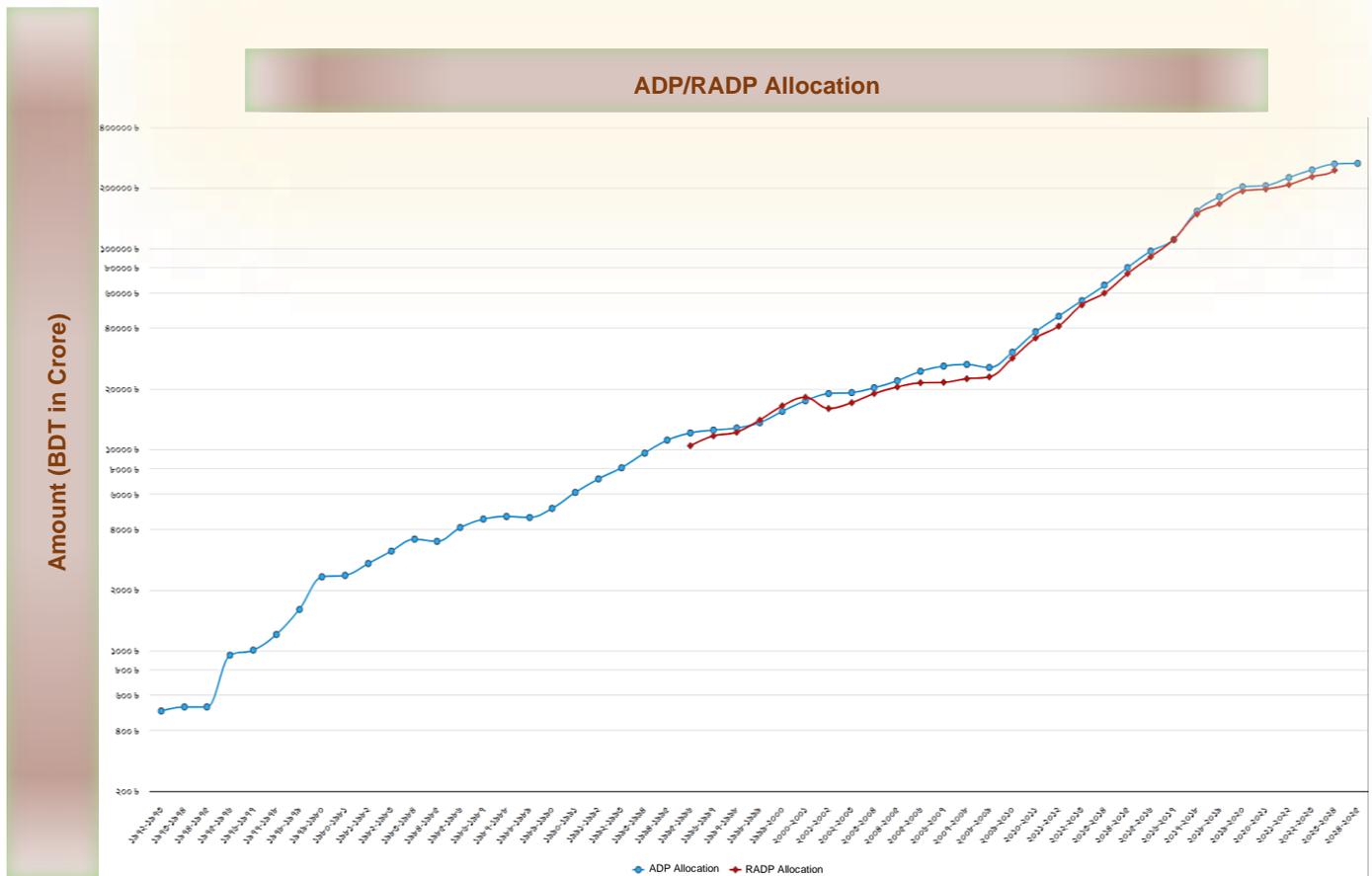




Strategic ADP Guideline



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

May 2024



Strategic ADP Guideline

Guidelines for using the SSP, SAP and MYPIP tools in the ADP/RADP Preparation Processes

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

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Cover Page Design

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2. The line graph used in the cover page is taken from the ADP/RADP Management System (AMS) (Accessed on May 29 2024, (link: <http://adp.plancomm.gov.bd/admin>))

Preface

Diagnostic studies analysing the Public Investment Management (PIM) practice in Bangladesh identified the need for a stronger alignment of the Annual Development Programme (ADP) with the Five-Year Plan (FYP). The Government initiated a number of reforms to improve the strategic focus of the ADP and the prioritisation framework by introducing two tools to enable a stronger alignment: the Sector Strategy Paper (SSP) and the Multi-Year Public Investment Programme (MYPIP).

The SSPs provide an overview of key sectoral priorities to establish strategic linkages between the FYP and planning at the level of Ministries, Divisions and Agencies (MDAs). The MYPIP identifies the resources needed and available for the sector to achieve its objectives. The MYPIP supports the prioritisation process by making clear the fiscal space available for the approval of new projects. Taken together, the SSP and MYPIP bridge the gap between national priorities and the allocation of scarce resources to priority projects.

To make effective use of the MYPIP and SSP tools in the context of the ADP preparation process, eight activities have been identified to be added to the annual ADP and RADP preparation process. These eight activities are additional; they do not change the current steps in the annual ADP preparation process, nor will these activities change the calendar/timing of the existing steps.

This guideline explains in detail **how, when, and by whom** the SSP and MYPIP tools through the activities mentioned above can be used in the ADP and RADP process in order to improve the Strategic focus of the ADP. With improved strategic focus, these guidelines imply, a) a stronger focus on the sector objectives as reflected in the FYP and the SSPs, and b) a stronger focus on the medium-term fiscal context aligning the MTBF.

All the activities reflected in this guideline have been tried and tested in four ADP-cycles; ADP FY 2021-22, ADP FY 2022-23, ADP 2023-24, and ADP 2024-25. Additional tools have been developed to further support the implementation of the tools, such as a specific MYPIP module in the AMS (ADP/RADP Management System). The guideline also explains how a SSP and MYPIP can be developed for a specific sector. These instructions, which can be found in the Annexes, are essential for the sectors that were not part of the pilot-phase (LGRD sector and Power and Energy sector) of the SSP and MYPIP tools.

Acknowledgements

The “**Strategic ADP Guideline: for the preparation of MYPIP in ADP/RADP processes**” has been developed by the "Strengthening Public Investment Management System (SPIMS) Project" of the Programming Division, Bangladesh Planning Commission. SPIMS is managed by the Programming Division of the Bangladesh Planning Commission with the technical support of the Japan International Cooperation Agency (JICA). The purpose of the SPIMS project is to deliver structural improvements in PIM capacity, with strengthened linkages between public investment projects, national development policies, and fiscal frameworks.

The Programming Division gratefully recognizes the financial support of the Government of Japan and technical assistance of JICA in the implementation of the SPIMS project. The concerned officials of the JICA Bangladesh Office were actively involved in the implementation of the project activities.

The members of the Sector Working Groups (SWGs) in the two pilot sectors of i) Power & Energy and ii) Local Government & Rural Development provided very useful contribution, guidance and inputs in the process of developing the tools and this guideline. The SPIMS project benefited immensely from the expert opinions of the members of the SWGs. We recognize their contributions with thanks and gratitude. We would also like to thank all the officials of the related Ministries/Divisions, Sector Divisions, Programming Division and GED of Planning Commission, IMED, ERD and Finance Division as well as those of the relevant agencies who cooperated to develop and validate this process guideline.

The Member, Programming Division and Senior Secretary, Planning Division provided invaluable support through his vast experience and able guidance in carrying forward the project activities. His unequivocal support was the greatest source of our inspiration. We are grateful to him for the valuable instruction for utilising/practicing these tools by the related Ministries/Divisions, Agencies and related Sector Divisions of Planning Commission

Finally, we owe our thanks to all the members of the Project Implementation Unit (PIU), JET team and the local consultants for their dedication and hard work for the project. Without their unwavering endeavours and knowledge of best practices of PIM in other countries it would not have been possible to develop the guideline.

The Programming Division looks forward to the cooperation of all concerned and their similar involvement in the next steps for using the guideline as well as rolling out of all PIM tools to other sectors, Ministries/Divisions and Agencies, towards achieving the ultimate goal of the project.

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Contents

Preface	III
Acknowledgements	V
Abbreviations and Acronyms	XI
1 Strategic ADP preparation process	1
1.1 The ADP Cycle	1
1.2 How to develop a more Strategic ADP	2
1.3 Eight additional activities	3
2 Key stakeholders and main responsibilities	5
2.1 Introduction	5
2.2 Key stakeholders	5
3 Making the ADP process more strategic	9
3.1 Activity 1: FBE analysis for the ADP/RADP Allocation	9
3.1.1 Objective	9
3.1.2 Context	9
3.1.3 Activity 1 in three steps	10
3.1.4 Step 1: Develop the FBE Analysis Report	10
3.1.5 Step 2: Discuss and finalise Draft FBE Analysis Report within the Planning Commission	10
3.2 Activity 2: Include MYPIP instructions in the RADP Circular	11
3.2.1 Objective	11
3.2.2 Context	11
3.2.3 Activity 2 in one step	11
3.2.4 Step 1: include MYPIP instructions in the RADP Circular	11
3.3 Activity 3: Sector Performance Analysis (SPA)	12
3.3.1 Objective	12
3.3.2 Context	12
3.3.3 Activity 3 in three steps	12
3.3.4 Step 1: Update the Sector Result Framework	13
3.3.5 Step 2: Analyse sector performance	13
3.3.6 Step 3: Sector Performance Analysis (SPA) Report	13
3.4 Activity 4: Include Strategic ADP activities in the ADP Circular	14
3.4.1 Objective	14
3.4.2 Context	14
3.4.3 Activity 4 in three steps	14
3.4.4 Step 1: Include reference to Sector Performance Analysis Report	14
3.4.5 Step 2: Include instructions for MYPIP analysis prior to the tripartite meeting	15
3.4.6 Step 3: Include instructions and template for the Sector Highlight	15
3.5 Activity 5: Updating MYPIP – RADP	15
3.5.1 Objective	15
3.5.2 Context	15
3.5.3 Activity 5 in three steps	16
3.5.4 Step 1: Update MYPIP after completion of the RADP	16
3.5.5 Step 2: Verify MYPIP data with the sector	16
3.5.6 Step 3: Prepare and send MYPIP reports to the PIM Reform Wing	16
3.6 Activity 6: MYPIP analysis for Tripartite meeting	17
3.6.1 Objective	17
3.6.2 Context	17
3.6.3 Activity 6 in three steps	17
3.6.4 Step 2: Discussion in Planning Commission and Line Ministries/Divisions	18
3.6.5 Step 3: Present findings in Tripartite meeting	19
3.7 Activity 7: Updating MYPIP – ADP	19
3.7.1 Objective	19
3.7.2 Context	19
3.7.3 Activity 7 in three steps	20
3.7.4 Step 1: Update MYPIP after final ADP project selection	20
3.7.5 Step 2: Verify MYPIP data with the sector	20
3.7.6 Step 3: Prepare/send MYPIP reports to Sector Division and PIM Reform Wing	20

3.8	Activity 8: Improved Sector Highlights in ADP	21
3.8.1	Objective	21
3.8.2	Context	21
3.8.3	Activity 8 in two steps	21
3.8.4	Step 1: Draft the Sector Highlight for the ADP document	22
3.8.5	Step 2: Review Sector Highlight and complete Sector Highlight	22
4	Maintaining the accuracy of the SSPs; Annual update, MTR, and FR	223
4.1	Objective	23
4.2	Context	23
4.3	Maintaining the SSP framework in four steps	24
4.3.1	Step 1: Annually update the SSPs	24
4.3.2	Step 2: Mid Term Review (MTR)	24
4.3.3	Step 3: Final Review (FR)	25
4.3.4	Step 4: Evaluation of the SSP framework	25
5	Maintaining the MYPIP framework	27
5.1	Objective	27
5.2	Context	27
5.3	Maintaining accuracy and relevance of the MYPIP framework in two steps	27
5.3.1	Step 1: Review of the indicative expenditure profiles	27
5.3.2	Step 2: Review the MYPIP function, scope, methodology, and reporting formats	28
6	Integrating strategic planning, budgeting and project management	29
6.1	Objective	29
6.2	Context	29
6.3	Steps	30
6.3.1	Step 1: Identify the project	30
6.3.2	Step 2: Formulate the project	30
6.3.3	Step 3: Assess the project	31
6.3.4	Step 4: List unapproved new project without allocation	31
6.3.5	Step 5: Appraisal of new projects	31
6.3.6	Step 6: Approval of the Project	32
ANNEX 1:	How to develop the SSP	33
A1.1	Background and concepts	33
A1.2	Structure and content of the SSP	35
A1.3	Formulating the SSP	43
ANNEX 2:	How to develop the MYPIP	49
A2.1	Background and concepts	49
A2.2	Formulation of the MYPIP	53
ANNEX 3:	Template Activity 1 FBE Analysis Report	61
ANNEX 4:	Template Activity 3 Sector Performance analysis	63
ANNEX 5:	Template Activity 5 AMS/MYPIP Reports	67
ANNEX 6:	Template Activity 5 Comparison Report (Example)	69
ANNEX 7:	Template Activity 6 MYPIP Analysis	73
ANNEX 8:	Template Activity 7 AMS/MYPIP Reports	77
ANNEX 9:	Template Activity 7 AMS/MYPIP Comparison Report	79
ANNEX 10:	Template Activity 8 Improved Sector Highlight	81

List of Table

Table 1: ADP and RADP process in Bangladesh	1
Table 2: Eight Activities and the relevant stakeholders and main responsibilities	7
Table 3: Summary of Activity 1	9
Table 4: Summary of Activity 2	11
Table 5: Summary of Activity 3	12
Table 6: Summary of Activity 4	14
Table 7: Summary of Activity 5	15
Table 8: Summary of Activity 6	17
Table 9: Summary of Activity 7	19
Table 10: Summary of Activity 8	21
Table 11: Maintenance of the SSPs; Annual update, MTR, and FR	23
Table 12: Maintenance of the MYPIP framework	27
Table 13: Integrating strategic planning, budgeting and project management	29

List of Figure

Figure 1: Development Planning and budgeting	2
Figure 2: Current ADP process	3
Figure 3: More Strategic ADP process: adding eight activities	4
Figure 4: Activity 1 in three steps	10
Figure 5: Activity 1 Step 1: Develop the FBE Analysis Report	10
Figure 6: Activity 1 Step 2: Discuss and finalise Draft FBE Analysis Report within the Planning Commission	10
Figure 7: Activity 1 Step 3: Share and discuss FBE Analysis Report with FD	10
Figure 8: Activity 2 in one step	11
Figure 9: Activity 3 in three steps	12
Figure 10: Activity 3 Step 1: Update the Sector Result Framework	13
Figure 11: Activity 3 Step 2: Analyse sector performance	13
Figure 12: Activity 3 Step 3: Sector Performance Analysis (SPA) Report	13
Figure 13: Activity 4 in three steps	14
Figure 14: MYPIP process	15
Figure 15: Activity 5 in three steps	16
Figure 16: Activity 5 Step 1: Update MYPIP after completion of the RADP	16
Figure 17: Activity 5 Step 3: Prepare and send MYPIP reports to the PIM Reform Wing	16
Figure 18: Activity 6 in three steps	17
Figure 19: Activity 6 Step 1: Draft MYPIP Analysis Paper	18
Figure 20: Activity 6 Step 2: Discussion in Planning Commission and Line Ministries/Divisions	18
Figure 21: Activity 6 Step 3: Present findings in Tripartite meeting	19
Figure 22: Activity 7 in three steps	20
Figure 23: Activity 7 Step 1: Update MYPIP after final ADP project selection	20
Figure 24: Activity 7 Step 2: Verify MYPIP data with the sector	20
Figure 25: Activity 7 Step 3: Prepare/send MYPIP reports to Sector Division and PIM Reform Wing	20
Figure 26: Activity 8 in two steps	21
Figure 27: Activity 8 Step 1: Draft the Sector Highlight for the ADP document	22
Figure 28: Activity 8 Step 2: Review Sector Highlight and complete Sector Highlight	22
Figure 29: Alignment of SSP cycle with FYP cycle	23
Figure 30: Maintaining the SSP framework in four steps	24
Figure 31: Maintaining accuracy and relevance of the MYPIP framework in two steps	27
Figure 32: Six steps in integrating sector planning and budgeting	30

Abbreviations and Acronyms

ADB	Asian Development Bank
ADP	Annual Development Programme
AMS	ADP/RADP Management System
APA	Annual Performance Agreement
BBS	Bangladesh Bureau of Statistics
BC	Budget Circular
BDF	Bangladesh Development Forum
BIDS	Bangladesh Institute for Development Studies
BMRC	Budget Monitoring and Resource Committee
CDT	Core Drafting Team
CHT	Chattogram Hill Tracts
CIDA	Canadian International Development Agency
CSO	Civil Society Organisation
DANIDA	Danish International Development Agency
DB	Development Budget
DP	Development Partner
DPP	Development Project Proposal
DRF	Development Results Framework
ECA	Export Credit Agencies
ECNEC	Executive Committee of the National Economic Council
ERD	Economic Relations Division
EU	European Union
FBEs	Forward Baseline Estimates
FD	Finance Division
FR	Final Review
FY	Financial Year/Fiscal Year
FYP	Five Year Plan
GCR	Green & Climate Resilient
GDF	Gas Development Fund
GED	General Economics Division
GIZ	German Agency for International Cooperation
GoB	Government of Bangladesh
GO	Government Order
HPNSP	Health, Population and Nutrition Sector Programme
IMED	Implementation Monitoring and Evaluation Division
JDCF	Japan Debt Cancellation Fund
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
KPI	Key Performance Indicator
LCGs	Local Consultative Groups
LGRD	Local Government and Rural Development
LM	Line Ministry
M&E	Monitoring and Evaluation
MAF	Ministry Assesment Format
MBF	Ministry Budget Framework
MDAs	Ministries, Divisions, Agencies
MoF	Ministry of Finance

MoHFW	Ministry of Health and Family Welfare
MTBF	Medium-Term Budget Framework
MTFF	Medium-Term Fiscal Framework
MTR	Mid-Term Review
MW	Megawatt
MYPIP	Multi-Year Public Investment Programme
NEC	National Economic Council
NDB	Non-Development Budget
NGO	Non-Governmental Organisation
NORAD	Norwegian Agency for Development Cooperation
O&M	Operation and Maintenance
PAC	Project Assessment Committee
PC	Planning Commission
PE	Power and Energy
PEC	Project Evaluation Committee
PFM	Public Financial Management
PIM	Public Investment Management
PIP	Programme Implementation Plan
PPNB	Program Proposal of Non-Development Budget
PPP	Public Private Partnership
PSC	Project Steering Committee
RADP	Revised Annual Development Programme
S-MYPIP	Sector Multi-Year Public Investment Programme
SAF	Sector Appraisal Format
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SID	Statistics and Informatics Division
SPA	Sector Performance Analysis
SPIMS	Strengthening Public Investment Management System project (<i>JICA- and GoB-supported project</i>)
SREDA	Sustainable and Renewable Energy Development Authority
SRF	Sector Results Framework
SRM	Sector Results Matrix
SRMM	Sector Results Monitoring Matrix
SSP	Sector Strategy Paper
SWG	Sector Working Group
TAPP	Technical Assistance Project Proposal
Tk	Bangladeshi Taka
ToC	Theory of Change
TPP	Technical Project Proposal
USAID	United States Agency for International Development
USD	US Dollar
WG	Working Group

1 Strategic ADP preparation process

1.1 The ADP Cycle

The Annual Development Programme (ADP) cycle reflects the preparation of the ADP, its revision in the Revised Annual Development Programme (RADP) and the approval processes led by the Planning Commission. The ADP contains the Development Budget of the Government of Bangladesh (GoB). The ADP cycle is guided by a number of circulars, guidelines, and instructions such as:

- 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 ADP Circular;
- The RADP Circular.

The Table 1 below summarizes the main steps in the ADP and RADP processes in time. Please note that the actual timing of the main steps can differ per year.

Table 1: ADP and RADP process in Bangladesh

Timing	ADP	RADP	MTBF
July			
August			
September			Finance Division updates macro-fiscal framework. Ministries/ Divisions prepare preliminary Ministry Budget Framework (MBF) proposals.
October			Budget Monitoring and Resource Committee (BMRC) meeting is held.
November			Finance Division issues Budget Call Circular 1 (indicative ceilings).
December		Programming Division issues RADP guideline.	
January		Ministries/Divisions submit lists of new unapproved projects for inclusion in RADP (Green Page) and propose project-wise (revised) allocation (based on demand). Inter-Ministerial Programming Committee recommends new projects to include in RADP.	Ministries/Divisions send revised MBF proposals.
March	Programming Division issues ADP guideline, while Ministries and Divisions prepare ADP proposals.	NEC approves RADP. Programming Division publishes RADP.	Tripartite meetings are held.
April	Ministries/Divisions submit lists of new unapproved projects for inclusion in ADP (Green Page) and propose project-wise allocation (based on demand). Inter-Ministerial Programming Committee recommends new projects to be included in ADP. Programming Division prepares draft ADP.		Finance Division issues Budget Call Circular 2 (hard ceilings).
May	Extended Committee Meeting of PC chaired by Minister for Planning recommends final draft of ADP. NEC approves ADP.		Cabinet endorses national budget.
June	National Parliament approves the national budget along with ADP. Programming Division publishes ADP.		National Parliament approves national budget. Finance Division publishes national budget.

1.2 How to develop a more Strategic ADP

Need to move to a more Strategic ADP

Diagnostic studies analysing the Public Investment Management (PIM) practice in Bangladesh identified the need for a stronger alignment of the ADP with the Five-Year Plan (FYP). In response, the Government initiated in 2018 a reform to improve the strategic focus of the ADP and the prioritisation framework, taking into account the full costs/duration of a development project within the fiscal framework. The diagnostic studies revealed that aligning the ADP with the FYP was difficult, because:

- the ADP had an annual focus and the FYP had a medium term (5 year) focus;
- the FYP was not providing sufficient guidance for prioritization of projects.

How to move to a more Strategic ADP

In 2018 the Government introduced two tools to address these challenges: the Sector Strategy Paper (SSP) and the Multi-Year Public Investment Programme (MYPIP). The SSP and MYPIP bridge the gap between national priorities (FYP and Perspective Plan, with a horizon of 5 and 20 years, respectively) and the allocation of scarce resources to priority projects (ADP with an annual perspective). A graphic illustration is presented in Figure 1.



Figure 1: Development Planning and budgeting

SSP/SAP include sector situation analysis with a five-year perspective. It presents sector objectives and outcomes, sector financing strategies, the Sector Results Framework (SRF), and a portfolio of potential projects in a sector. SSP and SAP have been developed to provide clear strategic guidance to Line Ministries, Divisions and Agencies (MDAs) in formulating public investment projects. The MYPIP includes the Forward Baseline Estimates (FBEs) for two outer years (following the MTBF) for all projects in the ADP, projecting the future resource allocations for realistic project completion. It also provides the resource envelop (showing the 'fiscal space') for the next three years, the next fiscal year and two outer years.

The SSPs and MYPIPs tools are complementary and mutually reinforcing. The MYPIP identifies the resources available for the sector to achieve the objectives set out in its SSP, and supports the prioritisation process by making clear the fiscal space available for the approval of new projects.

1.2.1 SSP tool explained

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.

In short, SSPs will complement both the FYP and other strategic and policy documents. Their 'value-added' will lie in the way in which they 'repackage' and elaborate existing priorities at sector level in a concise, accessible, and logical manner.

1.2.2 MYPIP tool explained

Multi-Year Budgeting is one of the key concepts in a well-functioning PIM System. The three main aspects of Multi-Year Budgeting are; (1) Is capital spending by ministry forecasted over a multi-year horizon? (2) Are there multi-year ceilings on capital expenditure by ministry or program? and (3) Are projections of the full cost of major capital projects over their life cycles published? With a MYPIP introduced in Bangladesh, these 3 questions can all be answered positively.

The MYPIP is a key GoB programming tool which supports the budgeting of development projects from a medium-term perspective. The MYPIP provides information on both resource availability and requirements for the upcoming budget year and two outer years, allowing fiscal space to be estimated. This fiscal space indicates how much resources each Ministry/Division has available to adopt new projects, guiding strategic resource allocation over a medium-term time horizon.

1.3 Eight additional activities

To make effective use of the MYPIP and SSP tools, eight activities have been identified to be carried out to the annual ADP and RADP preparation process. These eight activities, however, do not change the current steps in the annual ADP preparation process (as currently described in the circulars and guidelines, see section 1.1), nor will these activities change the calendar/timing of the existing steps. These activities are designed in such a way to accommodate a smooth implementation.

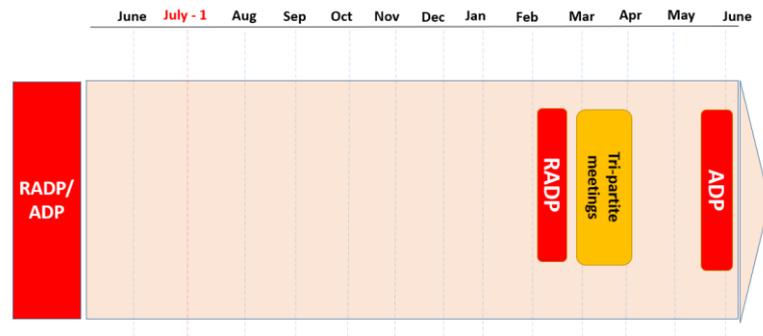


Figure 2: Current ADP process

Figure 2 below reflects the timing of the ADP and RADP and the tripartite meetings as most important milestones. Table 1 summarized all the important steps to be taken. To improve the strategic focus, the following eight activities have been added to the ADP cycle:

1. FBE analysis for the ADP/RADP Allocation;
2. Include MYPIP relevant section/sub-section in RADP Circular;
3. Sector Performance Analysis (SPA);
4. Include Strategic ADP activities in the ADP Circular;
5. Updating MYPIP, based on RADP;
6. MYPIP Analysis for tripartite meeting;
7. Updating MYPIP, based on ADP;
8. Improved Sector Highlights/Highlights in the ADP.

These eight activities align with the ADP cycle, so activity 8 feeds into activity 1 and the cycle is repeated annually.

In Figure 3 below the eight activities are added to the timeline of preparing the ADP and RADP, improving the strategic focus of the RADP/ADP.

The main objective of **Activity 1** is to provide the Finance Division (FD) with the FBEs of all ongoing projects currently in the ADP through a FBE Analysis Report, so that FD can make a more informed decision on the indicative ceilings for the Development Budget. This FBE information is based on the current ADP (approved in June).

Activity 2 facilitates the instructions to the Ministries/ Divisions in the RADP Circular to provide FBEs for their projects in the ADP/RADP Management System (AMS)–MYPIP module. This will facilitate the analysis in Activity 6, which is based on the RADP.

Activity 3 has the objective to provide sector performance information primarily impacting the RADP, but also the ADP preparation process. The activity focusses on analysing the sector performance with a strong focus on the most recent year. This activity results in an Annual Sector Performance Analysis (SPA) Report, with recommendations to include projects in a certain sub-sector to achieve performance objectives.

The objective of **Activity 4** is to include the new 'strategic ADP activities' in the ADP circular, issued in March. More concretely, this implies reflecting Activities 3, 6, and 8 in the Circular and including the relevant templates.

Activity 5 is an administrative activity. It refers to the update of the MYPIP based on the RADP information. The objective of this activity is to maintain accurate MYPIP data in AMS and provide the relevant stakeholders with timely MYPIP reports for subsequent activities (Activity 6).

The objective of **Activity 6** is to take the multi-annual fiscal context of the ADP into account and sector performance while making the final decisions on the ADP. The activity includes an analysis on the FBEs of the existing project portfolio in the ADP and possible negative or positive fiscal space going forward for a well-informed decision-making process.

Activity 7 is again an administrative activity, like Activity 5. It refers to the update of the MYPIP based on the ADP information. The objective of this activity is to maintain accurate MYPIP data in AMS and provide the relevant stakeholders with timely MYPIP reports for subsequent activities (especially Activity 1).

Activity 8 has the objective to improve the strategic content of the sector highlights in the ADP. The Sector Highlights reflect the sector strategic priorities (as outlined in the SSP) and the medium-term expenditure projections (based on MYPIP) of the sector. The sector highlights detail the rationale for new projects in the context of strategic priorities and medium-term expenditure projections.

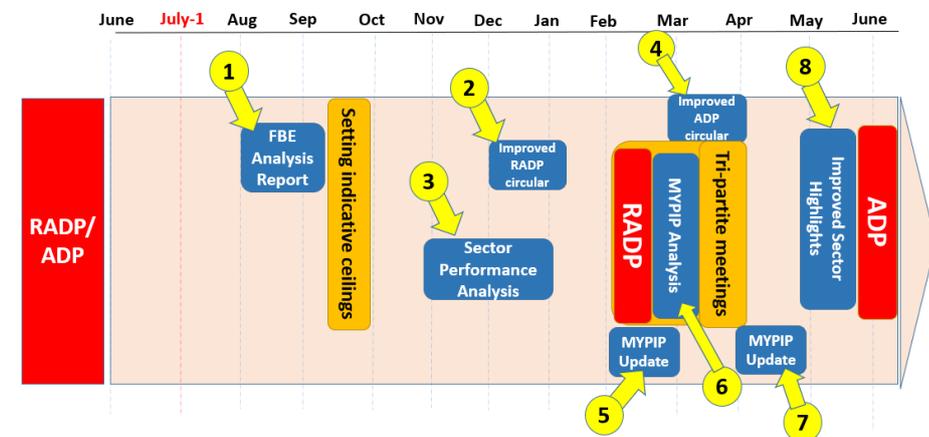


Figure 3: More Strategic ADP process: adding eight activities

2 Key stakeholders and main responsibilities

2.1 Introduction

This chapter acts complimentary to Chapter 3. While Chapter 3 explains the eight activities in chronological order, Chapter 2 takes the perspective of each of the key stakeholders: it provides an overview of main roles and responsibilities per stakeholder under the eight activities by referring to the activities and specific steps detailed in Chapter 3. The Table 2 (see next page) provides an overview of the key stakeholders and their respective involvement in the different activities.

2.2 Key stakeholders

2.2.1 *The PIM Reform Wing*

The PIM Reform Wing of the Programming Division is a key stakeholder and involved in all eight activities as “reform anchor” through providing required support services as part of the Programming Division. The PIM Reform Wing has the prime management/coordination role on behalf of the Programming Division, and has got the responsibility to establish and ensure consistency in the PIM reform efforts across the different sectors.

The PIM Reform Wing supports the Programming Division in the FBE analysis for informing the indicative budget ceilings ([Activity 1](#)). Under Activity 1, the PIM Reform Wing also supports the Programming Division with (i) the analysis of the MYPIP sector by sector to understand which projects determine negative fiscal space (if any), (ii) the translation of the sector-based MYPIP to portfolio’s per administrative unit in accordance with the Medium-Term Budget Framework (MTBF), and (iii) the drafting of the FBE Analysis Reports following the administrative MTBF classification (see Section 3.1). Together with the Programming Division, the PIM Reform Wing will also organize a series of sector-wise meetings within the Planning Commission and the relevant Sector Divisions and ERD to discuss the conclusions and recommendations in the FBE Analysis Reports before finalising the FBE Analysis Reports. For [Activity 2](#), PIM Reform Wing will assist and support the concerned Wing of the Programming Division responsible for preparing and issuance of the RADP Circular ensuring that clear instructions for MYPIP are in place. Under [Activity 3](#), the PIM Reform Wing will support the Sector Division (i) with the completion of the annual performance information of the SRF, where available, (ii) with the data analysis to identify trends and possible conclusions that can be of help in preparing a more strategic RADP and ADP, and (iii) with the publication of an annual Sector Performance Analysis (SPA) report on progress towards achieving the Sector objectives (see Section 3.3).

Under [Activity 4](#), the PIM Reform Wing will support the concerned Wing of Programming Division on adding instructions to the ADP Circular (which guide Activity 6) and how to use the MYPIP Analysis Report. Under [Activity 5](#), updating of MYPIP – RADP, and [Activity 7](#), the PIM Reform Wing will receive from the Programming Division two AMS-MYPIP reports: the MYPIP report and the MYPIP Comparison Report. These two reports will help the PIM Reform Wing to develop the MYPIP Analysis Paper (see Activity 6 above). Under [Activity 6](#), the PIM Reform Wing will support the Programming Division with the drafting and sharing of the MYPIP Analysis Paper, based on the RADP, in collaboration with the relevant sectors/stakeholders (see Section 3.6).

Under [Activity 8](#), the PIM Reform Wing is involved in the review of the sector highlights, together with concerned officials of the Programming and Sector Divisions (if needed) to provide required support to finalize the sector highlights as part of the ADP (see Section 3.8).

Table 2: Eight Activities and the relevant stakeholders and main responsibilities

Activities	PIM Reform Wing	Programming Division	Concerned Sector Divisions	ERD	GED	IMED	SID	Ministry / Divisions*	FD
Activity 1: FBE analysis for the ADP/RADP Allocation	A	L	A	A					A
Step 1: Develop the FBE Analysis report	✓	✓							
Step 2: Discuss and Finalise the Draft FBE Analysis Report within the Planning Commission	✓	✓	✓	✓					
Step 3: Share and discuss FBE Analysis Report with FD		✓							✓
Activity 2: MYPIP instructions in the RADP Circular	A	L						A	
Step 1: Include MYPIP instructions in the RADP Circular	✓	✓						✓	
Activity 3: Sector performance analysis	A	A	L	A	A	A	A	A	
Step 1: Update the Sector Result Framework	✓	✓	✓	✓	✓	✓	✓	✓	
Step 2: Analyse sector performance	✓	✓	✓						
Step 3: Sector Performance Analysis report finalise	✓	✓	✓	✓	✓	✓	✓	✓	
Activity 4: Include Strategic ADP activities in ADP Circular	A	L						A	
Step 1: Include reference to Sector Performance Analysis Report	✓	✓							
Step 2: Include instructions for MYPIP analysis prior to the tripartite meeting	✓	✓							
Step 3: Include instructions and template for the Sector Highlight		✓						✓	
Activity 5: Updating MYPIP – RADP	A	L	A	A					
Step 1: Update MYPIP after completion of the RADP		✓							
Step 2: Verify MYPIP data with the sector		✓	✓	✓					
Step 3: Prepare and send MYPIP reports to the PIM Reform Wing	✓	✓							
Activity 6: MYPIP analysis for Tripartite meeting	A	L	A	A				A	A
Step 1: Draft MYPIP Analysis Paper based on annual MYPIP update	✓	✓							
Step 2: Discussion Planning Commission and sector Ministries	✓	✓	✓	✓				✓	
Step 3: Use write-up and present findings in tripartite discussions			✓					✓	✓
Activity 7: Updating MYPIP – ADP	A	L	A	A					
Step 1: Update MYPIP after final ADP project selection		✓							
Step 2: Verify MYPIP data with the sector		✓	✓	✓					
Step 3: Prepare and send MYPIP reports to the Sector Divisions/ PIM Reform Wing	✓	✓	✓						
Activity 8: Improved sector highlights in ADP	A	A	L						
Step 1: Draft the Sector Highlight for the ADP document		✓	✓						
Step 2: Review Sector Highlight and finalise	✓	✓							

Note: L= Lead Stakeholder; A = Associate Stakeholder; ✓ = Involvement in specific steps under the respective activity

* The Concerned Sector Divisions will involve the Ministry / Divisions in the process as required.

2.2.2 The Programming Division

The Programming Division of the Bangladesh Planning Commission is a key stakeholder in all eight activities. It plays the lead role in [Activities 1, 2, 4, 5, 6 and 7](#) and a supporting role in [Activity 3 and 8](#).

The Programming Division takes the lead role in the FBE analysis for the ADP/RADP Allocation ([Activity 1](#)) (see Section 3.1). Under [Activity 2](#), the Programming Division includes in the RADP Circular instructions for the Ministries/ Divisions to complete FBEs in AMS (see Section 3.2). Under [Activity 4](#), the Programming Division is responsible for including instructions in the ADP circular: 1) instructions for using the SPA Report; 2) instructions for using MYPIP analysis reports; and 3) instructions for the sector highlights in the ADP (see Section 3.4). Furthermore, the Programming Division is responsible for checking the MYPIP data of newly added projects to the (R)ADP ([Activity 5 and Activity 7](#)), including identification of the correct expenditure profiles with the relevant Sector Division (see Sections 3.5 and 3.7).

The Programming Division also has lead role for the MYPIP analysis in preparation of the Tripartite meeting ([Activity 6](#)). Under [Activity 6](#), the Programming Division participates in the MYPIP analysis discussions for the tripartite meetings, together with the Sector Division, ERD and representatives from the respective Ministries/Divisions (see Section 3.6).

The Programming Division has a supporting role for the SPA ([Activity 3](#)) and the improved sector highlights in ADP ([Activity 8](#)). Under [Activity 8](#), the Programming Division is tasked with the review of the sector highlights, in consultation with the PIM Reform Wing and the Sector Divisions (if needed) to finalize and incorporate into the ADP (see Section 3.8).

2.2.3 Sector Divisions

The Sector Divisions of the Bangladesh Planning Commission play an important role in six out of the eight activities. The Sector Divisions will take the lead role in the annual SPA ([Activity 3](#)), and initiating the ADP sector highlights drafting ([Activity 8](#)). The Sector Divisions also have the participatory role in [Activities 1, 5, 6 and 7](#).

Under [Activity 3](#), the Sector Divisions of the Planning Commission, with support of the PIM Reform Wing, are responsible for initiating the completion of the annual SPA and the updating of the SRF (see Section 3.3). Under [Activity 8](#), the relevant Sector Divisions, in discussion with the Programming Division, will draft the ADP sector highlights, based on the instructions in the ADP circular (see Section 3.8).

Besides taking the lead role under [Activity 3 and 8](#), the Sector Division will also play an important participatory role in four other activities in the budget cycle. To illustrate, under [Activity 1](#), the relevant Sector Divisions will participate in a series of sector-wise meetings organised by the Programming Division and PIM Reform Wing to discuss the conclusions and recommendations in the FBE Analysis Reports (see Section 3.1). When updating the MYPIP-RADP ([Activity 5](#)), the relevant Sector Divisions will engage with the Programming Division to discuss the MYPIP FBEs to determine the correct expenditure profiles and/or FBEs (see Section 3.5). These data are needed to prepare the MYPIP reports as input for the MYPIP Analysis Report ([Activity 6](#)). Under [Activity 6](#), the relevant Sector Divisions will participate in MYPIP analysis discussions in preparation of the Tripartite Meetings (see Section 3.6). In order to maintain accurate AMS-MYPIP data, MYPIP needs to be updated after the final ADP project selection ([Activity 7](#)). Here, the relevant Sector Divisions will need to discuss with the Programming Division to agree upon the correct expenditure profiles and/or FBEs (see Section 3.7).

2.2.4 ERD

The ERD will be involved in five activities ([Activity 1, 3, 5, 6 and 7](#)), albeit not in a lead role but more in a participatory role in respect of development partner's contribution to project resource allocation.

As part of the FBE analysis for the ADP/RADP allocation under [Activity 1](#), the ERD will be, together with the Sector Divisions, involved in a series of sector-wise meetings to discuss the conclusions and recommendations in the FBE Analysis Reports (see Section 3.1). The ERD will have a similar role under the annual SPA ([Activity 3](#)), in which the ERD will participate in the discussion on the data collection for updating the SRF (see Section 3.3).

Under [Activity 5](#), the ERD will discuss the MYPIP FBEs with the Programming Division and the relevant Sector Division in an “MYPIP Meeting” to determine the correct expenditure profiles and/or FBEs (see Section 3.5).

The ERD will also participate in the discussions regarding the MYPIP analysis for the tripartite meetings ([Activity 6](#)), together with the Sector Division, Programming Division and Ministries/Divisions (see Section 3.6).

Lastly, under [Activity 7](#), the ERD will be involved in the verification of MYPIP data (mainly the PA part) with the relevant sectors (see Section 3.7).

2.2.5 Ministries/Divisions

The Ministries/Divisions will be involved in four activities ([Activity 2, 3, 4 and 6](#)), albeit not in a lead role but more in a participatory role.

Under [Activity 2](#), the Ministries/Divisions will receive instructions from the Programming Division in the RADP Circular to complete the FBEs for their projects two outer years in AMS (see Section 3.2). During the annual SPA ([Activity 3](#)), the Ministries/Divisions will participate in the discussion on the data collection for updating the SRF. Furthermore, the Ministries/ Divisions will receive and review the Annual SPA Report from the Sector Divisions on progress towards Sector objectives to identify further analysis (see Section 3.3). All Ministries and Divisions upon receiving instructions from the Programming Division through the ADP Circular ([Activity 4](#)) will comply data entry for all projects as required by AMS. Also, representatives from the Ministries/Divisions will participate in the discussions regarding the MYPIP analysis for the tripartite meetings ([Activity 6](#)) if informed by the concerned Sector Divisions of Planning Commission, together with the Sector Division, Programming Division and the ERD. The Ministries/Divisions will attend the respective tripartite meetings in which the relevant Sector Divisions present the main findings, conclusions and the consequences this has for the proposed project portfolio in the ADP (see Section 3.6).

2.2.6 Finance Division

Although the Finance Division (FD) is responsible for developing the Budget (MTBF), including the recurrent and development budget of the GoB, their direct role in the development of the ADP is limited, as these Guideline focus on the development of the ADP only.

The FD is directly involved when the indicative budget ceilings are determined in the Budget Circular 1 (BC-1) ([Activity 1](#)) and when the tripartite meetings take place ([Activity 6](#)). Under Activity 1, the Programming Division and the FD will hold a series of meetings to develop more rational indicative ceilings for the Development Budget (see Section 3.1). Under Activity 6, the FD will chair the tripartite meetings in which relevant Sector Divisions of the Programming Division present the main findings and conclusions from the MYPIP Analysis and the consequences this has for the proposed project portfolio in the ADP (see Section 3.6).

2.2.7 Other stakeholders (GED, SID and IMED)

The GED, SID and IMED have a limited role to play in the new activities added to the ADP process, mainly when updating the SRF under the annual SPA ([Activity 3](#)). GED, IMED and SID will also participate in the discussion regarding the data collection for the completion of the annual performance information of the SRF (see Section 3.3).

3 Making the ADP process more strategic

This chapter details the eight activities as described in Chapter 1 in chronological order. For each activity it provides the objective, the context and the different steps.

3.1 Activity 1: FBE analysis for the ADP/RADP Allocation

3.1.1 Objective

The objective of this activity is to provide the Finance Division (FD) with the Forward Baseline Estimates (FBEs) of the ongoing projects currently in the ADP per sector, so that the Finance Division can make a more informed decision on the indicative ceilings for the Development Budget to be reflected in BC-1.

This activity can be implemented for those sectors which have a functioning¹ MYPIP in place, with the objective to roll out this activity to all sectors.

Table 3: Summary of Activity 1

Summary of Activity	
When	Before the FD starts to prepare the indicative ceilings for the MTBF process, which also guide the ADP cycle. The preparatory activity needs to take place in July/August because the indicative ceilings are usually set in August/September. Step 1: Develop the FBE Analysis Reports Step 2: Discuss the Draft FBE Analysis Report within the Planning Commission Step 3: Share and discuss FBE Analysis Report with FD
Activity	Analyse the FBEs per sector, and prepare a FBE Analysis Report (following the MTBF administrative classification) to be shared with the FD
Lead	Programming Division
Stakeholders	PIM Reform Wing, FD, Sector Divisions of the Planning Commission, ERD
Report Format	Annex 3
Other guidelines and circulars	PIM Guideline

3.1.2 Context

Based on the current practice, the FD bases the indicative budget ceilings for the recurrent and development budget for the Ministries/Divisions on the determined priority setting of Ministries/Divisions. Projects are categorized in high vs. low priority which then translates into a “rule of thumb” annual expenditure growth as a starting point:

- 8% nominal growth of the ceiling for Ministries/Divisions not considered as priority;
- 10% nominal growth of ceiling for Ministries/Divisions with a medium priority level;
- 12% nominal growth of the ceiling for high priority Ministries/Divisions.²

It is international good practice that ceilings are informed by the FBEs of the current expenditure portfolio, especially for the Development Budget. Currently, the FD has informal dialogues with the Ministries/Divisions to determine the indicative ceilings. The FD determines the indicative ceilings based on the administrative classification, after which the Planning Commission translates the administrative ceilings to sector ceilings.

Activity 1 provides inputs to a more fact-based discussion on setting the indicative ceilings for the Development Budget. The Programming Division will develop a FBE Analysis Report in which the FBE information will be presented per administrative entity to align with the MTBF indicative ceiling process of the FD.

¹ Either a complete MYPIP based on indicative expenditure profiles or a complete MYPIP based on filled-in MYPIP information in the AMS module.

² However, once the hard budget ceilings are determined the actual increase in the annual expenditure growth can deviate considerably from the “rule of thumb” expenditure growth, especially for high priority sectors.

3.1.3 Activity 1 in three steps

The figure below summarizes the three main steps in chronological order to implement this activity.

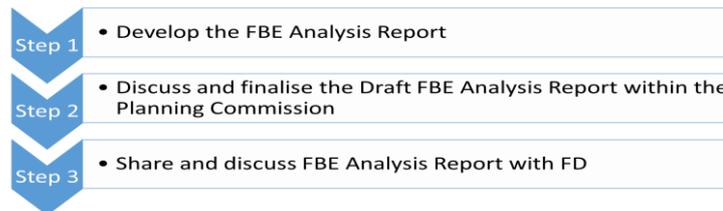


Figure 4: Activity 1 in three steps

3.1.4 Step 1: Develop the FBE Analysis Report

The PIM Reform Wing receives the MYPIP Reports from the Programming Division (see Activity 6), using AMS. With support from the PIM Reform Wing, the Programming Division will analyse the MYPIP sector by sector to understand which projects determine negative fiscal space (if any). The Programming Division and the PIM Reform Wing translate the sector-based MYPIP to portfolios per administrative unit in accordance with the MTBF, based on AMS information. The Programming Division and the PIM Reform Wing draft the FBE Analysis Reports (following the administrative MTBF classification) and present conclusions and recommendations for the indicative budget ceilings for the Development Budget, taking into account a sector perspective.

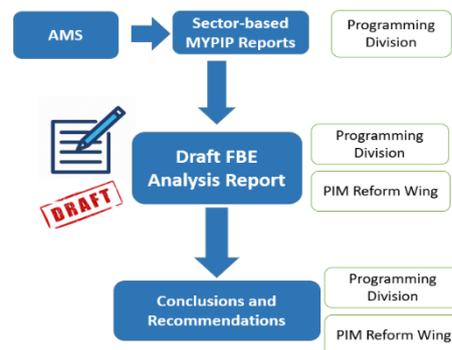


Figure 5: Activity 1 Step 1: Develop the FBE Analysis Report

3.1.5 Step 2: Discuss and finalise Draft FBE Analysis Report within the Planning Commission

The Programming Division (with support from the PIM Reform Wing) will organize a series of sector-wise meetings within the Planning Commission with the Programming Division and the relevant Sector Divisions and ERD to discuss the conclusions and recommendations in the FBE Analysis Reports. Based on these discussions the PIM Reform Wing finalizes these FBE Analysis Reports.

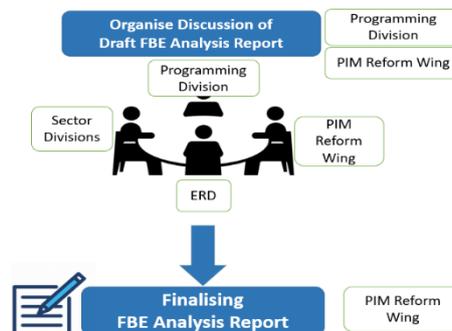


Figure 6: Activity 1 Step 2: Discuss and finalise Draft FBE Analysis Report within the Planning Commission

3.1.6 Step 3: Share and discuss FBE Analysis Report with FD

The Programming Division initiates a series of meetings with the FD to develop more rational indicative ceilings for the Development Budget. Most likely, in the first years of implementing this activity, the indicative ceilings cannot follow the FBEs as the current ADP is top heavy; nearly all sectors have a substantial negative fiscal space which cannot be accommodated directly through increased ceilings. However, going forward, it is the expectation that an incremental rationalisation of the ADP portfolio can lead to a situation where the FBEs can fact-based determine the indicative-ceilings for the development budget.

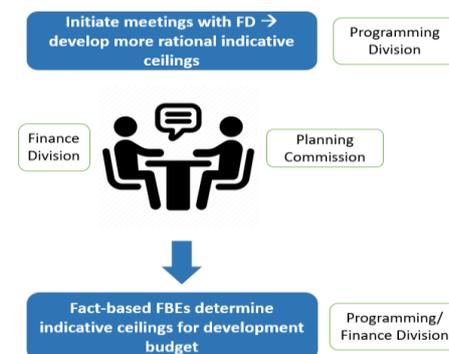


Figure 7: Activity 1 Step 3: Share and discuss FBE Analysis Report with FD

3.2 Activity 2: Include MYPIP instructions in the RADP Circular

3.2.1 Objective

The objective of Activity 2 is to include instructions for the Ministries/Divisions in the RADP Circular to complete the FBEs for two outer years in the MYPIP module of AMS. This will facilitate the MYPIP analysis activity, as reflected in Activity 6, which is based on the RADP information.

Table 4: Summary of Activity 2

Summary of Activity	
When	When the RADP Circular is issued (around December)
Activity	To include instructions for the Ministries/Divisions in the RADP Circular to complete the FBEs for two outer years in the MYPIP module of AMS
Lead	Programming Division
Stakeholders	PIM Reform Wing, Ministries/Divisions
Report Format	None
Other guidelines and circulars	RADP circular

3.2.2 Context

The ADP is a vehicle for attaining medium-term and long-term development aspirations of Bangladesh. The RADP circular is issued to line ministries and agencies to provide instructions on how these institutions should indicate material changes in project execution during the year and possible in-year new projects that need to be started. This activity focusses on the inclusion of instructions for the Ministries/Divisions in the RADP Circular to complete the FBEs for two outer years in the MYPIP module of AMS. This should help to facilitate the MYPIP analysis activity, as reflected in Activity 6.

3.2.3 Activity 2 in one step

The figure below presents the main step to implement this activity

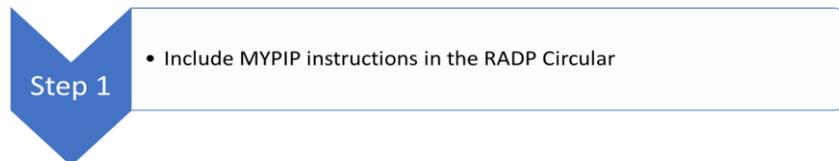


Figure 8: Activity 2 in one step

3.2.4 Step 1: include MYPIP instructions in the RADP Circular

The Programming Division issues the RADP Circular in December. With support from the PIM Reform Wing, the Programming Division will add instructions to the RADP Circular that request all Ministries/Divisions to complete FBEs for their projects, either based on the Development Project Proposal (DPP)/Technical Assistance Project Proposal (TAPP) or any progressive insights the Ministries/Divisions might have on the FBEs for the two outer years for a particular project, based on expediting ongoing projects due to changes in priority setting (for example, based on the Green and Climate Resilient-GCR3 objectives). The sectors which use indicative expenditure profiles can also apply the suggested FBEs based on these expenditure profiles. The instructions are applicable to all sectors and to all projects reflected in the RADP.

³ As stated in the 'Annex A: Guideline for Green and Climate Resilience (GCR) in Public Investment Projects', of NEC-ECNEC Wing circular (20.00.0000.404.14.061.2020(Angsho 2)/63 dated February 13, 2023),

"The Green and Climate Resilience (GCR) in public investment will aim at an affordable, realistic, and adaptable framework to make quantifiable progress in targeted sectors to simultaneously ensure sustainability, efficiency, and resilience throughout the development pathway.... It implies that natural resources and environmental services can fulfill their full economic potential in a sustainable way."

3.3 Activity 3: Sector Performance Analysis (SPA)

3.3.1 Objective

The objective of this activity is to have sector performance information impact the RADP and ADP preparation process. This improves the strategic focus on sector outcomes and intermediate outcomes, as set in the SSPs.

Table 5: Summary of Activity 3

Summary of Activity	
When	Step 1: Update the Sector Result Framework, November – December Step 2: Analyse sector performance, December – January Step 3: Sector Performance Analysis report, January
Activity	To prepare annual sector performance review reports with clear conclusions and recommendations that can be taken into account for the RADP and ADP preparation
Lead	Sector Divisions with support of the PIM Reform Wing
Stakeholders	Programming Division, ERD, GED, IMED, SID, Ministries/Divisions
Report Format	See Annex 4
Other guidelines and circulars	None

3.3.2 Context

There is a comprehensive M&E system managed by IMED at the project-level. GED also put in place a M&E framework for the FYP based on a Mid-Term Review (MTR) and Final Evaluation, both underpinned by a macro-level DRF. The SRF bridges these two established systems at sector level. The SSP M&E will complement, but in no way replace, the M&E work currently undertaken by IMED (project-level) or GED (FYP-level). Furthermore, the Annual Performance Agreements (APAs) also monitor progress of activities implemented by Agencies and Ministries. APA follows the administrative structure and in some cases, indicators overlap with the indicators reflected in the SRF.

The SPA also feeds into the SSP Mid-Term Review (MTR) and Final Review (FR), preferably in advance of the corresponding assessments at FYP level. For more information about the SSP, MTR and FR, see Section 4.1.3.

3.3.3 Activity 3 in three steps

The figure below summarizes the three main steps in chronological order to implement this activity.

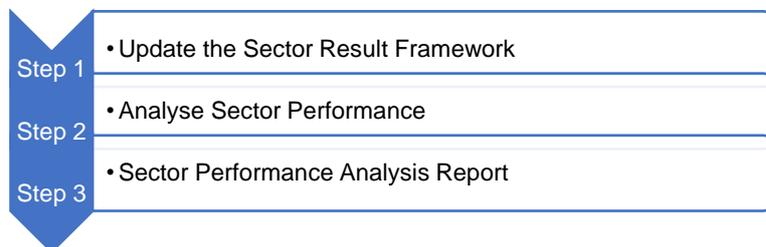


Figure 9: Activity 3 in three steps

3.3.4 Step 1: Update the Sector Result Framework

The Sector Divisions initiate the completion of the annual performance information of the SRF, where available. The Sector Divisions are supported by the PIM Reform Wing. The Sector Divisions of the Planning Commission will initiate a discussion with all relevant partners in data collection: ERD, GED, IMED, SID, and Ministries/Divisions. Data availability and data reliability is expected to be a bottleneck. If not available, the alternative option is to develop qualitative conclusions based on qualitative judgements (“expected to increase or decrease, because...”) or quantitative conclusions based on extrapolation of the trend. Once the data is discussed, the Sector Division will complete the Annual Performance information. Data gathering should take place in the period November – December. Based on the collected data the SRF will also be updated in the SSP (see Chapter 4, the annual update of the SSP, step 1).

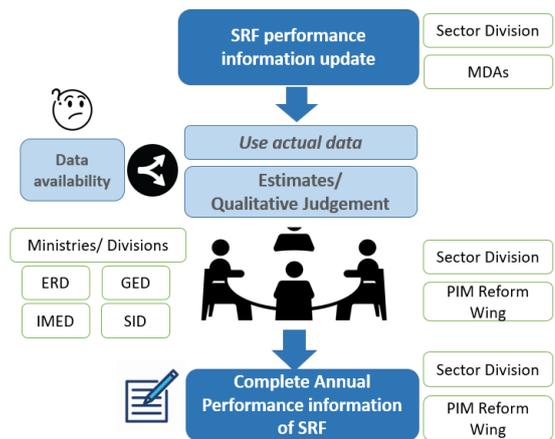


Figure 10: Activity 3 Step 1: Update the Sector Result Framework

3.3.5 Step 2: Analyse sector performance

The Sector Divisions, with support of the PIM Reform Wing, initiate the analysis of the data. Other relevant stakeholders, such as the Bangladesh Institute for Development Studies (BIDS), might be involved as well. The Sector Divisions also have the option to outsource this step to private sector consultancy or research institutes, if needed. The main objective is to identify trends and possible conclusions that can be of help in preparing a more strategic RADP and ADP, taking into account GCR objectives as well. For example, in areas where overperformance (actual compared to target) on an outcome is identified, it can be concluded that no additional projects in support of this outcome or intermediate outcome needs to be selected. Where possible, the analysis should also provide information on ‘why’ certain phenomena are being observed. Analysis of the gathered data should take place in the period December – January.

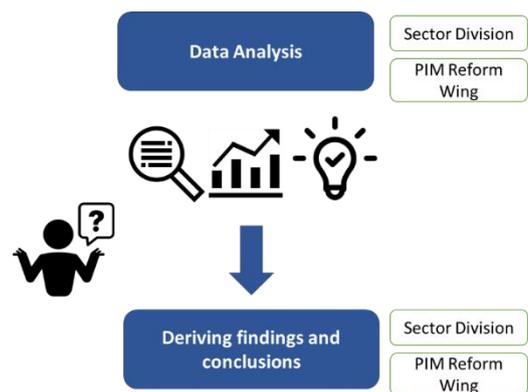


Figure 11: Activity 3 Step 2: Analyse sector performance

3.3.6 Step 3: Sector Performance Analysis (SPA) Report

The Sector Divisions, with support of the PIM Reform Wing, publish an annual SPA report on progress towards Sector objectives, including GCR elements. This report is shared with the ERD, GED (input for the FYP, MTR and FR), IMED, SID and the Ministries/ Divisions. The Annual Sector Performance Report needs to be completed by the end of January, before the RADP approval process starts. This report is also tabled in the NEC when the RADP is discussed and agreed. Where no clear trends or causes can be identified and/or annual data availability is a bottleneck, topics for further analysis are identified with the potential for

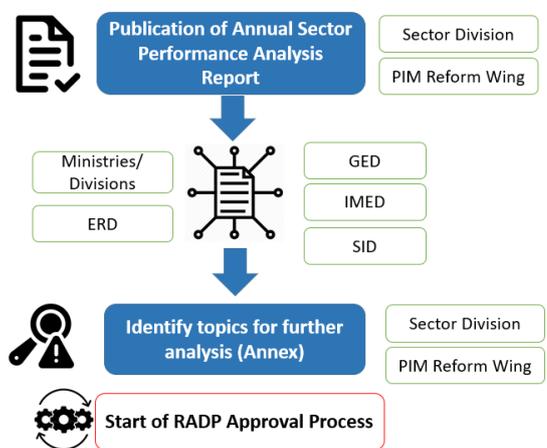


Figure 12: Activity 3 Step 3: Sector Performance Analysis (SPA) Report

specific studies to be commissioned to explore further (in an Annex to the SPA Report).

3.4 Activity 4: Include Strategic ADP activities in the ADP Circular

3.4.1 Objective

The objective of activity 4 is to cover the new 'strategic ADP activities' in the ADP circular, issued in March. More concretely this implies reflecting the results of activity 3, and instructing activity 6 and activity 8 in the Circular and relevant templates. Clear instructions will smoothen the implementation of the additional activities. The ADP Circular is issued by the Programming Division.

Table 6: Summary of Activity 4

Summary of Activity	
When	When the ADP Circular is issued (around early March) Step 1: Include reference to Sector Performance Analysis Report Step 2: Include instructions for MYPIP analysis prior to the tripartite meeting Step 3: Include instructions and template for the Sector Highlight
Activity	Include clear instructions for the 'Strategic ADP' activities into the ADP circular to smoothen implementation.
Lead	Programming Division
Stakeholders	PIM Reform Wing, ERD, Ministries/Divisions
Format	None
Other guidelines & circulars	ADP Circular

3.4.2 Context

The ADP is a vehicle for attaining medium-term and long-term development aspirations of Bangladesh. An ADP circular is issued to line ministries and agencies on how to prepare the inputs for the ADP. The inclusion of clear instructions for the 'Strategic ADP' activities into the ADP circular should help line ministries and agencies to better prioritize development projects.

3.4.3 Activity 4 in three steps

The figure below summarizes the three main steps of this activity.

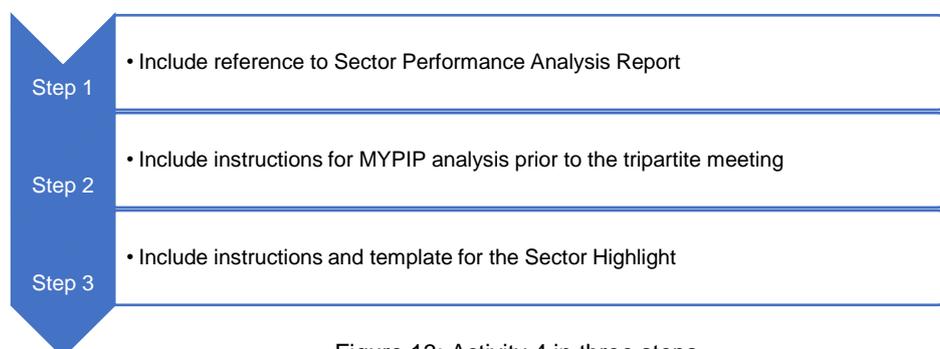


Figure 13: Activity 4 in three steps

3.4.4 Step 1: Include reference to Sector Performance Analysis Report

In January, the Sector Divisions, with support of the PIM Reform Wing, publish an Annual SPA Report on progress towards Sector objectives (see Activity 3). These reports can guide the selection of new projects, next to the FYP and the SSPs. The ADP circular is prepared by the Programming Division and will refer to these Annual SPA Reports and reflect in the Circular the need to take sector performance into account while preparing the ADP.

3.4.5 Step 2: Include instructions for MYPIP analysis prior to the tripartite meeting

The objective of Activity 6 (see Section 3.6) is to include the multi-annual fiscal context in the ADP preparation process. In Step 2, PIM Reform Wing will advise the Programming Division on adding instructions to the ADP Circular to instruct the steps of Activity 6 and how to use the MYPIP Analysis Report, so more rational decisions can be made in the Tripartite meetings taking into account the multi-annual context.

3.4.6 Step 3: Include instructions and template for the Sector Highlight

The Programming Division will add instructions for the Sector Divisions for the Sector Highlight and add a template for the Sector Highlight (see Activity 8 in Section 3.8 for more details). Upon receiving instructions from the Programming Division through the ADP Circular (Activity 4), all Ministries and Divisions will comply data entry for all projects as required by AMS.

3.5 Activity 5: Updating MYPIP – RADP

3.5.1 Objective

Objective of this cross-cutting support activity is to maintain accurate MYPIP data in AMS and provide the relevant stakeholders with timely MYPIP reports.

Table 7: Summary of Activity 5

Summary of Activity	
When	Step 1: Update MYPIP after completion of the RADP, March. Step 2: Verify MYPIP data with the sector, March Step 3: Prepare and send MYPIP reports to the PIM Reform Wing, March.
Activity	Verify and correct the FBEs in the RADP for newly added projects.
Lead	Programming Division
Stakeholders	PIM Reform Wing, Sector Divisions, ERD
Format	See Annex 5 and Annex 6
Other guidelines & circulars	None

3.5.2 Context

Currently, AMS can produce two types of reports:

- MYPIP reports:** MYPIP report for the sector, either based on the expenditure profiles (pilot sectors) or the MYPIP data in AMS completed by the Ministries and Agencies (see Annex 5 for report structure). The MYPIP report captures all the projects that are active in AMS, and presents the FBEs for the next two outer years.
- Comparison reports:** For the sectors that both have indicative expenditure profiles and MYPIP data completed by the Ministries & Agencies, a comparison report is produced (see Annex 6 for report structure). This Comparison Reports provides the FBEs for all projects active in AMS based on the indicative expenditure profiles and the FBEs based on the outer year information completed by the Ministries/ Divisions in AMS (manual inputs in the MYPIP module). This Comparison Report allows for an analysis to what extent manually inputted MYPIP FBEs deviate from the FBEs generated by the indicative expenditure profiles.

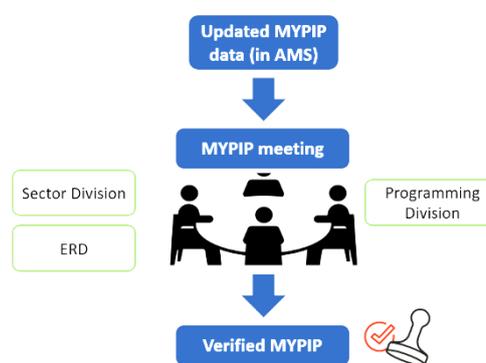


Figure 14: MYPIP process

3.5.3 Activity 5 in three steps

The figure below summarizes the three main steps in chronological order to implement this activity.

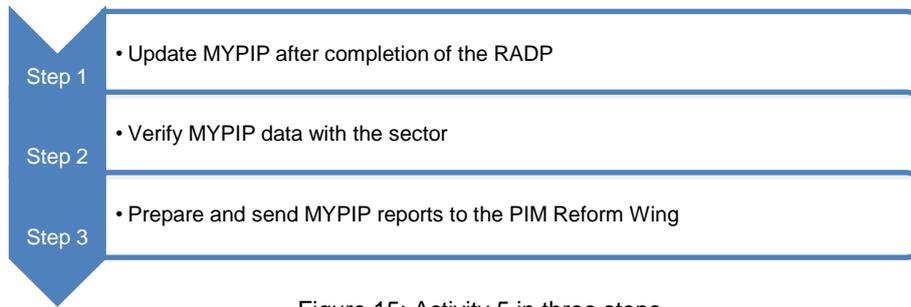


Figure 15: Activity 5 in three steps

3.5.4 Step 1: Update MYPIP after completion of the RADP

After completion of the RADP (normally beginning of March each calendar year), the Programming Division will need to check the MYPIP data of newly added projects to the RADP. The Programming Division needs to check:

- The correct use of expenditure profiles for projects.
- Agree on FBE estimates for projects for which no expenditure profiles are available.
- Assess whether FBEs are filled in for projects in all sectors.

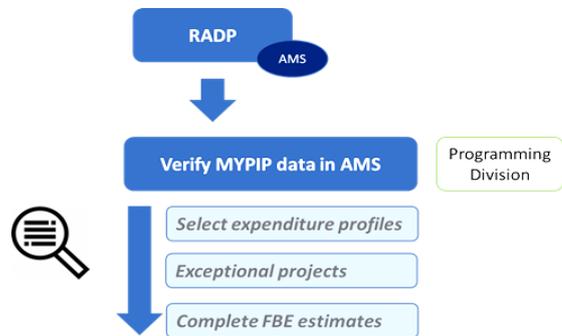


Figure 16: Activity 5 Step 1: Update MYPIP after completion of the RADP

3.5.5 Step 2: Verify MYPIP data with the sector

The Programming Division will discuss the MYPIP FBEs with the relevant Sector Division and the ERD, in an “MYPIP Meeting” to determine the correct expenditure profiles and/or FBEs. This meeting/update has to take place within one week after completion of the RADP, as this data is need to prepare the MYPIP reports that are needed as input for the MYPIP Analysis Report (Activity 6).

3.5.6 Step 3: Prepare and send MYPIP reports to the PIM Reform Wing

Once the MYPIP data is verified, the Programming Division is tasked to print the two MYPIP reports that the AMS system provides: 1) the MYPIP report including FBEs for all RADP projects, 2) Comparison Report for comparing the FBEs based on the Expenditure Profiles and the FBEs based on inputs provided by the Ministries/Divisions. These two reports need to be sent to the PIM Reform Wing as soon as possible, preferably with 1 day after step 1, so that the PIM Reform Wing and the Programming Division can develop the MYPIP Analysis report (see Activity 6).

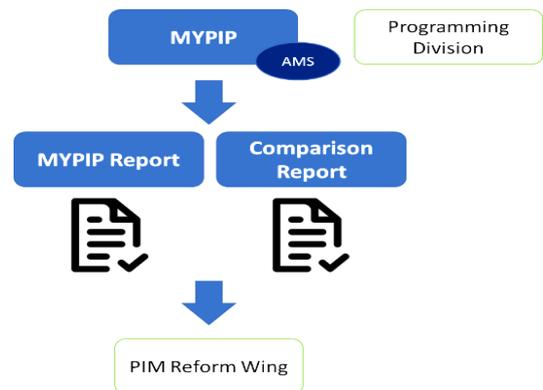


Figure 17: Activity 5 Step 3: Prepare and send MYPIP reports to the PIM Reform Wing

3.6 Activity 6: MYPIP analysis for Tripartite meeting

3.6.1 Objective

The objective of this activity is to take the multi-annual fiscal context of the ADP and sector performance into account while making the final decisions on the ADP. The activity includes an analysis of the FBEs of the existing project portfolio in the ADP and a calculation of possible negative or positive fiscal space going forward. The MYPIP Analysis Report will identify the medium-term fiscal consequences of the current ADP and any additional projects, so the tripartite meeting can make well informed decisions. This activity will be implemented in line with the ADP Circular instructions (see Activity 4).

Table 8: Summary of Activity 6

Summary of Activity	
When	This activity has to take place in the short window between completing the RADP and prior to the start of the tripartite meetings for the ADP. However, these two processes often overlap. The MYPIP Analysis Paper can be developed and discussed after the RADP is completed and the MYPIP is updated. Step 1: Draft MYPIP Analysis Paper; Step 2: Discussion in Planning Commission and Line Ministries/Divisions; Step 3: Present findings in Tripartite meeting.
Activity	PIM Reform Wing prepares an MYPIP Analysis Paper, based on the RADP
Lead	Programming Division
Stakeholders	Relevant Sector Divisions, PIM Reform Wing, Ministries/Divisions, Finance Division, ERD
Report Format	See Annex 7
Other guidelines and circulars	ADP Circular (see Activity 4); PIM Guideline.

3.6.2 Context

This MYPIP Summary Report presents the key findings and conclusions from the MYPIP analysis for the respective sector. The analysis looks at the financial consequences for the coming years of the next ADP budget allocations. The analysis is a strategic portfolio financial analysis of the sector, implying that the factors that explain the amounts allocated and the implementation delays for specific projects are not considered. The analysis provides conclusions and recommendations relevant for the preparation of the subsequent RADP and ADP. The factors that explain budget allocations and implementation delays for specific projects are not taken into account.

3.6.3 Activity 6 in three steps

The figure below summarizes the three main steps in chronological order to implement this activity.

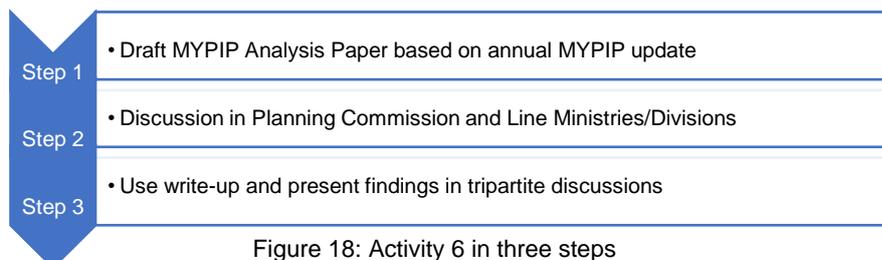


Figure 18: Activity 6 in three steps

Step 1: Draft MYPIP Analysis Paper

Once MYPIP data has been confirmed by the Programming Division (extracted from the AMS), the Programming Division with support from the PIM Reform Wing will analyse the MYPIP data for the relevant sectors. The Programming Division and the PIM Reform Wing will use the two MYPIP Reports that AMS can generate (see “support activity AMS”) to analyse the data, and draft a MYPIP analysis report (for the reporting template, see Annex 7). The Programming Division and the PIM Reform Wing will draft a separate MYPIP Analysis Report for each sector, with a focus on concrete conclusions and recommendations relevant for the ADP discussions, with attention to GCR objectives as well (see Box 1 below).

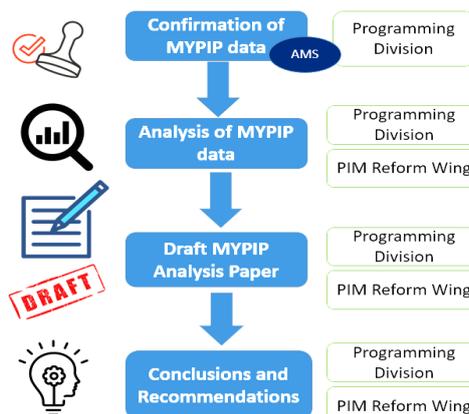


Figure 19: Activity 6 Step 1: Draft MYPIP Analysis Paper

Box 1: Example of findings and conclusions in an MYPIP Analysis Paper

In preparation of the ADP 2021/22 a pilot took place in which an MYPIP Analysis Paper was prepared for the Power & Energy Sector. This MYPIP Analysis Paper presented the following findings, conclusions, and recommendations, which were deemed highly relevant and useful for the ADP preparation process:

Findings

- The MYPIP analysis indicated that the RADP 2020-21 revised allocations for the Power & Energy sector were substantially lower than expected on the basis of the expenditure profiles. This means that projects were relatively underbudgeted for FY 2020-21
- The budget needs are pushed forward to FY 2021-22 and beyond, which leads to a negative fiscal space outlook for the sector.
- The lower budget allocations (against the expenditure profiles) for FY 2020-21 could lead to an additional delay in project implementation.
- For 53 projects in the Power sub-sector additional delays range between half a year to 4 years. In the Energy Sub-sector additional delays could be expected between half a year to 2.5 years for 5 projects.

Conclusions

- The fiscal space for the Power & Energy sector is expected to be negative for the next 2 years.
- Spreading the available budget over all ongoing projects are likely to lead to additional implementation delays.
- Additional implementation delays can be expected in the coming years, if projected budget ceilings up to 2023/24 remain as they are.

Recommendations for the preparation of the ADP 2021-22

- It is advised to continue rigorously scrutinizing projects, as there is no fiscal space for new projects.
- Continue prioritizing budget allocation to projects that can be completed in the next fiscal year.

3.6.4 Step 2: Discussion in Planning Commission and Line Ministries/Divisions

The Programming Division organizes a meeting in which the draft MYPIP analysis paper is discussed with the key stakeholders: the Sector Divisions of the Planning Commission, ERD, and if required representatives of the relevant Ministries and Divisions. Objective of the meeting is to verify the findings and conclusions with the key stakeholders and make any adjustments/ corrections to the Analysis Paper if necessary. The PIM Reform Wing will share the final MYPIP Analysis Papers with the relevant sectors/stakeholders.

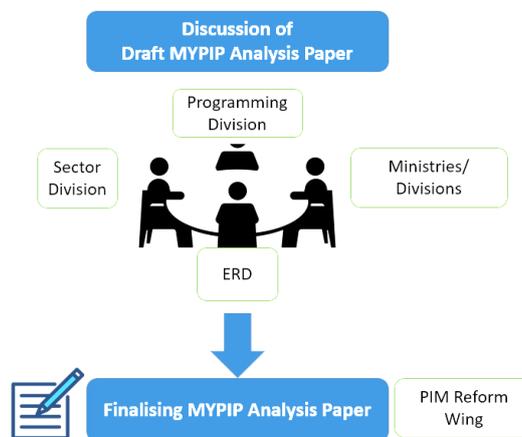


Figure 20: Activity 6 Step 2: Discussion in Planning Commission and Line Ministries/Divisions

Step 3: Present findings in Tripartite meeting

The relevant Sector Divisions of the Planning Commission present the main findings and conclusions in the tripartite meeting and the consequences this has for the proposed project portfolio in the ADP. The tripartite meetings will be chaired by the FD and also attended by the respective Ministries/Divisions.

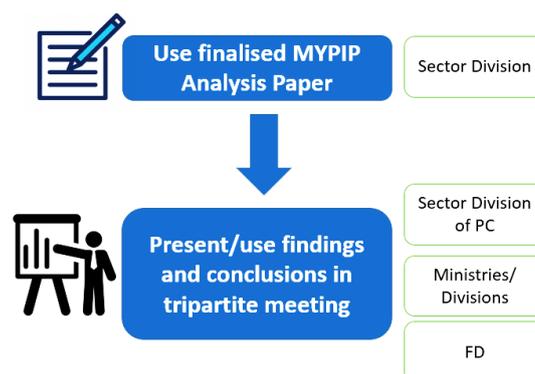


Figure 21: Activity 6 Step 3: Present findings in Tripartite meeting

3.7 Activity 7: Updating MYPIP – ADP

3.7.1 Objective

The objective of this cross-cutting support activity is to maintain accurate MYPIP data in AMS and provide the relevant stakeholders with timely MYPIP reports.

Table 9: Summary of Activity 7

Summary of Activity	
When	Step 1: Update MYPIP after final ADP project selection, April Step 2: Verify MYPIP data with the sector, April Step 3: Prepare and send MYPIP reports to the Sector Division, April.
Activity	Verify and correct the FBEs in the ADP for newly added projects.
Lead	Programming Division
Stakeholders	PIM Reform Wing, Sector Divisions, ERD
Format	See Annex 8 and Annex 9
Other guidelines & circulars	None

As explained in section 3.5.1, currently AMS can produce two types of reports, **MYPIP reports** (see Annex 8 for report structure) and **Comparison reports** (see Annex 9 for report structure).

3.7.2 Context

AMS can produce two types of reports:

1. **MYPIP reports:** MYPIP report for the sector is either based on the expenditure profiles (pilot sectors) or the MYPIP data in AMS completed by the Ministries/Divisions and Agencies (see Annex 5 for report structure). The MYPIP report captures all the projects that are active in AMS, and presents the Forward Baseline Estimates (FBEs) for the next two outer years.
2. **Comparison reports:** For the sectors that both have indicative expenditure profiles and MYPIP data completed by the Ministries/Divisions and Agencies, a comparison report is produced (see Annex 6 for report structure). This Comparison Reports provides the FBEs for all projects active in AMS based on the indicative expenditure profiles and the FBEs based on the outer year information completed by the Ministries/ Divisions in AMS (manual inputs in the MYPIP module). This Comparison Report allows for an analysis to what extent manually inputted MYPIP FBEs deviate from the FBEs generated by the indicative expenditure profiles.

3.7.3 Activity 7 in three steps

The figure below summarizes the three main steps in chronological order to implement this activity.

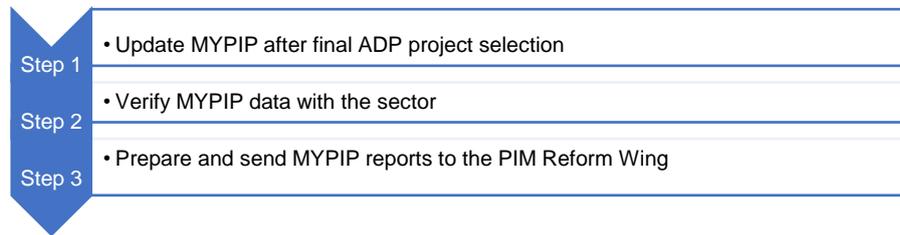


Figure 22: Activity 7 in three steps

3.7.4 Step 1: Update MYPIP after final ADP project selection

After completion of the ADP (usually in April), the Programming Division will need to check the MYPIP data of newly added projects to the ADP. The Programming Division needs to check:

- The correct use of expenditure profiles for projects;
- Agree on FBE estimates for projects for which no expenditure profiles are available;
- Assess whether FBEs are filled in for projects in all sectors.

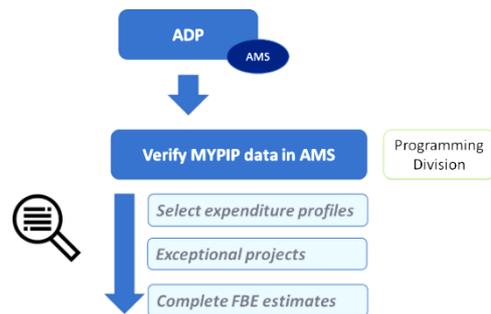


Figure 23: Activity 7 Step 1: Update MYPIP after final ADP project selection

3.7.5 Step 2: Verify MYPIP data with the sector

The Programming Division will discuss the MYPIP FBEs with the relevant Sector Division and the ERD, in an “MYPIP Meeting” to determine the correct expenditure profiles and/or FBEs. This meeting/update has to take place within one week after completion of the ADP, as these data are needed to prepare the MYPIP reports required as input for the MYPIP Analysis Report (see Activity 6).

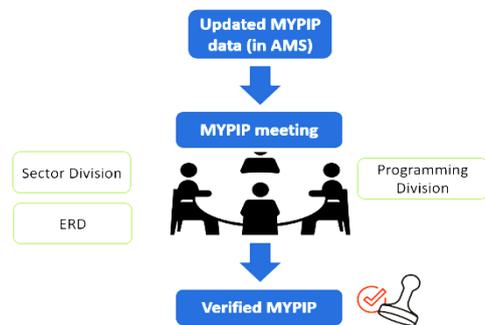


Figure 24: Activity 7 Step 2: Verify MYPIP data with the sector

3.7.6 Step 3: Prepare/send MYPIP reports to Sector Division and PIM Reform Wing

Once the MYPIP data are verified, the Programming Division is tasked to print the two MYPIP reports that the AMS system provides: 1) the MYPIP report including FBEs for all ADP projects (pilot and non-pilot sectors); 2) Comparison report for the Pilot sectors, comparing the FBEs based on the Expenditure Profiles and the FBEs based on inputs provided by Ministries/Divisions. The MYPIP report (report 1) is sent to the PIM Reform Wing and the Sector Divisions as soon as possible, preferably with 1 day after step 1, so the Sector Divisions can develop the Sector Highlights based on the most accurate MYPIP information (See Activity 8).

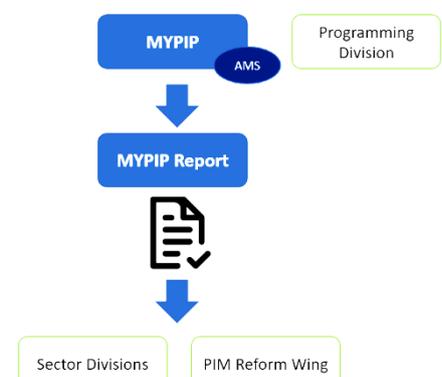


Figure 25: Activity 7 Step 3: Prepare/send MYPIP reports to Sector Division and PIM Reform Wing

3.8 Activity 8: Improved Sector Highlights in ADP

3.8.1 Objective

This activity has the objective to improve the strategic content of the sector highlights in the ADP. The Sector Highlights reflect the sector strategic priorities (as outlined in the SSP) and the medium-term expenditure projections (based on the MYPIP) of the sector. The sector highlights detail the rationale for new projects in the context of strategic priorities and medium-term expenditure projections. This activity will be implemented in line with the ADP Circular instructions (see Activity 4 in Section 3.4).

Table 10: Summary of Activity 8

Summary of Activity	
When	Step 1: After the Tripartite meeting when project portfolio discussions have been concluded (normally around March) Step 2: Prior to sending the ADP document to NEC (normally in May)
Activity	Sector Divisions draft the sector Highlight which includes strategic sector priorities and medium-term expenditure projections.
Lead	Sector Division
Stakeholders	PIM Reform Wing and Programming Division
Format	See Annex 10
Other guidelines & circulars	ADP circular (see Activity 4, which includes reference to the MYPIP-FBE and SSP, and includes the Highlight Template);

3.8.2 Context

The improved ADP sector highlights provide a clear link is made with the Five-Year-Plan (FYP) policies and sector outcomes (SSPs). The improved ADP sector highlights also strengthen the sector perspective in the ADP and emphasise the different ways of financing at sector level. Furthermore, the improved ADP sector highlights also contain a multi-year fiscal context, highlighting the future fiscal challenges. The sector highlights in the ADP include policy/sector objectives, a differentiation between ongoing and new projects/activities, an explanation why new activities/projects have been added, an overview of the results achieved, and results expected (sector performance information) and an explanation forward cost estimate (and changes in forward estimates).

3.8.3 Activity 8 in two steps

The figure below summarizes the two main steps in chronological order to implement this activity.

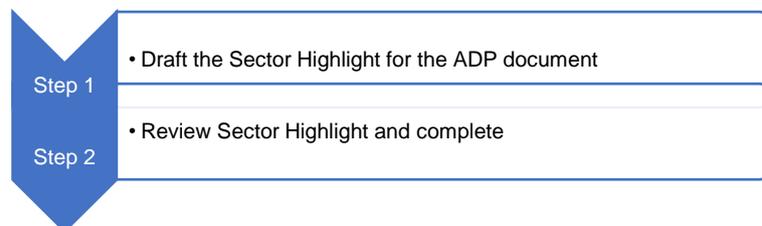


Figure 26: Activity 8 in two steps

3.8.4 Step 1: Draft the Sector Highlight for the ADP document

The relevant Sector Division will draft the Sector Highlight, based on the instructions in the ADP circular (see Annex 10). The Sector Division will receive the updated Sector MYPIP from the Programming Division. The Sector Division can use the MYPIP Analysis Report (see Activity 7) as a reference document. The Sector Divisions draft the Sector Highlight and submit to the Programming Division. Next to the topics reflected in the template for the Sector Highlights, this section in the ADP should also accommodate any policy priorities that require additional attention, such as GCR objectives.

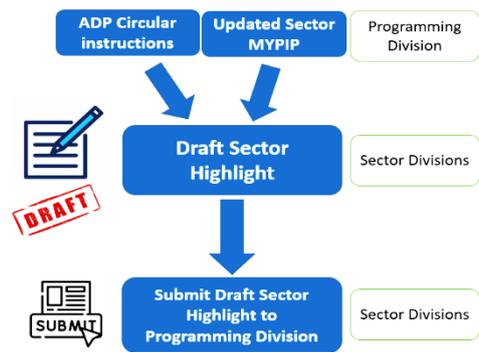


Figure 27: Activity 8 Step 1: Draft the Sector Highlight for the ADP document

3.8.5 Step 2: Review Sector Highlight and complete Sector Highlight

The Programming Division will review the Sector Highlight, in consultation with the PIM Reform Wing. The Programming Division will provide comments (if needed), and the relevant Sector Divisions will complete the Sector Highlights to be included in the ADP document by the Programming Division. The draft ADP is submitted to the NEC in May.

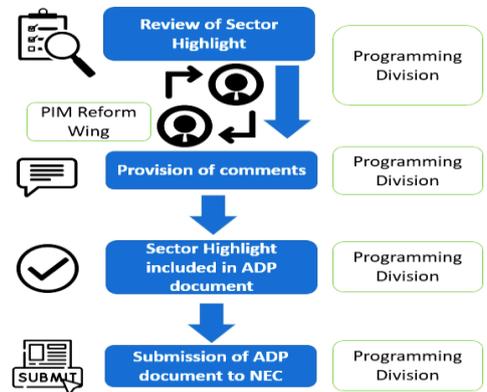


Figure 28: Activity 8 Step 2: Review Sector Highlight and complete Sector Highlight

4 Maintaining the accuracy of the SSPs; Annual update, MTR, and FR

4.1 Objective

The objective is to keep the SSP framework up to date. This implies;

- Annually update the SSPs that are operational;
- Implement a Medium-Term Review (MTR) of the SSPs that are operational, 2.5 years after the start of the SSP;
- Conduct a Final Review (FR) of the SSPs that are operational, 3.5 years after the start of the SSP and prior to drafting the next FYP;
- In parallel to the Final Review of the operational SSPs, evaluate the SSP framework and identify points of improvement.

Table 11: Maintenance of the SSPs; Annual update, MTR, and FR

Summary of Activity	
When	Step 1: Annually update the SSPs; Step 2: MTR of the SSP; Step 3: FR of the SSP; Step 4: Evaluation of the SSP framework.
Activity	To keep the SSPs accurate and relevant, and provide a process to constantly improve the SSPs and its structure and function.
Lead	Step 1: Sector Divisions, through the Sector Working Group, with support of the PIM Reform Wing; Step 2: Sector Divisions, through the Sector Working Group, with support of the PIM Reform Wing; Step 3: Sector Divisions, through the Sector Working Group, with support of the PIM Reform Wing in cooperation with GED; Step 4: The PIM Reform Wing.
Stakeholders	Sector Divisions of the Planning Commission, the PIM Reform Wing, GED, Programming Division
Format	No specific format specified
Other guidelines & circulars	No other guidelines and circulars are relevant for this activity

4.2 Context

Maintaining the accuracy and relevance of the SSP tool will be guaranteed through four distinct steps that align with the ADP cycle and the FYP cycle. Figure 4 below illustrates how the SSP cycle is fully aligned with the FYP cycle.

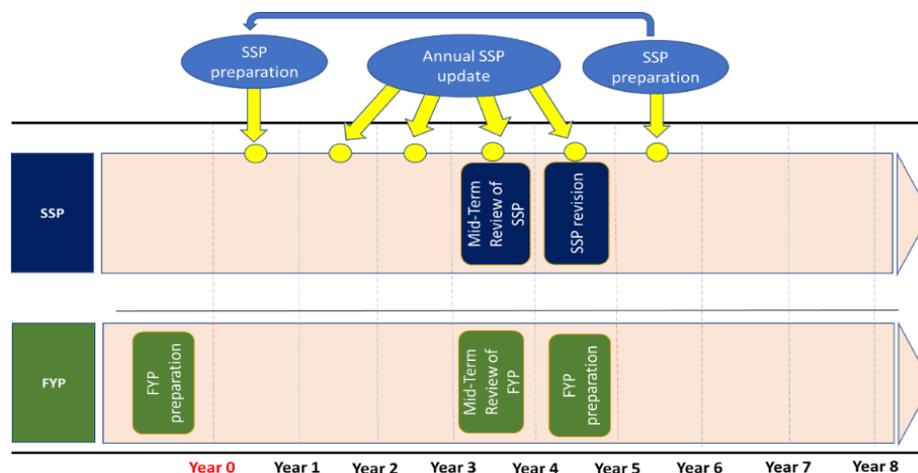


Figure 29: Alignment of SSP cycle with FYP cycle

4.3 Maintaining the SSP framework in four steps

The figure below summarizes the four steps for maintaining the accuracy and relevance of the SSPs and the SSP framework.

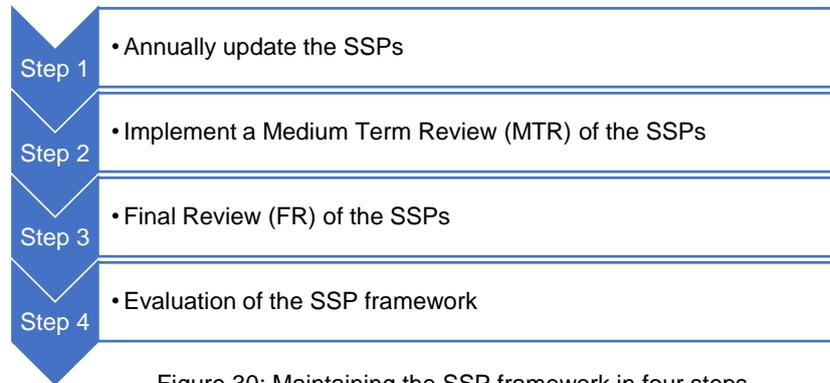


Figure 30: Maintaining the SSP framework in four steps

4.3.1 Step 1: Annually update the SSPs

The SSPs are subject to a short annual update by the concerned Sector Division. The annual update of the document contains:

- Data collected on progress against each indicator contained in the Sector Results Monitoring Matrix (SRMM) (see Activity 3 in Section 3.3);
- Update of the Financing Strategy; incorporating the updated MYPIP information (see Activity 7 in Section 3.7).

Activity 7 is completed around April (of the previous year) and Activity 3 is completed around January (of the current year). The SSP is updated after January (current year), so that the updated document is available as a reference document throughout the RADP and ADP preparation process of the current year.

The updated SSP then needs to be re-issued by the concerned Sector Division to relevant GoB stakeholders (these should be the same stakeholders who received the SSP) with a cover note highlighting key information on progress towards sector goals and main developments with the MYPIP.

The annual update of the SSP does not require any additional approval procedures, as it does not reflect any policy changes. It merely reflects an information update.

4.3.2 Step 2: Mid Term Review (MTR)

Besides annual updating, the SSP should also be updated following the MTR which will be co-ordinated by the relevant Sector Division of the Planning Commission, working through the Sector Working Group, with support of the PIM Reform Wing. The decision to initiate a MTR can either be initiated by the relevant Sector Division and/or the SWG. The MTR can either be implemented by Sector Division itself or outsourced to external consultancy expertise.

Once the MTR has been conducted, the Sector Division initiates a SWG meeting to assess if and how the SSP needs to be amended in line with an assessment of the following:

- Whether the Situation Analysis has changed;
- Whether changes need to be made to Sector Objectives, including the Theory of Change (ToC);
- Whether the implementation strategies contained within the existing SSP remain sufficient;
- The continued validity of the SRF; and

- Whether the risks and assumptions identified continue to hold true.

If changes are required, the Sector Division, in close cooperation with the Programming Division will lead the process of updating the SSP.

Once a draft updated SSP is produced, this should then be consulted internally within the GoB on the basis of established protocols contained in the Rules of Business. The Sector Division, with support of the PIM Reform Wing, should incorporate feedback received into an updated version of the SSP, which is then presented to the SWG for their validation. The Chairperson of the SWG should then put up the SSP in the approval process with a covering note on the main changes to the document, highlighting the corresponding rationale for the approval of the updated SSP by the Minister for Planning. The Planning Division should issue a Government Order confirming the updating of the SSP. The updated SSP then needs to be re-issued by the concerned Sector Division to relevant GoB stakeholders.

4.3.3 Step 3: Final Review (FR)

Each SSP should be subjected to a Final Review (FR), about 3.5 years after the start of the SSP as part of the preparation phase of the next Five-Year Plan.

The FR should focus on assessing in particular the degree to which sector objectives were met, and whether key assumptions underpinning the ToC and risk analysis held true. To this end, a SSP Reviewing Committee should be established, with clear ToR issued by the PIM Reform Wing. The SSP Reviewing Committee should comprise representatives from GED, Programming Division, Sector Divisions, relevant Ministries/ Divisions, IMED, Finance Division, and, ERD. Core membership of the SSP Reviewing Committee should remain constant across SSPs, to maintain consistency across sectors, as well as ensure cross-sectoral transfer of learning where relevant – i.e. only the Sector Division and MDA representatives of the SSP Reviewing Committee should rotate depending on the sector for which the SSP being reviewed. The output of this exercise should include a ‘sector summary’.

4.3.4 Step 4: Evaluation of the SSP framework

It is expected that the SSPs, its structure, function and users will constantly evolve over time. Therefore, there is a need to not only review the sector specific content of the SSPs (as is done in the MTR and FR), but also review the structure and function of the SSPs in general and how they are used.

This periodic evaluation of the SSP framework should also examine more ‘systemic’ issues such as:

- Whether the SSP format was appropriate? What needs to be improved or added to the SSPs?
- How the associated institutional structures functioned and additional capacity-shortfalls?
- Did any specific SSP preparation or usage exercises incorporate innovative practices that might have broader replicability?
- Whether the SSP (and accompanying MYPIP) was used in an optimal manner for policy-making and operational decision-making purposes?

The analysis of systemic issues should also include recommendations for improvements to future SSP exercises. It is anticipated that the PIM Reform Wing will play a central role in initiating and conducting this periodic evaluation of the SSP framework, with the possibility of external consultants also being commissioned for this exercise. It is expected that such an evaluation would take place once every 5 years.

The SPIMS project team conducted such an evaluation in August 2020. The evaluation demonstrated a thorough understanding of the main concepts in a Strategic ADP. The high quality of the SSP documents for the 2 pilot

sectors were confirmed. However, the evaluation also revealed limited use of the SSPs for its intended purpose. The evaluation, based on desk study and interviews, identified a number of improvements. A summary of the identified improvements is listed in Box 2 below:

Box 2: Recommendations to improve the SSP framework, August 2020

The evaluation of the first generation of SSPs, implemented by the SPIMS project team, led to a number of recommendations, of which a selection has been implemented (recommendation 4 and 6) or partly implemented (recommendations 2, 3, and 5).

Recommendation 1: After the SSPs for the pilot sectors have been updated to align with the 8th FYP, the PIM Reform Wing (with support of the SPIMS team) should roll out an SSP awareness campaign targeting a larger audience within the PC and FD to get a broader awareness. This SSP awareness campaign should be linked to the restructured sector classification for the ADP, scheduled for the ADP 2021-2022, and thus take place end 2020, beginning of 2021.

Recommendation 2: The SSP guideline need to be updated, detailing the process in support of the use of the SSP in ADP preparation (project identification, selection, and ADP Highlight), and policy review. SPIMS team will lead the SSP update. After the update, the PIM Reform Wing (with support of the SPIMS team) will roll out a dissemination campaign of the SSP guidelines to a larger audience to get a broader awareness.

Recommendation 3: Advanced SSP training under the SPIMS project will focus on the use of the SSP, particularly in: 1) project identification and selection processes in preparing the ADP and RADP, 2) policy review, and 3) developing the sector Highlight for the ADP.

Recommendation 4: In updating the two pilot SSPs to the 8th FYP, the SRM will be simplified: fewer indicators, and only use indicators for which verifiable data can be used.

Recommendation 5: The SSP guideline should be updated, detailing the processes in support of the use of the SSP in ADP preparation and policy analysis. In addition, opportunities should be seized that harmonize the performance data collection processes in the SSP guideline of the SSP/SRM, the MTBF, and APA.

Recommendation 6: The Programming Division, with support of the SPIMS team, should prioritise the sector classification restructuring of the ADP, and the adjustments necessary for the Sector Divisions of the Planning Commission.

Recommendation 7: When the SSPs for the 2 pilot sectors are updated to align with the 8th FYP, the Sector Divisions, with support of the SPIMS team, should take forward the following improvements of the SSP format:

- The number of performance indicators should be limited to performance indicators for which reliable annual data are available.
- Directly link the projects in the MYPIP (as part of the SSP) to sector objectives. Currently the MYPIP does not relate the projects to sector objectives. As this will be mandatory in the new ADP Management System (AMS), the SSPs should follow this approach.
- Set “criteria for project selection” (stronger link to the MAF/SAF framework).
- Include a “rolling project List” for a sector, to link with the ADP-MTBF cycle using MYPIP.
- List priority projects in the SSP and how they impact sector results (strengthening the relation between inputs, outputs, and outcomes).
- Deepen the Financing Strategy (section 3.4 in the SSP).
- Specify the “Assumptions and Risks” section (section 5) of the SSP.

Furthermore, the SSP currently reflects total costs indications as reflected in the 7th FYP. However, no direct calculations are made to indicate what achieving the 5 year-targets would cost (“financial outlay”). Ideally, a sector strategy should provide this information, but accurate and realistic cost estimates based on targets set are complicated. The SPIMS team will investigate whether it is feasible, within the project resources, to support the Sector Divisions in providing a “financial outlay” for the 2 pilot sectors.

5 Maintaining the MYPIP framework

5.1 Objective

The objective is to keep the MYPIP framework up to date. Next to maintaining the accuracy of the MYPIP data stored in AMS (see Activities 5 and 7 described in chapter 3), the framework itself also needs to be regularly reviewed and updated. This applies to the indicative expenditure profiles and scope, methodology, reporting formats, and function of the MYPIP.

Table 12: Maintenance of the MYPIP framework

Summary of Activity	
When	Step 1: Review the indicative expenditure profiles Step 2: Review the MYPIP function, scope, methodology, and reporting formats
Activity	To keep the MYPIP framework accurate and relevant, and provide a process to constantly improve the MYPIP structure and function.
Lead	Programming Division with support of the PIM Reform Wing
Stakeholders	Sector Divisions of the Planning Commission
Format	No specific formats specified for this activity.
Other guidelines & circulars	None

5.2 Context

Currently, MYPIP is captured in the AMS, so maintaining the MYPIP framework aligns with maintaining the AMS. The administrator of the AMS is the Programming Division. Therefore, maintenance of the MYPIP will also rest with the Programming Division.

5.3 Maintaining accuracy and relevance of the MYPIP framework in two steps

The figure below summarizes the two steps for maintaining the accuracy and relevance of the MYPIP framework.

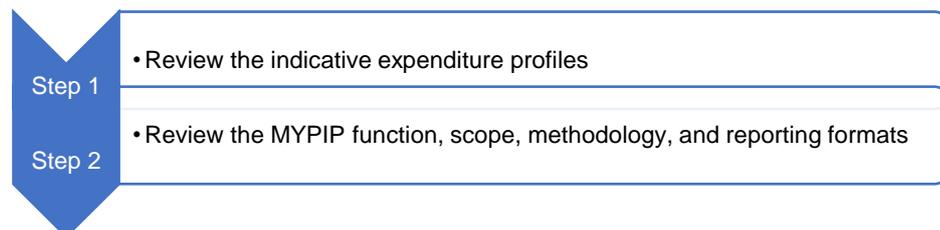


Figure 31: Maintaining accuracy and relevance of the MYPIP framework in two steps

5.3.1 Step 1: Review of the indicative expenditure profiles

If a sector makes use of indicative expenditure profiles to guide the MYPIP, then these indicative expenditure profiles need to be reviewed and updated periodically;

- Existing expenditure profiles need to be reviewed to verify whether these are still representative for the identified cluster of identical projects.
- A review needs to take place whether additional expenditure profiles need to be constructed.

Existing expenditure profiles are based on historic implementation data. Project implementation may change due to changed circumstances (shorter procedures, new technologies, etc), which may have an impact on the expenditure profile or duration of project implementation. To maintain accuracy of the expenditure profiles, a periodic review of implementation data needs to take place. In addition, a sector may introduce new clusters of similar projects for which an additional expenditure profile may provide value added.

Indicative expenditure profiles need to be reviewed periodically, at least once every five years. The review can apply the same methodology as applicable for constructing expenditure profiles (see Annex 2: “How to formulate MYPIP”). The Programming Division, with support of the PIM Reform Wing, will initiate the review of the indicative expenditure profiles, in close consultation with the relevant Sector Divisions of the Planning Commission. Historical actual expenditure data can be obtained from IBAS++. In addition, IMED project evaluation reports of completed projects can also be used. The review of expenditure profiles requires thorough research which can also be outsourced to private sector research/consultancy firms by the Programming Division, if needed.

5.3.2 Step 2: Review the MYPIP function, scope, methodology, and reporting formats

Next to a periodical review of the indicative expenditure profiles, a regular review also needs to take place whether MYPIP information is adequately used in the ADP preparation process, whether reporting formats need to be adjusted, whether the scope of MYPIP can further be improved, and whether the MYPIP methodology can be further refined. This review will be initiated and led by the Programming Division, as needed. This type of “system” review should take place at least once every 5 years.

Function and reporting formats

The MYPIP function is reflected in Activities 1, 5, 6, 7 and 8. Periodically, a review needs to take place whether MYPIP is indeed fulfilling the function as envisioned. In addition, reporting formats from the AMS should also be reviewed to identify further improvements.

MYPIP Methodology

The MYPIP is based on a few concepts and methodologies (rolling projections, forward baseline estimates, fiscal space, indicative expenditure profiles). Also, MYPIP is based on assumptions who should verify FBEs. Periodically these concepts and methods need to be reviewed, also in the context of any further improvements made on the MTBF.

Scope of MYPIP

The MYPIP relevant for the fiscal space analysis includes the projects that have GoB financing; it includes the (partially) Government-financed projects and the Technical Assistance projects.

The MYPIP also includes the FBEs for the non-GoB financed projects, specifically:

- The partially self-financed projects
- The fully self-financed projects of Autonomous Organizations/Corporations

The MYPIP does not include:

- Projects funded by Public Private Partnerships
- Programme Pro-forma under the Non-Development Budget (PPNB)

When MYPIP further evolves, a review needs to take place to what extend these projects can/should be included in the MYPIP. This expansion of the MYPIP should be explored in the periodical reviews.

6 Integrating strategic planning, budgeting and project management

6.1 Objective

The objective is to have a more sector–strategic focus when planning and budgeting a specific project through the usage of SSPs and MYPIP in the project cycle.

This activity is relevant for those sectors that have a SSP and MYPIP.

Table 13: Integrating strategic planning, budgeting and project management

Summary of Activity	
When	Step 1: Identify the project, continuous; Step 2: Formulate the project, continuous; Step 3: Assess the project, continuous; Step 4: List unapproved new project without allocation, twice a year; Step 5: Appraise the project, continuous; Step 6: Approve the project, weekly.
Activity	Use the relevant sections of the SSP and MYPIP in the project preparation and budgeting process
Lead	Step 1: Agencies; Step 2: Agencies; Step 3: Planning Wing/Branch/Section of the Ministry/ Division, and Project Scrutiny Committee; Step 4: Programming Division of the Planning Commission; Step 5: Sector Divisions of the Planning Commission, and Project Evaluation Committee; Step 6: ECNEC/ Minister for Planning.
Stakeholders	Agencies, Ministries/Divisions, Sector Divisions and Programming Division of the Planning Commission, and Specific committees
Report Format	See DPP templates, project briefs in AMS, MAF/SAF templates, and working papers of each committee meetings
Other guidelines and circulars	Circular (Guidelines for Formulating, Processing, Approval, and Revision of Development Projects in the Public Sector), Manual for Project Assessment in Ministry level*, Manual for Sector Appraisal in Sector Division*, Handbook for DPP preparation. * Only for investment projects

6.2 Context

To invest for the right infrastructure at the right time and with the right budget, sector-strategic planning and budgeting, and project planning and budgeting should be closely integrated. The integration process is not straightforward because the three management cycles of sector planning, budgeting and project management do not take place simultaneously. The following stages were the main direct points of coincidence between the three cycles according to the PIM reference guide.⁴

- When project concepts are identified on the basis of strategic planning guidance;
- When identified projects are formulated and appraised considering the relevance of the project to the sector plan and budget;
- When appraised projects have budget funding approved for implementation.

⁴ Kim, J.-H., Fallov, J.A., and Groom, S. (2020). Public Investment Management Reference Guide. International Development in Practice. Washington, DC: World Bank.

Ministry Assessment Format (MAF) and Sector Appraisal Format (SAF)

The GoB developed a Ministry Assessment Format (MAF) and a Sector Appraisal Format (SAF). MAF and SAF are expected to standardize the procedure and criteria of project assessment at Ministry/Division level and sector appraisal at the level of the Sector Division of Planning Commission, respectively, with the aim to improve the efficiency and effectiveness of project planning. Parts of both formats are used to evaluate the linkage between sector planning and budgeting on the one hand, and project planning and budgeting on the other. A detailed explanation of using the MAF and SAF is given in the sections below.

6.3 Steps

The figure below summarizes the six main steps in integrating sector planning and budgeting and project formulation, appraisal and approval.

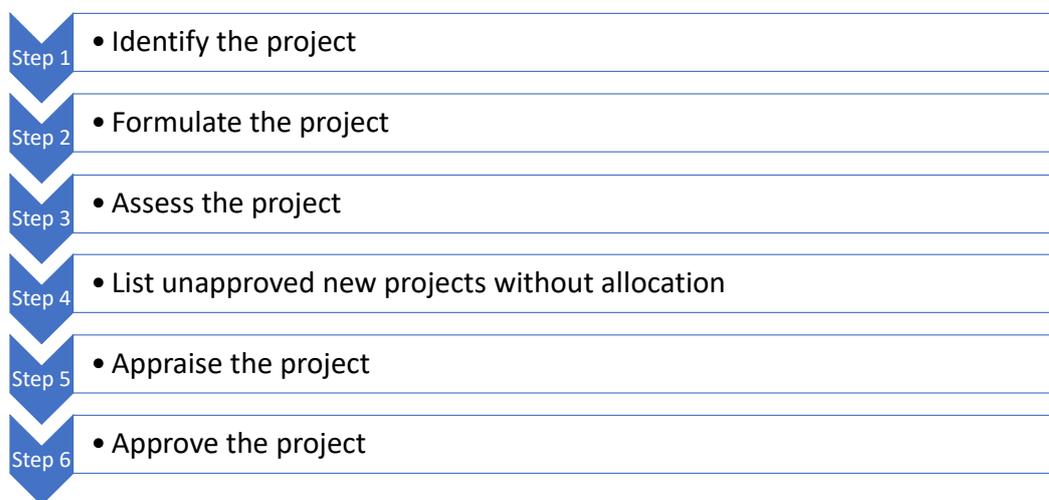


Figure 32: Six steps in integrating sector planning and budgeting

6.3.1 Step 1: Identify the project

The PIM tools SSP and MYPIP play a critical role in the process of **project identification**: they initially generate a rough idea about a possible intervention.

At project identification, these rough ideas are being discussed at the Agency-level. The sector priorities and intermediate sector outcomes outlined in the FYP and the SSP are the main guiding forces whether the conceptualisation of individual projects is considered “sound” and within the scope of the sector’s priorities. The fiscal space based on the MYPIP provides an indication of the affordability of the proposed projects, especially for “major” projects requiring a distinct budget.

The relevant Sector Division, Ministry/Division, and Agencies should discuss the concept of the proposed projects comprehensively, taking into account the sector’s priorities in the SSP, and fiscal space in MYPIP, and decide if the concept of proposed project should be materialized via project formulation, appraisal, and approval.

6.3.2 Step 2: Formulate the project

The PIM tool SSP plays as a critical role in the process of **project formulation** as it provides a detailed elaboration of a comprehensive project plan.

The Feasibility Study (F/S) is conducted in the case of a project with a cost more than BDT 50 crore, according to the Government’s Circular “Guidelines for Formulating, Processing, Approval, and Revision of Development

Projects in the Public Sector” (hereafter called as the “Green Book 2022”). Based on the findings of the F/S, the project proposal is formulated in the Development Project Proforma (DPP).

The Green Book 2022 stipulates the template of F/S Report as Annexure KA/KHA, and DPP as Annexure GA/GHA. Item 2 (b) of the F/S report template requests the justification of the needs for the proposed project by linking the project goal, outcome, and outputs to the sector’s strategic objectives. Item 27 of DPP requests an explanation of the specific linkage of the proposed project with sector priorities. Annexure VII of the DPP “Financing Plan” requests the estimation of fiscal space/ financing capacity. The Sector Priorities, ToC and SRF outlined in the SSP would become a good reference to justify the needs and the linkage.

6.3.3 Step 3: Assess the project

SSP and MYPIP play a critical role in the process of **project assessment**: they provide an overall assessment of relevance, feasibility and potential sustainability of a project conducted at the Ministry/Division level.

The SSP is a tool for desk officers and senior officers of the relevant Ministry/Division to examine proposed projects. The project is formally assessed and endorsed by Project Scrutiny Committee members, referring to MAF before the DPP is submitted to Sector Division of Planning Commission. The desk officer prepares the working paper for Project Scrutiny Committee meeting, utilising the MAF.

Specifically, Part VII of the MAF (“Evaluation Criteria, 1. Relevance”) provides the questions to examine whether a particular project is well-aligned with sector priorities and budget ceiling.

6.3.4 Step 4: List unapproved new project without allocation

SSP and MYPIP can be utilised to fix the priority among the projects for inclusion in the coming ADP or RADP.

During ADP and RADP formulation, the Programming Division requests the respective Ministries/Divisions to submit the information of projects expected to be approved to be budgeted in the coming ADP or RADP period. The Ministry/Division submits the brief project information through AMS together and mentions its relation to the existing policy documents (FYP, Perspective Plan and SDG). The Inter-ministerial Programming Committee scrutinises the projects received from the Ministries/Divisions and fixes their priority with recommendation for inclusion in the ADP/RADP. In the case of any new unapproved project not included in the ADP/RADP, the recommendation of the Special Meeting of the Inter-ministerial Programming Committee and prior approval of the hon’ble minister/State-Minister for Planning is required before processing the approval of the project.

The Sector Priorities, ToC and SRF outlined in the SSP would become a good reference to justify the needs and the linkage. Estimated fiscal space through MYPIP would become a good reference for securing the budget for new projects.

6.3.5 Step 5: Appraisal of new projects

SSP and MYPIP play a critical role in the process of **project appraisal** as they provide a sector-level justification of a development project conducted by the Sector Division of the Planning Commission.

The concerned Sector Division is responsible for producing a working paper for the Project Evaluation Committee (PEC) using SAF. Once the DPP is submitted from the Ministry/Division, the responsible Sector Division examines the proposed project in line with SAF, and prepares the working paper based on SAF. Then, the project is appraised and endorsed by PEC members, referring to the SAF before the DPP is submitted to ECNEC for approval.

In particular, Part II of the SAF (“Relevance with the SSP and MYPIP”) should be used to ensure that project proposals adequately address sector priorities.

6.3.6 Step 6: Approval of the Project

SSP and MYPIP can be utilised in the **project approval**: a decision to allocate the budget for the proposed projects.

In line with the Green Book5 2022, project approval is the purview of either the Minister for Planning or ECNEC:

- Projects with a value up to taka 50 crore: Minister for Planning6; or
- Projects with a value above taka 50 crore: ECNEC7.
- Some specific type (for example self-finance project) is approved by the Minister/State Minister of the sponsoring ministry.

SSPs, SAPs, and MYPIP provide guidance to both parties to help them assess the sectoral relevance of projects and therefore whether they should be approved or not.

5 The circular, “সরকারি খাতে উন্নয়ন প্রকল্প প্রণয়ন, প্রক্রিয়াকরণ, অনুমোদন ও সংশোধন নির্দেশিকা”, জুন ২০২২

6 Section 3.2.2, Green Book 2022 (সরকারি খাতে উন্নয়ন প্রকল্প প্রণয়ন, প্রক্রিয়াকরণ, অনুমোদন ও সংশোধন নির্দেশিকা, জুন ২০২২)

7 Section 3.2.3, Green Book 2022 (সরকারি খাতে উন্নয়ন প্রকল্প প্রণয়ন, প্রক্রিয়াকরণ, অনুমোদন ও সংশোধন নির্দেশিকা, জুন ২০২২)

ANNEX 1: How to develop the SSP

A1.1 Background and concepts

A1.1.1 Purpose and Conceptual Framework of the SSP

The purpose of Sector Strategy Papers (SSPs) is to reinforce realisation of FYP objectives through strengthened Sector level planning, programming, budgeting and M&E, including better co-ordination between Ministries/ Divisions and introducing a sectoral dimension to project and programme selection.

SSPs will fill a crucial gap in Bangladesh's planning landscape, namely *Sector level planning* between *national level planning* (FYPs) and *planning at the level of Ministries/ Divisions* (project/ programme planning, and MBFs). This gap has resulted in a number of negative impacts on planning practices. Firstly, as a high-level national planning document, the FYP only provides high-level guidance without detailing the prioritisation of individual projects, resulting in an Annual Development Programme (ADP) that contains projects that are not necessarily fully aligned with national development priorities. Secondly, there is frequently a lack of intra-sectoral co-ordination, especially in sectors containing a large number of Ministries/Divisions.

The intention is not that SSPs will supersede either the Ministry Budget Frameworks (MBFs) or other ministry-level planning/strategy documents. Rather they will help reinforce these crucial documents by providing greater clarity on sector-level objectives, strategies and their inter-relationship with national planning goals as well as how they should best be achieved. Section A1.1.2 below provides more specific information on the benefits that SSPs will deliver and Box A.1.1 overleaf provides an overview of their essential features ("SSPs at a glance").

Box A.1.1 - SSPs at a Glance

SSPs will ...

- ✓ fill the missing link between the Five-year Plan and project/programme planning at the level of Ministries/ Divisions, thereby reinforcing the value of existing strategic and budget frameworks;
- ✓ deliver crucial value-added in the way in which they articulate a clear and understandable Sector-level vision (making intra-sector connections clear) which will support project design, appraisal and approval as well as sector-level M&E. This will feed into reporting against FYP delivery;
- ✓ incorporate multi-year sector-, sub-sector- and project-level financial data so that resource requirements are clear (through the so-called Multi-Year Public Investment Programme: MYPIP);
- ✓ be concise and accessible documents to read; and
- ✓ be assembled in an inclusive and participatory manner in which all relevant stakeholders have an opportunity to provide inputs.

SSPs will NOT ...

- ✗ replace or undermine any existing strategic and budget frameworks;
- ✗ impose a blue-print on specific sectors – some element of flexibility in SSP design and usage will be possible to take account of differences across Sectors;
- ✗ impose an excessive burden on GoB stakeholders tasked with drafting them; and
- ✗ be a consultant-driven instrument with little use to the GoB.

SSPs will have a five-year duration but will be subjected to a **Mid-Term Review (MTR)** that may lead to changes being introduced if the sector environment has changed significantly. A **Final Review (FR)** will be undertaken to assess the extent to which sector objectives have been met and to help ensure learning that will be benefit both future SSPs and other planning exercises. The Public Investment Management (PIM) Wing, established within

Programming Division, will play a crucial role in helping to organise both MTRs and FRs as well as providing capacity-building and secretariat support to the development and usage of 'first-generation' SSPs (see below).

SSPs will be developed in synch with the FYP preparation process. This involves initial piloting of two SSPs under the JICA- and GoB-supported *Strengthening Public Investment Management System (SPIMS) project*, followed by roll-out across most other sectors.

A1.1.2 Users and Benefits of SSPs

SSPs will provide numerous benefits to a range of existing and future GoB systems in the domains of planning, programming, budgeting, M&E as well as the institutions responsible for these:

National development planning: providing a means by which GED and others can more accurately link projects and programmes with FYP goals and targets, thereby strengthening the value of the FYP as the cornerstone of national development planning in Bangladesh;

National development reporting: providing a platform – through the SRF – for the collection of comprehensive data on sector performance, helping *inter alia* to facilitate GED to report on progress against FYP goals as well as progress towards the Sustainable Development Goals (SDGs) and other national and international reporting obligations;

Project design: valuable guidance to Agencies/Departments to help design projects that will deliver the sector outcomes and goals required to achieve FYP national (macro) goals;

Project appraisal: a framework through which both Ministries/ Divisions and Sector Divisions of the PC can assess project proposals against their alignment with/relevance to the FYP;

FYP monitoring and evaluation (M&E): the SRF will provide GED, the concerned Sector Division of the PC and Ministries/ Divisions with more detailed information on sector-level performance to complement the higher-level DRF and at the same time strengthen the linkage down to the project/programme level where M&E is conducted by the IMED. Compilation of the SRF will also facilitate the comparison and, where necessary, standardisation of data drawn from different sources, thereby making sectoral data more updated and reliable;

FYP financing and budgeting: information on sector-level resource needs included within the SSP's MYPIP will be invaluable to GED, Programming Division, Finance Division (FD) and the Economic Relations Division (ERD). It will also complement other ongoing Public Financial Management (PFM) reform initiatives as well as aiding resource mobilisation, particularly among Development Partners (DPs) who will be able to identify areas to support including, potentially, specific pipeline projects and programmes within the MYPIP;

Institutional: key GoB policy-making bodies with respect to planning (e.g. NEC and BDF), budgeting (e.g. BMRC), project approval (e.g. Project Assessment Committee, PEC and ECNEC), and project implementation (e.g. PSC) processes will all be reinforced by the information provided by SSPs. Cabinet Division will also be able to use the SSPs to ensure that Annual Performance Agreements (APAs) signed with individual Line Ministries are aligned with sector and national planning objectives.

A1.1.3 Overview of the Procedures and Timeframe for Preparing and Using SSPs

Figure A.1.1 below presents a summary of the cycle for the preparation and usage of the SSP, with the interaction with other key planning activities (notably the FYP) highlighted where relevant. It is envisaged that SSP formulation will take place over a period ranging from 3 to 6 months, depending on the complexity of the sector.

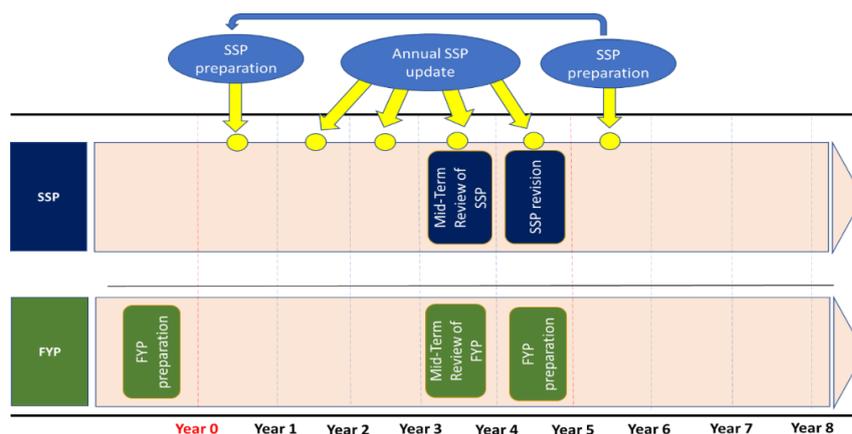


Figure A.1.1: Alignment of SSP cycle with FYP cycle

A1.2 Structure and content of the SSP

A1.2.1 Introduction

The overall structure of the SSP is first presented along with some of the guiding principles (A1.2.2) before the focus turns to detailed information on *the structure and content of the SSP* by section (A1.2.3).

A1.2.2 Overall Structure of SSP

Figure A.1.2 below provides an overview of the structure of SSPs. Two points need to be made in relation to the structure. Firstly, it has been designed to ensure that SSPs remain relatively short and concise documents which is important both in terms of ease of drafting as well as the subsequent accessibility to users. Secondly, the structure proposed for SSPs should be seen as *indicative* rather than *prescriptive*. As long as specific minimum requirements are met, certain SSPs might need to adopt a slightly different structure based on the specific needs of the Sector. Indeed, in certain cases, already existing strategies may be able to function as the SSP for that particular Sector.⁸

1. Introduction	Background, purpose and structure of the SSP
2. Situation Analysis	Sector performance in the previous FYP period in a short, synthesised form and broken down into analysis of key sub-sectors plus key cross-cutting issues (e.g. institutional and fiscal issues)
3. Sector Objectives	FYP Outcome Statement(s) (and associated DRF indicators) plus key sub-sector and other objectives together with a <i>Sector Theory of Change</i> .
4. Implementation Strategies	A summary of the key implementation strategies (financing, institutional and regulatory) together with a summarised <i>Sectoral Multi-Year Public Investment Programme (MYPIP)</i> and institutional map of the sector.
5. Sector Results Framework	A summarised <i>Sector Results Matrix</i> presenting the Sector Goal, Sector Outcomes, Intermediate Outcomes and Outputs (with associated indicators) and a more elaborated <i>Sector Results Monitoring Matrix</i> presenting associated baseline values, intermediate/final targets and associated ADP contributions/lead institutional responsibilities.
6. Assumptions and Risks	Identification of key risks to achievement of FYP/SSP goals and elaboration of means of mitigation.
7. Annexes	Including, notably, a full <i>Sectoral Multi-Year Public Investment Programme (MYPIP)</i> elaborating the planned forward costs of sector programmes and projects and resulting fiscal space.

Figure A.1.2 – The Model SSP Structure at a Glance

8 For example, the Health, Population and Nutrition Sector Development Programme (HPNSDP) (2016/17-2020/21).

In the next Section, more detailed information has been presented on each of the above sections. Following the approach suggested below, it is expected that in most cases the concerned officials will be able to draft an SSP of around 25 pages in total (including cover-page, table of contents, list of acronyms and preface but excluding annexes), which is concise and readily accessible to users.

A1.2.3 Detailed Contents of Main SSP Sections

Section 1: Introduction

With an indicative length of no more than three pages, the introduction should build upon an earlier Foreword, and Acknowledgements (signed by the Member of the concerned Sector Division, PC with Messages from the Minister, Ministry of Planning, Minister of State, Ministry of Planning) to introduce the reader to the SSP. This Section comprises three key Sub-sections:

Background: this should stress the collaborative exercise which led to the production/development of the SSP, highlighting the key involved institutions from within and outside the Planning Commission. It should also make clear the main purpose of the SSP, namely as a planning tool intended to help translate national/macro goals and priorities into sector objectives and strategies. The link to the FYP and its associated DRF should be clearly stated highlighting the essential value-added of the SSP in providing greater details and structure to sector-level objectives as well as strategies. Other key documents that the SSP draws upon - such as relevant Sector Master Plans, MTBFs - should also be clearly referenced in this Section.

Purpose: this should elaborate the five main areas in which the SSP will offer benefits, namely: national development planning and reporting, project design, project appraisal, FYP monitoring and evaluation, FYP financing and budgeting, aid co-ordination along with broader institutional benefits (see Section 2 in Part A above).

Structure: presenting the subsequent outline of the SSP and reaffirming the intention for it to be a concise, synthetic and readily accessible document.

Section 2: Situation Analysis

With a suggested length of 6-8 pages, this Section should contain the following key Sub-sections:

Progress under the Previous FYP: this should present the prevailing sector situation over the previous FYP period. It is proposed that this is to be structured around an initial overview before elaboration of the situation in key sub-sectors as well as key institutional, financing and other sector-relevant summaries. This section should be kept succinct and to the point, in recognition of the fact that progress under the previous FYP is already included in the setting of the current FYP's priorities.

Sustainable Development Goals (SDG): this should present an overview of the key SDG targets for the sector, as outlined in the United Nations' publication 'Transforming Our World – the 2030 Agenda for Sustainable Development'. When drafting this sub-section, reference should be made to GED's 'Mapping of Ministries/Divisions by SDGs' Targets', which outlines broad actions to achieve targets within the current FYP period, and specifies lead and associated Ministries/Divisions within a sector which are responsible for these actions.

Brief review of FYP sector content: this should present a brief review of FYP and the overall development directions set by the sector Highlight.

Challenges and Opportunities: this should present a synthesis of the main challenges and opportunities in the sector, drawing on the above two sub-sections. Specifically, the main challenges arising from the implementation

of the previous FYP (as outlined in the current FYP) as well as potential opportunities arising from emergent trends should be clearly identified.

Given the sheer complexity of most sectors and the fact that lengthy situation analyses are presented in other documents, the aim here is not a comprehensive analysis of all issues facing the sector but rather an accessible synthesis of the most relevant ones and/or those with most relevance to the subsequent presentation of current sector objectives and strategies (see below). This section can also highlight the policy priorities that require additional attention, such as GCR. There is also an expectation that this analysis will in most cases be based largely on analysis of existing documentation rather than additional new research.

Section 3: Sector Objectives

The point-of-departure for this Section is the relevant outcome statement(s) for the Sector in the FYP. It should be prominently displayed at the beginning because they constitute the higher-level objectives ('sector goal') being sought in the Sector and, therefore, the achievement to which all sector activities should contribute.

This Section should then list the main Sub-sector and horizontal (e.g. institutional and financing) objectives that have been documented. The main sources of information for this will be the FYP itself along with various sectoral Master Plans and other relevant planning/strategy documents. When utilising the latter category of documents (which often have a much longer time duration⁹), care should be paid to focus on those objectives which will either be realised within the SSP's five-year duration or where significant actions will be required in the coming five years. Any policy priorities that require additional attention, such as GCR can also be recognized and incorporated here.

The final, and perhaps most important, part of this Section is the Sector ToC. The product of this exercise is a graphical representation of how the above-mentioned 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 (see Box A.1.2 below for a general definition of a ToC and Figure A.1.3 for an example of a ToC for the Power and Energy Sector). This is important because the structure of the FYP means that the hierarchy of objectives and priorities are not always clear at a sector level. A clear Sector ToC is one of the principal areas of value-added of the SSP and provides the basis upon which a SRF can be elaborated (see below under Section 5).

Box A.1.2 – What is a Theory of Change?

A Theory of Change (ToC) is essentially a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It is focused in particular on mapping out or "filling in" what has been described as the "missing middle" between what a programme or change initiative does (its activities or interventions) and how these lead to desired goals being achieved. It does this by first identifying the desired long-term goals and then works backwards from these to identify all the conditions (outcomes) that must be in place (and how these related to one another causally) for the goals to occur. These are all mapped out in an Outcomes Framework.

Source: <http://www.theoryofchange.org/what-is-theory-of-change/>

The participatory process by which the Sector ToC is developed is as important as the final diagram itself and is a key element of the SSP development process. This is because the process of gaining consensus and agreement among stakeholders on priorities at the sector-level is a critical means of formulating an overall sectoral vision.

The length of this Section will depend on the sectoral complexity, including notably the number of objectives to be presented across the various sub-sectors and the resulting complexity of the Sector ToC diagram. Nevertheless, it should generally be possible to limit this section to 10-12 pages.

⁹ For example, the revised Power System Masterplan 2016 plots a course for the sector until the Year 2041.

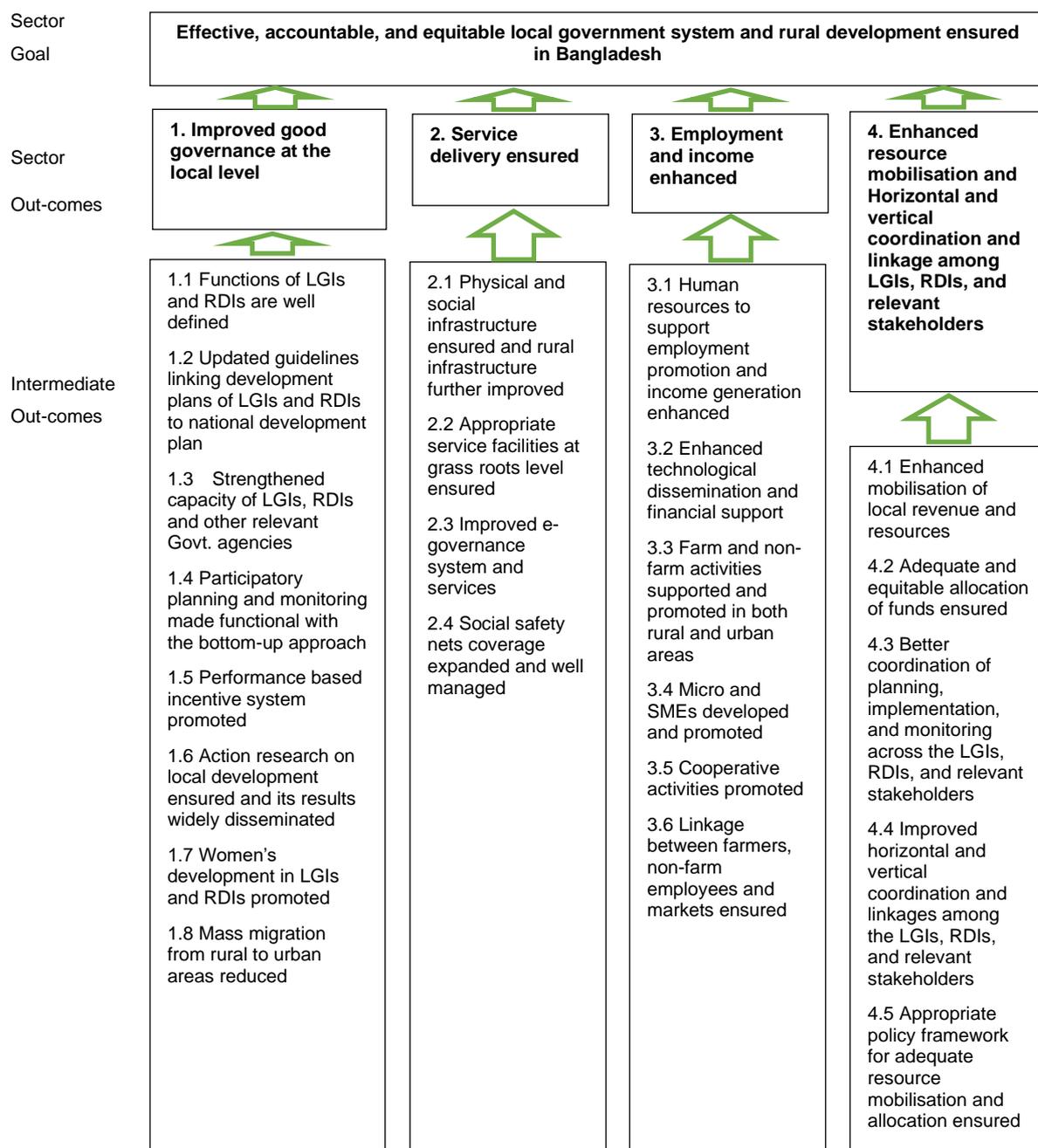


Figure A.1.3 – Example Sector ToC Diagram (LGRD Sector)

Section 4: Implementation Strategies

With an indicative length of up to 5-7 pages, this Section should contain the following key Sub-sections:

Strategies to Achieve 8FYP and SDGs Targets (2030): key cross-cutting reforms required to achieve the sector objectives should be summarised in this sub-section. In particular, this sub-section should contain an elaboration of the following issues critical to the achievement of sector goals, which need to be addressed during the timeframe of the SSP:

- Legal and Regulatory Issues;
- Institutional Issues; and
- Human Resource Issues.

Where relevant, progress made in the three abovementioned areas during the previous FYP period can be highlighted, with a focus on underscoring the importance of addressing these cross-cutting issues in order to attain sector objectives.

Within this section, both sector and DP coordination mechanisms should be mentioned. Specifically, sector coordination on cross-cutting areas should be discussed, including coordination mechanisms between and among Ministries/ Divisions themselves, as well as with non-government actors. In addition, specific arrangements for the coordination of key DPs within the sector should be specified (e.g. sector Local Consultative Groups (LCGs) co-chaired by GoB and DP representatives). Box A.1.3. contains an example of LCG sector working group for LGRD sector.

Box A.1.3. LCG sector working group for different sector

The development partners/local consultative groups for the LGRD sectors are presented below.

Sector Working Group	Lead Ministry/Division	DPs(*Chair)
Local government	LGD	SDC*, JICA, ADB, EU, GIZ, UN agencies, World Bank
Water supply and sanitation	LGD	Denmark*, ADB, AusAid, EU, JICA, UK, UN agencies, World Bank
Agriculture and rural development	Ministry of Agriculture	UN agencies*, ADB, AusAid, EU, JICA, Korea, SDC, USAid, World Bank
Private sector development and trade (incl. SMEs)	Ministry of Commerce	UKAid*, ADB, CIDA, Danida, EU, GIZ, JICA, The Embassy of Netherlands, NORAD, SDC, UN agencies, USAID, World Bank
Transport and communication	LGED	JICA*, ADB, IsDB, KOICA, World Bank
Chattogram Hill Tracts	Ministry of Chattogram Hill Tracts Affairs	UN agencies*, ADB, AusAid, CIDA, EU, USAID

Source: Economic Relations Division. 2010. *Banladesh Joint Cooperation Strategy 2010-2015*.

In addition, an institutional map should be added to present the range of Ministries, Divisions and Agencies (MDAs) to be found in the sector, including any new Ministries/Divisions to be created over the five-year duration of the SSP.

Linkages between ADP and Sector Objectives: This section presents the cumulative expenditures and allocation by Sector Intermediate Outcome under the current ADP. This shows a financial outlook of investment distribution within the Sector Intermediate Outcomes as provided by Section 3. Financial resources are allocated following way: For each development project at most two relevant intermediate outcomes are identified. If a project is linked to one intermediate outcomes, the total costs of that project will be allocated to that intermediate outcome. If a project is linked to two intermediate outcomes, the total costs/allocation will be divided by two – and one half will be allocated to each of the two intermediate outcomes, respectively. This exercise can be useful to understand briefly about the distribution of allocated resources among the policy priorities that require additional attention, such as GCR.

Furthermore, this analysis is not a base for strong conclusions for several reasons as there are several challenges for the analysis: 1) Currently the MYPIP is not covering all projects of the ADP. The data in MYPIP/ADP Management System (AMS) only includes public investment projects. Public investments are just a part of the total Government efforts to achieve the objectives; 2) There are a number of public investment projects are outside the ADP (private sector, donors, international financial institutions, Green Climate Fund etc.); 3) The analysis provides a partial picture as other important information on recurrent budget, subsidies, policy regulations etc. is missing; 4)

Some regulations and support cannot be quantified in financial terms (such as legal amendments or policy regulations); 5) Linking the project to one specific intermediate/sector outcome can be difficult as several projects cover multiple outcomes or intermediate outcomes.

Financing Strategy: The key information to be presented here are the main sector financing needs broken down, where appropriate, into sub-sectors and including anticipated Public, Private and Public-Private Partnership (PPP) contributions. Given its importance to public investment, the anticipated yearly ADP allocations to the sector should also be presented along with information on any emerging funding 'gaps' between annual allocations and funding needs. Any critical assumptions underpinning the financing strategy should be presented, such as the anticipated removal of subsidies or increase in user charges. The sub-section should also pay attention to the recurrent funding (including Operation & Maintenance (O&M) expenditures, where applicable) obligations resulting from existing and future investments in the sector (particularly current and forthcoming ADP projects).

A key element of the financing strategy sub-section will be a summarised one-page MYPIP. This will compliment a full and lengthier (project- and programme-level) MYPIP to be included in the SSP's annex (see below). Box A.1.4 below provides further information on MYPIPs and their role within wider Public Investment Management (PIM) reforms.

Box A.1.4 – Multi-Year Public Investment Programme (MYPIP)

The MYPIP is a parallel reform initiative designed to reinforce PIM practices. It is intended to be a *programming tool* that helps translate sector goals and priorities outlined in SSPs into budgeting of development projects over a medium-term perspective. The MYPIP will help calculate forward baseline estimates (FBEs) and estimate fiscal space at the sector and/or sub-sector levels. It will improve accuracy of information on resource allocation between and within ADP sectors and/or sub-sectors over three years. The MYPIP will also provide critical information for the preparation of the MTBF. The MYPIPs should be prepared at the Ministry/Division level first, and aggregated into a Sector MYPIP (S-MYPIP) for each sector. The format of MYPIPs is a matrix that includes a budget forecast of on-going and newly-approved development projects over three years.

The MYPIP have the potential to provide important information on resource use and FBEs for policy priorities like GCR and provide a financial outlook of investment distribution within it which is expected to facilitate to set target, and prioritization process.

In order to act as a guide to project prioritisation, the sector specific resource envelope as outlined in the MYPIP combined with the sector priorities outlined in the SSP's ToC are critical frameworks with which to view project selection. Project selection is the process of prioritising projects for inclusion in the ADP, specifically in the list of "Unapproved new projects without allocation"¹⁰. In line with the Guidelines for the preparation of the ADP, these lists are prepared by each Ministry/Division and the concerned Sector Division of the Planning Commission, and subsequently discussed at a Programming Committee Meeting convened by the Programming Division of the Planning Commission.

Section 5: Sector Results Framework (SRF)

The SRF is a critical part of the SSP as it provides substance to the hierarchy of objectives presented in the Sector ToC 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). SRFs are a key element of sector strategies in many countries worldwide (including in Sri Lanka – see Box A.1.5 below). The SRF will consist of two principal matrices, as elaborated below.

Box A.1.5 – Using Results Frameworks in Sri Lanka at the National, Sectoral and Provincial Levels

In Sri Lanka, results target from the ten-year development plan are expressed in key focus areas such as infrastructure development, agriculture, small and medium-sized industry development, health, and education. For each focus area, an

10 There is also a list of "Unapproved new projects without allocation for facilitating negotiation of foreign aid". The function of this list is the same as the "Unapproved new projects without allocation", and refers specifically to Development Partner funded projects.

outcome matrix has been developed which identifies targets for 2020 with key performance indicators (KPIs) and sector strategies clearly articulating the change process.

Similarly, sector plans have a results framework with output and outcome targets for specific projects and programmes. When it comes to project planning, the logical framework analysis, or results matrix, is mandatory for large projects. The Department of National Planning requires all line ministries and project proponents to formulate a project planning matrix or project design matrix with a hierarchy of objectives, objectively verifiable indicators, means of verification, and risks and assumptions.

At the provincial level, results-oriented development plans are also being formulated. The Eastern Provincial Plan, guided by the results-based planning process, includes a clearly articulated results matrix.

Sector Results Matrix (SRM): The SRM should summarise the sector goal, sector outcomes (higher level), intermediate outcomes and main/key outputs from sectoral interventions (principally ADP projects but potentially also regulatory or institutional reforms), with associated indicators specified at each of these levels. When formulating the Sector Result Matrix, the Performance Indicators contained in the DRF of the FYP, SDG targets and other indicators focusing on policy priorities like GCR should be closely consulted and incorporated where relevant. Figure A.1.4 below presents an indicative format for the matrix which, when completed, will probably be presented on one page of landscape A4.

Table A.1.4 – Sector Results Matrix Format

Sector Goal		Sector Outcomes		Intermediate Outcomes		Main/Key Sector Outputs	
Sector Goal	Goal Indicator(s)	Sector Outcomes	Outcome Indicators	Intermediate Outcomes	Intermediate Outcome Indicators	Sector Outputs	Output Indicators

Sector Results Monitoring Matrix (SRMM): the SRMM provides the basis for the monitoring of sector-wide performance by taking the sector goal, sector outcomes (higher level) and intermediate outcomes from the above SRM and adding baseline values (Year 0), intermediate targets (Years 1-4), final targets (Year 5), associated financial allocations and (in terms of sector intermediate outcomes) lead institutional responsibilities for each. Figure A.1.5 overleaf presents an indicative structure for the SRMM. The length of the SRMM will depend on the complexity of the sector and the number of Sector (Intermediate) Outcomes and associated indicators but it should be possible for it to be presented on 2-3 pages of landscape A4. The format of the SRMM is currently included as an Annex in the SSPs for the PE and LGRD sector. The long-term objective is to start using the SRMM in the future once the availability of performance data for the respective sector improves.

Table A.1.5 – Sector Results Monitoring Matrix

Results Chain	Indicators (Including unit of measurement)	Baselines		Intermediate Targets								Final Targets		Ratio of ADP disbursement to FYP allocation (%)	Lead Institutional Responsibility
		Year	Value	Yr 1		Yr 2		Yr 3		Yr 4		Yr 5			
				Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
Sector Goal:															
Sector Outcomes:															
1.															
2.															
Sector Intermediate Outcomes:															

Annual updating of the SRMM will enable the concerned Sector Division of the PC and Ministries/ Divisions to regularly assess progress against identified/set targets, pinpointing where they are likely to be exceeded, met or missed. This will provide required feedback for taking appropriate decisions by the key policy-making bodies, such as the NEC or ECNEC to (re)deploy resources accordingly and to request information on the reason(s) for specific fiscal trends present/found in the data (see Activity 2: “MYPIP instructions in the RADP” in these Strategic ADP guideline).

Section 6: Assumptions and Risks

Any Sector strategy is based on a series of critical assumptions with attendant/associated risks to the achievement of sector goals and objectives if they are not fulfilled. This Section seeks to clearly present these assumptions and risks along with mitigation measures (where possible) to aid risk management.

Assumptions and risks can take different forms (financing, regulatory, institutional, administrative capacity etc.) and can vary both in terms of the likelihood of them materialising and the severity/magnitude of consequences, if they do. Here, it is important to note that risks should be carefully focussed on only those elements which are outside the control of actors in the sector; elements which are within the control of actors in the sector (e.g., project management procedures, etc.) should not be included as risks.

The main output of this Section should be a short (1-2 pages) matrix elaborating the key assumptions and risks along with the accompanying mitigation measures. As with the Sector ToC, however, this is another part of the SSP where the *process* of producing/developing it (through the resulting discussions and, hopefully, consensus) will be as important as the final *product* itself.

Section 7: Conclusion

This should contain a summary of the key points contained within the SSP, especially the Sector ToC, implementation strategies as well as key indicators to be monitored for the achievement of the sector goal.

Section 8: Annexes

Annexes are likely to include a checklist on steps to be followed for completing and using an SSP as well as a glossary of key terminology and list of other resources on the concepts and principles underpinning the SSP.

A1.3 Formulating the SSP

A1.3.1 Introduction

Preparation of SSPs is the responsibility of the concerned **Sector Division** of the Planning Commission in cooperation with the respective Ministries/ Divisions. The Chief of the concerned Sector Division will be the Chairperson of the **SSP Working Group (WG)**. Within the SSP WG, the drafting of SSPs will be led by a **Core Drafting Team (CDT)**, which should be a sub-set of the SSP WG. The Chairman of the SSP WG will be responsible for convening a CDT which comprises representatives from GED, Programming Division, relevant Ministries/ Divisions, IMED, Finance Division and ERD (in Sectors where DPs are active). Although the focus of CDT membership is internal GoB stakeholders, the CDT may in certain circumstances also wish to co-opt relevant representatives from outside the GoB (e.g. experts who have been involved in drafting sectoral background papers for the FYP) if it is felt that they would add specific value to the exercise.

The role of the **PIM Reform Wing** in relation to SSP preparation is two-fold. Firstly, the PIM Reform Wing will be responsible for providing support to the Sector Divisions and Ministries/ Divisions during the SSP preparation process. A Secretariat will be established for the Core Drafting Team (CDT) and SSP Working Group (WG), providing data collection, drafting and other organisational support as necessary. The Secretariat will be headed

by a representative of the concerned Sector Division of the Planning Commission. The PIM Reform Wing will be a member of the Secretariat and have a supporting role. Secondly, once the SSP preparation process has been established within the Sector Divisions, the PIM Reform Wing will have a coordinating role for maintaining the quality of the SSP tool and, for ensuring continuity of this important reform initiative, and for providing advisory support as required.

Specifically, each of the Sector Divisions will be responsible for taking the lead on drafting SSPs in the sectors which they are responsible for. The CDT will be responsible for undertaking the following steps in relation to drafting the SSP:

- Step 0: Planning and Organisation;
- Step 1: Data Collection and Analysis of Sector Performance;
- Step 2: Development of Each Section in Draft SSP;
- Step 3: Consultation of Draft SSP with Stakeholders;
- Step 4: Refinement of Draft SSP;
- Step 5: Adoption of SSP by Government of Bangladesh.

The five-year period which SSPs cover should be the same as the same five-year period of the FYP. Timing-wise, SPPs should be formulated in parallel to the final stages of development of the FYP, so that it can effectively translate emergent FYP priorities into sector objectives.

A1.3.2 Step-wise Overview

Step 0: Planning and Organisation

Agreement on Scope of Sector

Before embarking on the steps listed below to draft an SSP, it is crucial to reach agreement on the scope of a 'sector'. Therefore, the first step in the organisation phase of SSP drafting is that the Planning Secretary, based on the advice of GED, makes a recommendation to the Minister for Planning on the final number of SSPs to be drafted. This should include cases where sectors might be combined, and/or existing documents might function as the SSP. Subsequently, the Ministry of Planning should take a decision on the final number of SSPs and issues a relevant Government Order.

The SSPs should be based on the FYP and new ADP sector classification. It is important to remember that crucial inter-sectoral linkages remain, and accordingly there will be linkages between and among the SSPs of different sectors.

Establishment of SSP WG and CDT

As highlighted above, preparation of SSPs is the responsibility of the concerned Sector Division of the Planning Commission. The Chief of the concerned Sector Division will be the Chairperson of the SSP WG, responsible for coordinating and supervising the preparation of an SSP. Before formulation of the SSP gets underway, the SSP WG should hold an inaugural meeting to:

- a) Inform members about the purpose of the SSP;
- b) Agree on the membership of the SSP CDT; and
- c) Agree on internal (GoB) and external (civil society and DP) stakeholders to involve in the process.

Once the composition of the CDT is fixed, the CDT, chaired by the Chief of the Sector Division or his/her designate, will hold an inaugural meeting to discuss drafting of the SSP. This will include an initial allocation of responsibilities and provisional timetable, in line with a "checklist" of procedures for drafting the SSP is contained in the following sections. The Checklist covers different phases of document production, approval and updating.

Step 1: Data Collection and Analysis of Sector Performance

Once the CDT has been set up and had its inaugural meeting, the first step in formulating the SPP would be to collect data in order to analyse sector performance. This will feed into 'Section 2: Situation Analysis' of the SSP. Indicatively, the key documents which would be used in a typical SSP are as follows:

- Vision documents
- Perspective Plan
- FYP
- Sustainable Development Goals (SDGs)
- Sector Master Plan(s)
- Ministry Budget Frameworks (MBFs) of the Ministries/Divisions within the Sector
- Annual Performance Agreements (APAs) of the Ministries/ Divisions within the Sector
- Other Guidelines from policy priorities such as GCR

In relation to the APA, it is worth noting that APAs should ideally be formulated at the Ministry level in line with a pre-existing SSP/SAP. However, in reality SSP/SAPs are not readily available for all the sectors; therefore, it is recommended that CDT members consult where available, especially for relevant sector situation analysis.

In addition to a review of existing documents, the CDT should also consider conducting interviews with some key stakeholders, to obtain a holistic view of sector performance. These interviews should primarily be conducted by responsible officers within the Sector Divisions of the PC, and be supported by members of the CDT where relevant. The Secretariat would be headed by a representative of the respective Sector Division in collaboration with the respective Ministries/ Divisions. Box A.1.6 below demonstrates how data analysis and synthesis in relation to analysing health sector progress and performance is undertaken in Uganda.

Box A.1.6 – Data Analysis for the Health Sector Strategic and Investment Plan (HSSIP) in Uganda

In Uganda, data analysis and synthesis is undertaken at both national and sub-national levels to enhance evidence-based decision making at the sectoral level. The results obtained are summarised into a consistent assessment of the health situation and trends, using core indicators and targets to assess progress and performance. The focus of analysis is on comparing planned results with actual ones, understanding the reasons for divergences and comparing health sector performance at different levels using different information sources (Quarterly and Annual Progress Reports, District League Tables, mid and end term evaluations, thematic studies and surveys).

In addition, health systems research as well as qualitative data gathered through systematic processes of analysing health systems characteristics is used. Basic indicator information, obtained from collating all the available information from all reporting units into the national average figure, is complemented by gender-disaggregated data. This is to provide information on the impact of multi-dimensional poverty on actual health coverage and health status achievements. This enables better targeting of the HSSIP to address the multi-dimensional poverty issues impacting health outcomes being sought.

Step 2: Development of Each Section in Draft SSP

Once an analysis of overall sector performance has been undertaken, the CDT will need to develop each section of the draft SSP in line with the sections outlined in Part B, as follows:

- Section 1: Introduction
- Section 2: Situation Analysis
- Section 3: Sector Objectives
- Section 4: Implementation Strategies
- Section 5: Sector Results Framework
- Section 6: Assumptions and Risks
- Section 7: Conclusion

- Section 8: Annexes

A Facilitator's Guide (2018) has been developed to support the development of these sections of the SSP. The Facilitator's Guide details:

- How to define sector goals and outcomes;
- How to determine a hierarchy of sector goals and outcomes;
- How to map causal links between outcomes and the desired goal in an Outcomes Framework (this forms the backbone of the ToC);
- How to formulate goal, outcome and output indicators (for the SRM);
- How to define baselines, intermediate targets and final targets for relevant indicators (for the SRMM); and
- How to identify key assumptions and risks.

During the process of developing specific sections of the draft SSP, it is recommended that the CDT organises at least one workshop, particularly to support the drafting of 'Section 3: Sector Objectives' and 'Section 5: Sector Results Framework'. In relation to Sector Objectives, the main purpose of organising a workshop would be to brainstorm on the ToC, which outlines 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. Theories of Change are most rigorous when they have been contested by a group of key stakeholders who have responsibility for ensuring the achievement of outcomes. A draft of the situation analysis should be circulated among key stakeholders before the workshop on Sector Objectives to facilitate meaningful discussion.

The drafting of the various SSP sections (including the organising of relevant workshops) will be led by the responsible officers of the Sector Divisions of the PC, with the support of members of the CDT. It is recommended that one official within the CDT acts as Member Secretary. S/He will be responsible for maintaining the "master" copy so as to avoid issues of version control. Furthermore, this official should also be responsible for ensuring the draft SSP is a coherent and logical document, with individual sections being well-linked to the rest of the document. In the initial stages of introducing SSPs (especially in relation to the first round of SSP drafting), a Secretariat will be established for the CDT and SSP WG, providing data collection, drafting and other organisational support as necessary. The Secretariat will be headed by a representative of the concerned Sector Division of the Planning Commission. The PIM Reform Wing will be a member of the Secretariat and have a supporting role.

Step 3: Consultation of Draft SSP with Stakeholders

When a draft SSP is ready, this should be consulted with stakeholders, in line with requirements for consultation set out in the GoB Rules of Business. Consultation methods will differ depending on the size and complexity of the Sector, but in general, consultations will fall into one of two categories, namely internal consultations (within the GoB) and external consultations (with a wider cohort of stakeholders outside of government such as civil society, the private sector and DPs). Moreover, when a Sector revolves around significant local-level service delivery (e.g. agriculture, education or health), it would also be beneficial to organise consultations at a sub-national level.

Stakeholder consultation should begin by conducting a stakeholder analysis and ensuring all important actors, both internal and external, are engaged. The consultation process should not be treated as a box-ticking exercise, but rather as a process which brings important ideas and suggestions for improving the draft SSP. Therefore, besides collecting feedback, the CDT should make sure that inputs from the consultations are properly analysed and integrated into the draft SSP, and stakeholders are briefed in relation to whether their suggestions have been considered and incorporated in the draft. The summary of the consultation process should also be included in the draft SSP.

Should the CDT find that it is too time consuming to conduct both internal and external consultations, as a minimum, the draft SSP should be circulated to all line Ministries/ Divisions with an invitation for them to provide written feedback within a time-bound period.

Step 4: Refinement of Draft SSP

The refinement of the draft SSP is a relatively simple stage involving the incorporation of comments received from the stakeholder consultation. When all feedback and comments from stakeholders have been collected, the CDT should convene to consider the comments received and reach consensus on how to address any contentious points. Which members of the CDT are responsible for incorporating the relevant feedback into the draft SSP and subsequently finalising the document will be reflected in the final section of the checklist?

Step 5: Adoption of SSP by Government of Bangladesh

Once the CDT finalises the SSP, it is the responsibility of the concerned Member of Sector Division, to send it to the Minister for Planning for approval. Finally, finalised SSPs will be approved by the Minister for Planning and issued by the concerned Sector Division (as it is in the case of approved projects). Ownership of the SSP rests with the concerned Sector Division, which has been responsible for the process of drafting the SSP from start to finish, with the support of the CDT.

Finalised SSPs should be disseminated by the Concerned Sector Division to all line Ministries/ Divisions, Planning Commission, Planning Division, Finance Division, Cabinet Division and other relevant GoB organisations. The Sector Division should issue a Press Release on the publication of the SSP. In addition, the SSP should be placed on the PC website and other GoB websites (e.g., websites of the concerned sector Ministries/ Divisions). The concerned Sector Division should also consider organising a seminar to disseminate the main aspects of the SSP more broadly. This dissemination seminar could be complemented by a press release to raise media attention, especially in sectors of key interest to the general public (e.g., health, education, social protection, etc.).

ANNEX 2: How to develop the MYPIP

A2.1 Background and concepts

A2.1.1 Purpose of the MYPIP

The Multi-Year Public Investment Programme (MYPIP) is a programming tool which supports the budgeting of development projects from a medium-term perspective. Specifically, the MYPIP provides information on sectoral resource availability and requirements for the upcoming budget year and two outer years, allowing the Government to determine the 'fiscal space' available for investment in new projects.

The purpose of the MYPIP is to ensure greater alignment of medium-term planning with budgeting by adopting a medium-term perspective for the Annual Development Programme (ADP). Crucially, the MYPIP allows the identification of fiscal space available for investment in new projects, enabling more informed decisions in allocating resources for development projects.

A MYPIP will be prepared for all Five-Year Plan (FYP) sectors for which Sector Strategy Papers (SSPs) are developed.¹¹ The MYPIP should be viewed as a necessary complement to the SSPs, which aim to reinforce the realisation of FYP objectives through strengthened Sector level planning, programming, budgeting and M&E, including better co-ordination between Ministries/ Divisions. The SSPs introduce a sectoral dimension to project and programme selection, and the MYPIP supports this by making explicit the resources available for investment. Specifically, the MYPIP helps to assess medium-term resource availability and the forward cost of existing projects, that is, both ongoing and newly approved projects. The MYPIP makes explicit the budget implication of investment decisions in the medium term, thus allowing a more strategic approach to medium-term resource allocation based on sector priorities outlined in the SSP.

Box A.2.1: MYPIPs at a Glance

MYPIPs will ...

- ✓ complement the existing ADP process, and be used in the budget preparation process;
- ✓ contain a comprehensive list of all existing projects in a sector, according to the 14 (excluding Defence Sector) sectors identified in the FYP. This multi-year sector, sub-sector and project-level financial data will help key stakeholders assess, at a glance, the investment projects which are supporting the achievement of key sectoral outcomes outlined in the SSP;
- ✓ provide a bottom-up projection of the forward costs of all existing projects, so that the medium-term budget implications of existing investments are clear;
- ✓ deliver crucial value-added by identifying the 'fiscal space' available for the adoption of new projects, allowing the GoB to prioritise resource allocation in line with available resources and sector objectives and policy priorities outlined in the SSP;
- ✓ be assembled and consulted in an inclusive and participatory manner in which all relevant stakeholders have an opportunity to provide inputs.

MYPIPs will NOT ...

- ✗ impose a blue-print on specific sectors – some element of flexibility in MYPIP design and usage will be possible to take account of differences across Sectors;
- ✗ impose an excessive burden on GoB stakeholders tasked with compiling them; and
- ✗ be a consultant-driven instrument with little use to the GoB.

¹¹ In line with the Guidelines for Preparing and Using SSPs, it is envisaged that SSPs will be prepared for 14 FYP sectors, excluding the defense sector.

A2.1.2 Key Elements of the MYPIP

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

Top-down 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 non-development expenditure ceilings of each Ministry and Division in the sector. For example, in the power and energy sector, the MTBF development expenditure ceilings contained in the Power Division Ministry Budget Framework (MBF) and Energy and Mineral Resources Division (EMRD) MBF are added together to arrive at the overall power and energy sector ceiling.

Box A.2.2: Indicative or hard ceilings

While the term 'ceiling' suggests that expenditure allocations should not exceed the amount budgeted, in practice there is an element of '**softness**' of **sector ceilings**, especially in what the GoB considers to be priority sectors, for example power and energy and physical infrastructure. This is important to bear in mind as it has critical implications for the amount of fiscal space available to the sector.

Bottom-up Forward Baseline Estimates (FBEs)

Bottom-up FBEs are accurate, reliable and up-to-date estimates of future expenditure of existing projects. The MYPIP Guideline were designed based on the recognition that project cost information contained in Development Project Proformas (DPPs) and Technical Assistance Project Proformas (TPPs) is often outdated, and unlikely to provide accurate and up-to-date estimates of the future cost of existing projects. As such, the MYPIP Guideline estimate the future cost of existing projects in the ADP based on two main components: i) **project expenditure information available in the government system** e.g., IMED, Ministries/ Divisions, Projects Offices; and ii) **indicative expenditure profiles**. Indicative expenditure profiles refer to a generalizable pattern of expenditure for a particular category of projects – for example, in the power and energy sector, discreet expenditure patterns can be identified for power generation, transmission and distribution projects.

Using the up-to-date project expenditure information available in the government system (cumulative expenditure up to June of the previous Fiscal Year), the remaining cost of a project is allocated over the remaining duration of the project in line with the indicative expenditure profiles. These expenditure profiles should be determined through a process of consultation with key Planning Wing/Branch, Budget Wing/Branch and Project Directors in the Ministries/ Divisions under the sector. Section 2.1 (Step-wise overview of MYPIP Formulation) of these Guideline provides more detail on how to allocate the remaining costs of a project over the forward years. In the following a process to determine expenditure profile is provided:

- i. Historical Data for all the completed investment projects under ADP for 10-15 years needs to be collected;
- ii. The investment projects need to be grouped considering similar nature and similar expenditure patterns;
- iii. Using the historical data, the trend line for each group needs to be determined which can give the cost distribution on a yearly basis and the average project duration of a typical project of that group;
- iv. The determined cost distribution further needs to be validated with individual sector experts including Programming Division and the Ministries/ Divisions which will provide a primary version of expenditure profiles;
- v. Finally, a validation programme with FD, Programming Division, Ministries/ Divisions, Sector Divisions of Planning Commission to further validate and approve the Expenditure Profiles;

Fiscal Space

Once information on top-down sector ceilings and bottom-up FBEs is available, the fiscal space available to the sector is easy to calculate. Fiscal space is calculated by subtracting the bottom-up FBE from the top-down sector ceiling.

As we can see from Figure A.2.1 below, the fiscal space shows the amount of resources available for investing in new projects in the upcoming budget year as well as two outer years. Here, the complementarity between the SSP and MYPIP is crucial – the allocation of fiscal space should be based on the sector prioritisation outlined in the SSP.

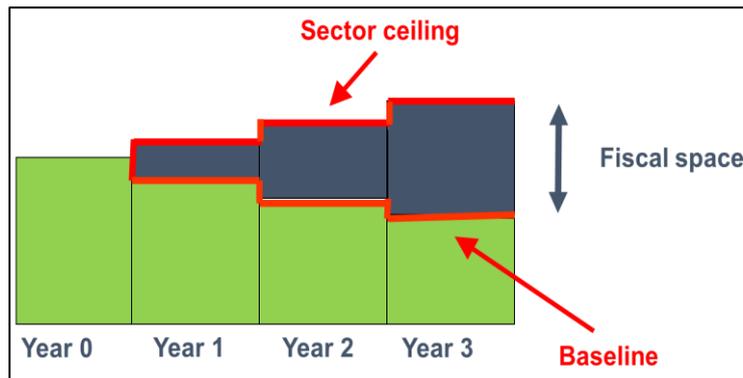


Figure A.2.1: FBEs, Sector Ceilings and Fiscal Space

The MYPIP will complement the existing ADP to improve the existing PIM system. ADP preparation will continue, with the preparation of the MYPIP taking place in support of ADP preparation. This is a deliberate strategy adopted by the Programming Division in order to: i) demonstrate the benefits of the MYPIP; ii) allow the concept of the MYPIP to ‘take root’ in all sectors; and iii) work out the best way to systematize existing informal practices around the development of FBEs for the ADP.

All information required for the MYPIP exercise is currently available and being collected by existing systems (such as AMS), minimizing the data collection effort for the MYPIP exercise.

A2.1.3 Coordination with Existing Budgeting Frameworks and Tools

The MYPIP is designed to align with the following aspects of the existing budgeting process:

- **Medium-Term Fiscal Framework (MTFF):** provides the macro-economic and fiscal forecasts for the medium-term. This is the responsibility of the Macro-Fiscal Wing of the Finance Division, Ministry of Finance. As illustrated in Activity 1 in Chapter 3, Section 3.1, the Programming Division of Planning Commission with the help of ERD, and Sector Divisions will prepare a ‘FBE Analysis Report’ for development budget. This Report is expected to contribute to the MTFF and estimating the ceiling for the sectors and the budget entities in the Call Circular 01.
- **Medium-Term Budget Framework (MTBF):** presents the expenditure ceilings at sector and ministry level, disaggregated by development and non-development budget. This is the responsibility of the Budget Wings of the Finance Division, Ministry of Finance. MYPIP will help to construct the BC-1 indicative ceiling as described under Activity 1, Chapter 3, Section 3.1. Additionally, the Programming Division will help the Tripartite meeting discussion of budget negotiation by sharing a ‘Sector Performance Analysis Report’ and the ‘MYPIP Analysis Report’ as described in Activity 3 and Activity 6 in Chapter 3.

A2.1.4 What is not included in the MYPIP

Currently, the MYPIP does not include the following projects:

- Self-financed projects fully or partially
- Projects funded by Public Private Partnerships;
- Programme Pro-forma under the Non-Development Budget (PPNB).

Self-financed Projects

The self-financed projects of autonomous organisations in the ADP are related to agencies and autonomous bodies under the ministries. They have resources to finance projects with own funds. In the ADP 2023/24, the total amount of these self-financed projects is Tk. 11,674.02 crore (roughly USD 1.05 billion). This is equal to 4.3% of the total ADP of Tk. 274,674.02 crore. These self-financed projects are mentioned in a separate table in the ADP (see page 565 of ADP 2023/24).

Box A.2.3: Self-financed Projects in the Power and Energy Sector

Power sub-sector has the largest number of self-financed projects.¹² Agencies for power generation largely generate these funds by running power plants. The Power and Energy sector has 41 self-financed projects in 2023/24 with a total allocation of Tk. 5,591.03 crore (roughly USD 504 million in total). This is equal to about 12.6% of the ADP allocation to the power and energy for investment programmes (Tk. 44,393.24 crore). Most of these self-financed projects are less than USD 5 million, while two larger projects, related to the construction of power plants, received large allocations ranging from USD 30 million up to USD 40 million.

Own Funds contributed by Agencies

For several larger projects, agencies also provide a part of the financing through own funds. These own funds generated by agencies are not included in the ADP figures and are also not taken into consideration in the MTBF. As such, these own funds are not included in the MYPIP calculation.

Projects funded by Public Private Partnerships (PPP)

Projects funded by PPP are presented in a separate table on page 573 of the ADP 2023/24. There are 79 PPP funded projects listed in the ADP 2023/24, without mentioning the amount of funds required. As such, projects funded by PPP are not included in the MYPIP calculation.

Programme Pro-forma under the Non-Development Budget (PPNB)

PPNB programs are funded through the NDB by Finance Division and implemented by the relevant agencies. The Finance Division usually keeps a certain block allocation amount under the revenue budget for PPNBs. While the PPNBs are developmental in nature, they are not captured in the ADP and are also not subject to the same appraisal and approval process as other ADP projects. PPNB proposals are prepared by the implementing Department/Agency, examined by the Administrative Ministry/Division, and then submitted to, and approved by, the Finance Division. As these programs are funded from the revenue budget, they are not captured in the ADP and are not considered in the MTBF ceilings.

A2.1.5 Benefits of the MYPIP Approach

The MYPIP approach provides benefits to a range of existing and future GoB systems in the domains of planning, programming and budgeting:

¹² For the power sub-sector, another part of the Project Aid is provided through the Export Credit Agencies (ECA), mainly through local banks. These loans are not contracted through ERD such as the regular PA loans, but are covered under the heading of Project Aid.

- **Improves efficiency in resource allocation** – most projects in the ADP have a multi-year duration, but at the moment, resource allocation takes place on a single-year basis. The shift to a MYPIP approach means that future year funding needs are taken into account when new projects are approved, i.e. the medium-term cost implications of the current ADP portfolio (the outer-year shape of the ADP) are made explicit. Besides improving the efficiency of resource allocation, this also makes the GoB's public investment portfolio more sustainable.
- **Supports ADP prioritisation by estimating the fiscal space available for new projects** – by identifying the amount of resources available for investment in new projects, the MYPIP makes it imperative to prioritise project selection in line with key sector outcomes and policy priorities like GCR outlined in the SSP. Only the highest priority projects which the GoB can afford are approved. This provides an opportunity to reduce the overloading of the ADP, thereby preventing dilution of project funding and slow project implementation. In turn, this ensures that Ministries/ Divisions receive timely and sufficient funding for ongoing projects, thereby addressing in part the widely acknowledged challenge of time and cost overruns of the ADP.
- **Supports the identification of underperforming projects** – through the process of entering DPP/TPP/TAPP data into the MYPIP format, underperforming projects (usually those which receive low budget allocations, spread across many years) are easily identified, and could be flagged to key decision-makers for further discussion. Using the sector priorities as outlined in the SSP as a starting point, if these underperforming projects are high priority projects, urgent attention should be paid to turning their performance around. However, if these underperforming projects are low priority projects, a decision could be made to discontinue them, thereby creating fiscal space for higher priority projects.
- **Improves linkages between the development (ADP) and non-development (Operating) budget** – adopting a multi-year ADP aligns the development budget with the same medium-term perspective as the non-development budget. In addition, the bottom-up FBE information in the MYPIP captures the medium-term budget implications of investment decisions and supports decision-making on the trade-off between capital and recurrent expenditures.

A2.2 Formulation of the MYPIP

The MYPIP has been developed for the two pilot sectors: Power & Energy and Local Government and Rural Development. The following steps have to be taken when initiating an MYPIP for a sector for which a MYPIP did not exist yet:

1. Develop Indicative Expenditure Profiles
2. Integrate the Expenditure profiles for the sector into AMS

Develop Indicative Expenditure profiles

Indicative expenditure profiles refer to a generalizable pattern of expenditure for a particular category of project. These indicative expenditure profiles need to be determined at the sector level through a process of consultation with key Planning Wing/Branch, Budget Wing/Branch and Project Directors in the sector and relevant sub-sectors.

Three Approaches to Estimating Forward Costs

There are several ways to estimate the forward cost of investment projects. Three main approaches are:

1. A **bottom-up approach** using project specific forward cost estimates of the DPPs/TPPs;

2. A top-down **linear or parabola approach** to allocate remaining costs of the project over the anticipated remaining number of years (to complete the project); and
3. An approach in which **expenditure profiles** are defined to allocate the remaining cost of projects based on past performance and/or experts' opinions.

In the first approach the latest version of the approved DPPs/TPPs are collected and information on project forward cost estimates contained in the DPPs/TPPs is amalgamated for the upcoming budget year and two outer years. The limitation of this bottom-up approach is that the information published in the latest approved DPPs/TPPs (including revised DPPs/TPPs) are often too static and largely outdated. The resource allocation and the real expenditure on investment projects often deviates from the expenditure projections contained in the approved DPPs/TPPs, and project implementation is frequently delayed. As a result, DPP/TPP forward cost estimates are not accurate enough to serve the purpose of preparing a MYPIP.

The second approach allocates remaining costs of the project based on specific assumptions. The **linear** approach is a top-down exercise which divides the remaining cost for each project in a linear way over the anticipated remaining number of years to complete a project. The **parabola** approach allocates project forward costs in line with a parabola shape. This means a slow start (low expenditure) at the beginning of a project, with the bulk of expenditures occurring half-way through the project, and lower expenditures towards the end of the project. The parabola approach aims to refine the linear approach by incorporating known factors which affect project expenditure – for example, there are common procurement and land acquisition issues which tend to delay expenditure at the start of projects, which this approach takes into account. However, this approach is still limited because it applies broad general assumptions to all projects in a sector, without taking into account sector specific expenditure patterns. This compromises the accuracy of forward cost estimates, and consequently weakens the quality of the MYPIP.

The third approach refines the forward cost estimates of investment projects used in the second approach. In this more advanced approach, the spending profile of different types of projects in a sector or sub-sector are assessed, taking into consideration when the main costs are incurred over the average duration of a particular type of project. Specifically, expenditure profiles will depend on the nature of the project, both at the sector and sub-sector levels. For example, the rate of expenditure for a hospital project (health sector) may differ from that for a bridge or road project (transport sector). Similarly, the expenditure profile of a power generation project might differ from a power transmission or distribution project. The reasonableness of the expenditure forecasts should be critically assessed based on the progress to date and potential risks of delays, for example, related to supply of materials or labour, acquisition of land, or design approvals.

The MYPIP is based on the third approach which has been applied in the formulation of the MYPIP. The following steps can be distinguished:

- Assess if there exist typical expenditure patterns for a sector or sub sector. In case they exist, then group projects according to sub-sector and sub-sub sector and look at patterns of past expenditure to predict future expenditure.
- If a specific expenditure profile cannot be identified, then we distinguish two categories:
 - i. Project without a typical expenditure profile. For example, the LGRD sector has a pool of “other projects” which don't fit any particular expenditure pattern. For these projects, a generic expenditure profile will be applied, e.g. 10%, 20%, 30%, 30%, 10% with a 5-year duration project.
 - ii. Projects which might have a typical expenditure profile but show irregular expenditure. For these projects, past expenditure was used as the best predictor for future expenditure. Some of these projects might be dropped from the ADP in the middle of project implementation, but as long as they are in the ADP, they are part of the MYPIP dataset.

To illustrate, in the Power & Energy sector for the power related sub-sector, discreet expenditure patterns can be identified for power generation, transmission and distribution projects respectively. Specifically, the average

implementation duration and its profile for different type of projects in the power related sub-sector is set out in Table A.2.1 below.¹³

The brief process how to determine the expenditure patterns:

- i. Historical Data for all the completed investment projects under ADP for 10-15 years needs to be collected;
- ii. The investment projects need to be grouped considering similar nature and similar expenditure patterns;
- iii. Using the historical data, the trend line for each group needs to be determined which can give the cost distribution on a yearly basis and the average project duration of a typical project of that group;
- iv. The determined cost distribution further needs to be validated with individual sector experts including Programming Division and the Ministries/ Divisions which will provide a primary version of expenditure profiles;
- v. Finally, a validation programme with FD, Programming Division, Ministries/ Divisions, Sector Divisions of Planning Commission to further validate and approve the Expenditure Profiles;

Box A.2.4: Expenditure Profiles in the Power & Energy (PE), the Local Government & Rural Development (LGRD) and Health Sectors

- Define the scope of the Sector: The process of determining the expenditure profiles of three sectors i.e., PE Sector, LGRD Sector and Health sector follows the same process overall; the only considerable difference has been in defining the scope of the sectors. For the PE Sector it is relatively simple, encompassing two divisions i.e., Power Division and EMR Division. Scoping the LGRD Sector and Health sector is more complex. In case of LGRD, many of the other sectors of the FYP e.g. Agriculture, Transport and communication and Education have their contribution to the LGRD Sector. The pilot MYPIP team decided to only consider the projects under LGRD sector Projects. This encompasses LGD, and RDCD, and Ministry of Chittagong Hill Tract Affairs.
- Identify the sub-Sectors of PE, LGRD and Health Sectors: In consultation with the concerned ministries, it was found that the PE Sector has five defined subsectors i.e., Generation, Transmission, Distribution, Fuel and Energy, and Mineral Resources. Within each sub-sector, the projects have more or less similar expenditure profiles. However, the LGRD Sector does not have any defined subsectors with a similar profile.
- Key indicator for projects being fully functional: For the PE sector, international procurement is the key issue that indicates a project can burn more allocation in the implementation purpose. For the LGRD Sector the key issue is land acquisition.
- Determining the Expenditure: According to PE Sector officials, the four sub-sectors have their own expenditure profiles as shown in the Table A.2.1. In the LGRD Sector and Health sector the expenditure profile depends on the duration and investment amounts of the project.

Once indicative expenditure profiles have been developed at the sector or sub-sector level (depending on what the specific sector trends are), these profiles are then used to verify whether Ministries and Divisions have allocated the appropriate amounts.

¹³ This table is based on stakeholder consultation during the development of the pilot Power and Energy Sector MYPIP, especially within the Power Division based on an assessment of existing and closed ADP projects. In the first two years of the power generation projects and the first year of transmission and distribution projects, the focus will be on procurement and land acquisition, while in the later years the construction will start.

Table A2.1: Indicative Expenditure Profiles in the PE and LGRD and Health Sectors

Sub-sector	Expenditure Profile Name	Expenditure Profile Description	Expenditure Profile Code	Average Duration of the Projects	Approximate implementation rate by Years (%)									
					FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	
Power and Energy sector														
Generation	Dual Fuel Combined Cycle	Electricity generation using combined cycle mechanism	DFCC	7 years	8	10	20	15	10	17	20			
	Solar Based Generation Plan	Electricity generation using solar panel mechanism	SBGP	4 years	5	20	41	34						
	Land Development	Land acquisition, development, resettlement and protection for the construction of electricity generation plant	LDvp	4 years	21	31	16	32						
	Feasibility Study Project	Conducting feasibility study to assess the feasibility of the construction of electricity generation plant	FP	3 years	45	40	15							
Transmission	Capacity Development	Capacity increasing or strengthening existing transmission line	TCD	7 years	5	10	17	24	15	17	12			
	Cross Border	Transmission line for importing electricity from the foreign country	TCB	3 Years	12	70	18							
	Regional Transmission	Transmission line for inter-regional transmission of electricity	RgT	6 years	9	22	20	20	16	13				
	General Transmission	Transmission line development at a specific project and lines for transmitting electricity within a district or division	GnT	5 years	7	30	30	19	14					
Distribution	Strengthening and Expansion	Projects related to strengthening and expansion of distribution system	DEx	6 years	11	20	21	17	19	12				
	Pre-Payment Metering	Installation of pre-payment meters	PPM	3 years	17	28	55							
	Electrification	Electrification projects in urban and rural areas	Dist	5 years	7	30	29	22	12					
	Rehabilitation	Projects undertaken for rehabilitating the electricity distribution system	DRehab	5 years	6	24	35	21	14					
Fuel and Energy	Pipeline Project	Construction of pipeline for transmitting and distribution of gas and oil	PP	5 years	6	34	29	19	12					
	Refinery/ Compressor Project	Installation of compressor and digging wells for refining the energy sources	RnCP	5 years	5	13	22	30	30					
	Survey Study Project	Conducting surveys for identifying the potential energy resources	SS	3 years	15	60	25							
	Energy Capacity Development Project	Upgrading, expanding, and improving existing gas field, distribution and transmission networks	Ecap	4 years	17	24	46	13						
	Storage Tank Project	Projects undertaken for installation of energy storage tanks	STk	3 years	5	59	36							

Sub-sector	Expenditure Profile Name	Expenditure Profile Description	Expenditure Profile Code	Average Duration of the Projects	Approximate implementation rate by Years (%)								
					FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9
Local Government and Rural Development (LGRD) Sector													
Rural Infrastructure Construction	Important Rural Infrastructure Development (Large)	Projects for construction or expansion of infrastructures in rural areas that have an implementation duration of 6 years or above	ImpL	6 years	9	16	21	17	18	19			
	Important Rural Infrastructure Development (Medium)	Projects for construction or expansion of infrastructures in rural areas that have an implementation duration of 4 to 5 years	ImpM	5 years	10	29	24	22	15				
	Important Rural Infrastructure Development (Small)	Projects for construction or expansion of infrastructures in rural areas that have an implementation duration below 4 years	ImpS	3 years	18	56	26						
	Rural Road Development	Projects related to construction and improvement of rural road networks	RRD	2 years	32	68							
	CHT	Construction or improvement of infrastructures and road networks in Chittagong Hill Tracts (CHT) areas	CHT	5 years	10	23	28	23	16				
	Single Bridge Construction	Construction of one single bridge, lengths less than 1 km	SBrg	5 years	9	20	25	35	11				
	Long Bridge Construction	Construction of one single bridge, lengths 1 km or more	LBrg	6 years	7	11	20	20	17	25			
	Multiple Bridge Construction	Construction of multiple bridges of any length under one project	MBrg	5 years	9	18	26	30	17				
	Feasibility Project	Projects that carried out for investigating the feasibility for infrastructure construction	FS	2 years	32	68							
Livelihood & Cooperatives	Milk Production	Projects related to milk and meat production by livestock improvement and related cooperatives	MIkP	4 years	26	24	30	20					
	Livelihood Development (Large)	Projects for improving the quality of life of the rural communities by providing modern civic facilities, income supports and making markets with a duration of 5 years and above	LHdL	6 years	9	16	21	19	21	14			
	Livelihood Development (Small)	Projects for improving the quality of life of the rural communities by providing modern civic facilities, income supports and making markets with a duration of below 5 years	LHdS	4 years	23	38	23	16					
	Governance/Capacity Building (Large)	Providing technical support to local governance units and improving their facilities for a good local governance with a duration of 5 years and above	CapBL	5 years	10	23	26	23	18				
	Governance/Capacity Building (Small)	Conducting surveys for identifying the potential energy resources	CapBS	3 years	7	48	45						
Green & Climate Resilience (GCR)	Green & Climate Resilience (GCR)	Projects related to climate resilience, sustainable development, disaster risk management, and climate change adaptation	GCRD	5 years	9	19	28	26	18				

Sub-sector	Expenditure Profile Name	Expenditure Profile Description	Expenditure Profile Code	Average Duration of the Projects	Approximate implementation rate by Years (%)									
					FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	
WASH Project	WASH Project	Projects that are aimed at improving access to safe water, adequate sanitation, and proper hygiene practices in communities, generally the projects under the Water Supply and Sanitation sub-sector of Housing and Community Amenities sector of ADP, usually implemented by DPHE, WASA, and Chattogram Hill Tracts Development Board.	WASH	5 years	10	20	30	20	20					
Cannel/Pond Digging	Cannel/Pond Digging	Projects related to Cannel/Pond Digging	CPD	4 years	10	30	30	30						
Urban Infrastructure Development projects	Urban Infrastructure Development projects	Projects related to infrastructure and housing development in urban areas by Urban LGIs (i.e., city corporations).	UIDP	4 Years	5	40	40	15						
Health Sector														
Program Approach	Health Service Program	Program related to health service that includes projects like planning, research, monitoring, disease control, and medical care	HSPr	7 years	11	13	15	14	14	16	17			
	Health Education Program	Program related to health education that includes projects like training, research, monitoring, nursing and medical education	HEPr	6 years	15	20	19	14	16	16				
Medical Education and Capacity Strengthening	Medical Education Infrastructure	Establishment of medical universities, colleges, nursing institutes and research centers for health education	MEd	5 years	15	24	24	23	14					
	Capacity Building	Enhancing the healthcare capacity by e-data tracking, promotion, modernization and scaling up of healthcare facilities	HCap	4 years	17	29	26	28						
	Feasibility Study	Feasibility study for construction of medical colleges, universities or hospitals for strengthening healthcare	HFS	2 years	61	39								
Health Service	Upazila Maternity Support	Projects related to establishment of maternity institutes and ensuring safe motherhood at Upazila level	UMSp	3 years	34	35	31							
	Upazila Health Service	Primary health care services and awareness building regarding health issues at Upazila level	UHSD	5 years	20	21	22	23	14					
Hospital Establishment	General Hospital	Establishment of general hospitals or a unit within a general hospital that cost above 100 crores	GH	5 years	10	25	32	22	11					
	Specialized Hospital	Establishment of specialized hospitals, diabetic hospitals, kidney and heart foundations	SH	4 years	14	32	31	23						
	Census and Analysis	Different surveys and census, as well as their analysis	Cn&An	2 years	55	45								
	Strengthening Statistics	Projects for enhancing data quality and collection process, integrating statistics in national policies, and modernization of existing statistical processes	StrengST	5 years	24	26	18	17	15					

For example, if a power generation project has been running for two years, with roughly 5% of total project cost being spent in each of the first two years then two actions are required to verify the forward expenditure estimates on this project. The remaining budget of this particular project is 90%. In order to calculate the FBEs for the outer years, one needs to check the expenditure pattern for the power generation project. Using a backward calculation method, one needs to estimate how many years are required to allocate the Remaining Budget (90%) using the year-wise percentage of the expenditure pattern.

For the PE sector in most of the cases the international procurement process delays the project in the initial stage. So, for the PE Sector, comparatively new projects can only start following the distribution pattern after performing at least one package of international procurement. For the LGRD sector key initial delaying factor is land acquisition. In case of delays, PIM Reform Wing officials analysing the MYPIP (see Chapter 3, Support Activity 6, in this guideline) need to collect information on when the initial delaying factor has been overcome (e.g., in the PE sector, this would be when the 1st international procurement can be materialized). Considering initial delays, the project duration also needs to be changed after discussing with the concerned divisions. Considering the same power generation example above, if both a realistic project end date and the information regarding the international procurement are positive, then the FBE for the upcoming budget year and the two outer years is likely to be around 30% of total project cost in each year, in line with the average duration and distribution of expenditure for generation projects as outlined in Table A.2.1 above. If the Ministry/Division forward estimates differs drastically from this estimation, Sector Division officials should use the indicative expenditure profiles as a starting point for a discussion with concerned Ministry/Division officials.

Integrate the Expenditure profiles for the sector into AMS

Currently MYPIP have been integrated into the ADP Management System (AMS) operating by Programming Division of the Planning commission. The MYPIP module inbuilt into the AMS system provide assistance to satisfy different Strategic ADP activities as shown in Figure A.2.2. within the 8 activities the MYPIP module in AMS is contributing in 5 activities by providing relevant information.

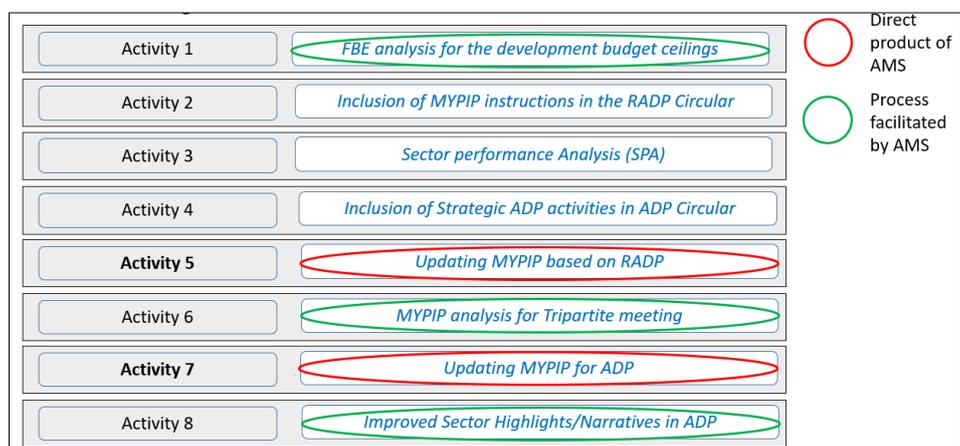


Figure A.2.2: Activities of Strategic ADP and relevance with MYPIP module

To use MYPIP Module in Strategic ADP Activities, the Table A.2.2 groups 4 users who will take part of the MYPIP development process. Figure A.2.3 illustrates the steps of MYPIP using AMS.

Table A.2.2: Indicative Expenditure Profiles in the PE and LGRD Sectors

User Type	Responsibilities	Other Stakeholders
Administration of MYPIP Module	Overall management of the AMS system	AMS technical team of Programming Division
PIM Reform Wing	Prepare and Update Expenditure Profiles in the AMS system; Print the MYPIP report and MYPIP Summary report; Share the reports with relevant stakeholders; Prepare MYPIP Analytical Reports and ADP Sector Highlight.	PC Sector Divisions ; Ministres / Divisions
Desk Officers of Programming Division	Assign new projects to expenditure profiles based on the type Cross-check the MYPIP report with ADP/RADP	Programming Division
Relevant Desk Officers of Ministries/ Divisions	Include Demand information to each project considering MYPIP estimates	Ministries/Divisions; Programming Division; AMS technical team

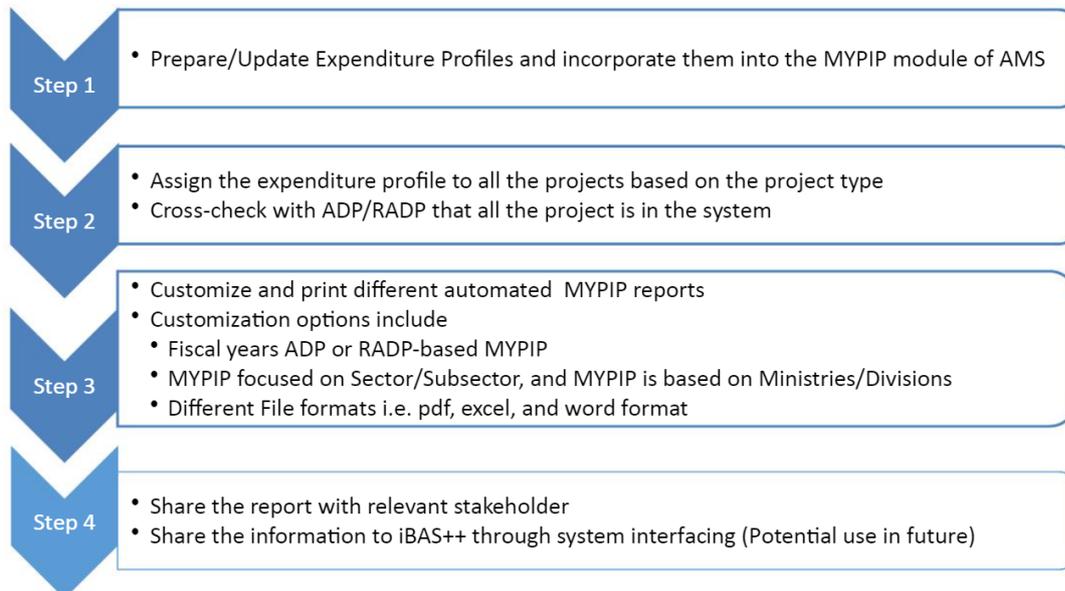


Figure A.2.3: Steps of preparing MYPIP using AMS

ANNEX 3: Template Activity 1 FBE Analysis Report

This is the template for the FBE Analysis Report based on 4 sections. The template includes instructions (in bullets) on how to populate the sections and tables, to clarify what information is presented in the 4 sections. This Paper is developed on the basis of the MYPIP reports based on ADP from AMS.

1. Introduction

Stating the objective of the FBE Analysis Report and its audience

Explain which data the analysis is based on (what is included and what is not)

2. Main conclusions and Recommendations

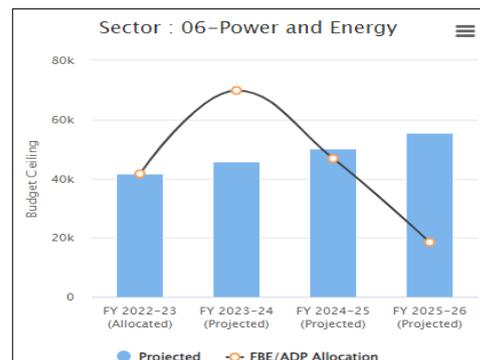
- This section is structured in three sub-sections
 - Findings; Summarizing the main findings in maximum 5 bullets, based on the factual data. Findings are observations that are undisputable and data-based.
 - Conclusions; Summarizing the main conclusions in maximum of 5 bullets, interpreting the findings towards policy statements.
 - Recommendations; Summarizing the main recommendations in maximum of 5 bullets, translating the conclusions in actions.

3. Fiscal Space Projections at Sector level

- Present the Fiscal space graphics, based on the ADP data of the current year (See example Figures A.3.1 and A.3.2 below, where Fiscal Space based on ADP 2022-23 was presented for preparation the Budget Circular 1 (BC1) of 2023-24).

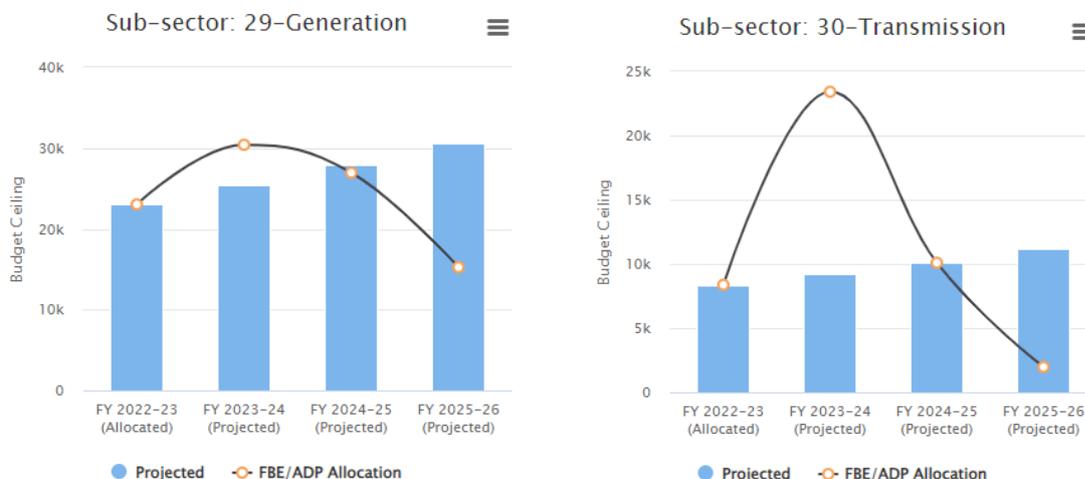
- Identify Findings and conclusions.

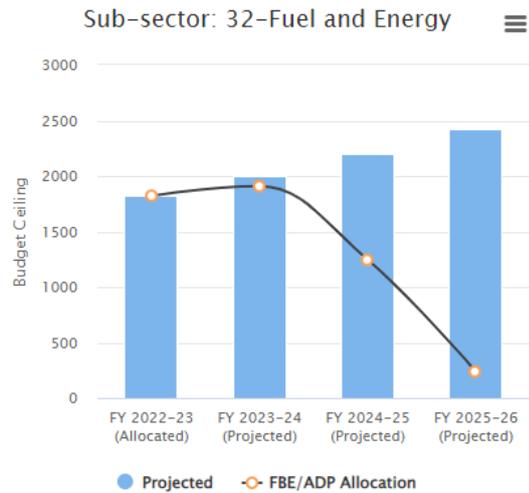
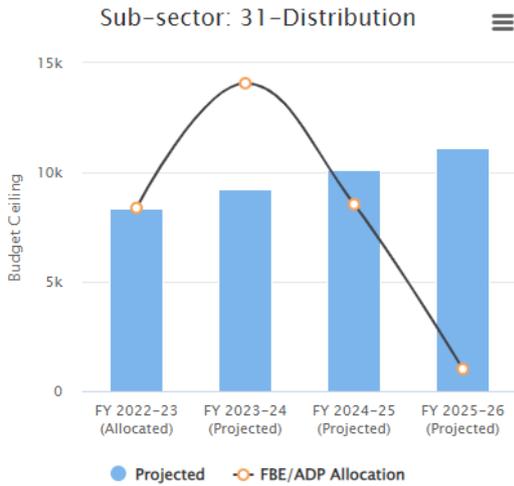
Example: Figure A.3.1: PE Sector Budget Ceilings, FBEs and Fiscal Space, FY2022-23–FY2025-26



Source: ADP Management System (AMS)

Example: Figure A3.2: PE Sub-sector Budget Ceilings, FBEs and Fiscal Space, FY2022-23–FY2025-26





Source: ADP Management System (AMS)

4. Sub-sector analysis

- Every sub-sector is analysed, so this Section can include a number of sub-sections (Based on the number of sub-sectors)
- If possible and relevant, identify which projects cause the negative fiscal space. This can be done by analysing the Fiscal Space in more detail, based on the MYPIP Report.
- Complete table A.3.1: indicate which projects have received a higher ADP allocation (current year) than FBEs indicated.
- Complete table A.3.2: indicate which projects are projected to be completed earlier than the DPP completion date, based on the MYPIP analysis.
- Analyse the number of projects that received a lower allocation than the FBEs would have suggested. This implies a possible longer implementation period for these projects.
- Analyse the figures and tables and formulate findings and conclusions.

Table A.3.1: Projects with a higher ADP allocation than the FBEs indicated

Project name	Expenditure profile/ Category

Table A3.2: Projects projected to be completed earlier/on time as indicated by DPP completion date

Project name	Expenditure profile/ Category

Annex A3.1

- MYPIP Report from AMS (Example ADP 2022-23 based MYPIP Report)
- MYPIP Summary Report from AMS (Example ADP 2022-23 based MYPIP Summary Report)

ANNEX 4: Template Activity 3 Sector Performance analysis

This is the template for the Summary Report for the Sector Performance Analysis. The template includes instructions (in bullets) on how to populate the sections and tables, to clarify what information is presented in the sections. This Sector Performance Analysis Paper is developed on the basis of the sectoral data provided by the Sector Divisions. The Sector Performance Analysis Paper provides a summary of the high-level FYP performance analysis for the different sector policy objectives and indicators (the template and an example of a high-level FYP performance analysis for a policy sector objective and its indicators is provided on the next two pages). It is recommended to start with the high-level FYP performance analysis for the different sector policy objectives before making the summary report on the Sector Performance Analysis.

The summary report on the Sector Performance Analysis can be structured as follows:

1. Introduction

Background information

Stating the objective of the Sector Performance Analysis Paper and its audience;

Explain which data the analysis is based on (what is included and what is not).

2. Findings and Recommendations

- *This section is structured in three sub-sections*
 - *Findings; Summarizing the main findings in maximum 5 bullets, based on the factual data. Findings are observations that are undisputable and data-based;*
 - *Recommendations; Summarizing the main recommendations in maximum of 5 bullets, translating the findings in actions.*

3. Policy Objective, Indicators, Actuals and Gaps

- *Provide a table (see the next page) that link sector policy objectives(s) with KPIs;*
- *Insert the baseline, targets, and actuals for each KPI based on available data;*
- *Identify whether there is a gap between the targets and actuals for each KPI;*
- *Analyse to what extent the overall sector policy objective(s) and/or KPIs have changed (if applicable);*

4. Sector Performance Analysis (Past Performance)

- *Analyse to what extent the completed (or almost completed) projects contributed to the achievement of the KPI targets;*

5. Outlook (Future Performance)

- *Discuss to what extent/under what conditions the sector policy objectives can or cannot be achieved in the future*

6. Annex Report

- *Include an Annex Report per sector policy objective that analyses the relevant KPIs;*

Table A.4.1: Policy Objective, Indicators, Actuals and Gaps

Sector Policy Objective	Key Performance Indicator (KPI)	Baseline FY 2019-20	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25		
			Target	Actual	Gap												
...	KPI 1																
...	KPI 2																
...	KPI 3																
...	KPI 4																
...	Etc.																

The Annex Report per sector policy objective can be structured as follows:

Policy objective

- Present the sector policy objective;
- Make reference to national policy / strategy documents to which the sector policy objective can be linked (such as 8th FYP, SSP, etc.);
- Provide a table with the KPI, the baseline data and target data;

Key Performance Indicator (KPI)	Baseline FY 2019-20	Target FY 2020-21	Target FY 2021-22	Target FY 2022-23	Target FY 2023-24	Target FY 2024-25
...						

Past performance

- Provide a table with main indicators for the sector policy objective;
- Analyse the actual performance of each indicator based on historical data from the last few years. Did the performance improve, deteriorate or stay the same?

Indicators (including unit of measurement)	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Actual	Actual	Actual	Actual	Actual

- Provide a table with completed (or soon-to-be-completed) projects that were/are relevant in achieving the sector policy objective;
- Discuss how these projects have contributed to the sector policy objective.

Project Name	Expected to be completed	Total Budget (in Lakh taka)	Sub-sector
Project A			
Project B			
Etc.			

Future performance

- Provide a table that contains the relevant current projects for the sector policy objective that are included in the current ADP/Green pages;
- Mention the project name, expected completion date, budget, sub-sector, and the project's contribution to reaching the policy sector objective.
- Identify whether there are mutually inclusive Sector Intermediate Outcomes which can affect each other's achievement (example Renewable Energy Generation share and Power Generation)

Project Name	Expected to be completed	Total Budget (in Lakh taka)	Sub-Sector	Contribution to Policy Sector Objective

Findings

- Present the main findings from the Annex Report;
- Discuss to what extent the sector policy objective can (or cannot) be achieved in the future.

Example of one Annex Report: Renewable Energy

Policy objective

As part of the energy diversification strategy, the 8th FYP emphasizes increasing renewable energy generation while maintaining highly efficient “least polluting” coal power plants. The 8th FYP projects the ‘Share of renewable energy to the total electricity generation (%) (including hydro)’ to be 10% at FY 2024-25.

Table A.4.2: KPI of 8th FYP related to Renewable Energy

Key Performance Indicator (KPI)	Baseline FY 2019-20	Target FY 2020-21	Target FY 2021-22	Target FY 2022-23	Target FY 2023-24	Target FY 2024-25
Share of renewable energy to the total electricity generation (%) (including hydro)	3.05	4.50	5.75	7.00	8.50	10.00

Source: 8th FYP and SSP

Past performance

Table A.4.3. below summarizes the actual performance of Renewable energy, as percentage of total power generation capacity, increased from 2.85% in FY2015-16 to 3.49% in FY2019-20

Table A.4.3: Past performance in the two indicators

Indicators (including unit of measurement)	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Actual	Actual	Actual	Actual	Actual
Renewable energy in total final energy consumption (% of Total Electricity production) 14	2.85%	2.87%	3.15%	3.25%	3.49%
Installed Renewable Energy Capacity (on and off-grid) (MW)			518	586.04	
Total installed power generation capacity (within Bangladesh territory) (MW)15		15,755	18,753	22,051	23,548

Source: Sustainable and Renewable Energy Development Authority (SREDA) and Power Division.

In the period 2015-2020, four investment projects have been completed (see Table A.4.4). There were no self-financed projects for renewable energy. A total of 150 MW of on-grid renewable energy has been added to generation capacity in this period.

Table A.4.4: Completed projects in the period 2015-2020

Project Name	Expected to be completed	Total Budget (in Lakh taka)	Type of Renewable Energy
Land Acquisition project for Mollarhat 100 MW Solar Power Generation	30/06/2019	8,270	Solar
Land Acquisition project for Sonagazi 50 MW Solar Power Generation	30/06/2021	74,676	Solar
Solar Street Lighting Programme in City Corporation	30/06/2018	31,661	Solar (Off-grid)
Power supply to the countryside through Solar Panel in CHT	30/06/2018	4,000	Solar (Off-grid)

Source: ADPs 2021-22

ADP 2021-22

There are two ongoing investment projects in the ADP 2021-22 related to renewable energy (see Table A.4.5 below). There are neither self-financed projects for renewable energy in the ADP nor any relevant projects in the Green Pages.

Table A.4.5: Relevant projects as listed in the ADP 2021-22

Project Name	Expected to be completed	Total Budget (in Lakh taka)	Type of Renewable Energy	Installed Generation Capacity (Off-Grid/On-grid)	Comments
"Installation of Solar Photovoltaic System (SPVS) for the supply of electricity in remote areas of CHTs Region (2nd Phase)] (1/7/2020 - 30/06/2023)"	30-Jun-25	21,771	Solar	-	The project area is CHT.
Construction of 50 MW Solar Power Plant in Sonagazi (01/07/2019-30/06/2021)	30-Jun-23	74,676	Solar	50 MW (On-Grid))	

Source: ADP 2021-22

14 Government of Bangladesh (2022). SDG Tracker. Dhaka, Bangladesh: Sustainable and Renewable Energy Development Authority (SREDA), Power Division Available at: <http://sreda.gov.bd/site/page/55ef773a-18fa-4bde-94bb-9502275051b2>

15 Government of Bangladesh (2022). Annual Reports. Dhaka, Bangladesh: Power Division. Available at: https://powerdivision.gov.bd/site/view/annual_reports

Findings

- The ongoing projects, to be completed in 2023 and 2025, only provide limited capacity.
- There are no renewable energy-related projects in the Green Pages, nor are there any self-financed initiatives.
- Bangladesh's current renewable energy project portfolio seems to concentrate on smaller and off-grid solar PV, and pipeline projects concerning other renewable energy sources are relatively small (see Power and Energy SSP).
- As renewable energy generation projects usually take four years to complete, it can be expected that renewable energy production will not substantially increase in the next four years.
- Total installed power generation will increase substantially over the coming years. Combined with the limited number of planned renewable energy projects, it will be a major challenge to meet the 10% target set for FY2025-26.

ANNEX 5: Template Activity 5 AMS/MYPIP Reports

RADP based MYPIP Report from AMS (Format)

MYPIP Report

Sector: 06-Power and Energy ,Ministry: 12-Ministry of Science and Technology Agency: Bangladesh Atomic Energy Commission

(BDT in Lakh)

Sl. No.	Project Title (Implementation Period)	Project Cost	Cum. Exp. June 2023	RADP 2023-24	ADP 2024-25	Remaining Budget (3-4-5-6)	Project Duration		FBEs					Calculation	
							Start Date	End Date	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)	FY 2028-29 (Projected)	FY 2029-30 (Projected)	Base Year	Remaining Budget(%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	224019500-Construction of Rooppur Nuclear Power Plant	11422560	6583028	970676	1050290	2818566	01/07/2016	30/12/2025	704642	704642	704642	704640	--	30 June, 2025	25
2	224102800-Repairing project of Ghorashal 3rd Unit (2nd Revised)	295467	227576	1932	64819	1140	01/01/2015	30/06/2025	1140	--	--	--	--	30 June, 2025	0
3	224345000-Construction of 100 MW Solar Power Plant at Madarganj in Jamalpur District	151179	14832	37034	92168	7145	01/09/2021	31/08/2024	7145	--	--	--	--	30 June, 2025	5
4	224237100-Rupsha 800 MW Combined Cycle Power Plant Project	849865	293884	105750	61765	388466	01/07/2018	30/06/2025	84987	144477	159002	--	--	30 June, 2025	46
5	224243000-Long Term Service Agreement for Bheramara Combind Cycle Power Plant	65249	1500	2800	2350	58599	01/07/2018	30/06/2025	6525	13050	9787	6525	11092	30 June, 2025	90
6	224247900-Replacement of Ashuganj Old 132 kV AIS Substation by New 132 kV GIS Substation Project	25226	12083	5838	1742	5563	01/04/2018	31/12/2024	1391	1391	1391	1390	--	30 June, 2025	22
7	224101400-Matarbari 2x600 MW Ultra Super Critical Coal Fired Power Project (1st Revised)	5669390	3324902	925949	610545	807994	01/07/2014	31/12/2026	807994	--	--	--	--	30 June, 2025	14
8	224097500-Energy Efficiency in Grid Based Power Supply Project (1st Revised)	296359	144768	71000	39642	40949	01/01/2017	31/12/2024	40949	--	--	--	--	30 June, 2025	14
9	224097600-Dhaka-Chittagong Main Power Grid Strengthening Project	472205	349996	35800	25865	60544	01/07/2016	30/06/2025	60544	--	--	--	--	30 June, 2025	13
10	224098300-Power Grid Network Strengthening Project under PGCB (Revised)	1432630	354938	189190	361540	526962	01/10/2016	30/06/2024	214895	243547	68520	--	--	30 June, 2025	37

RADP based MYPIP Summary Report from AMS (Example)

Multi-Year Public Investment Programme (MYPIP)
06-Power and Energy Sector

(BDT in Crore)

MTBF Ceiling / ADP Allocation		No Of Projects	FY 2024-25 (Allocated)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
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Sector : 06-Power and Energy

1) Budget Ceiling		61	44351.51	48786.66	53665.33	59031.86
2) Forward Baseline Estimates / ADP Allocation	Total	61	44351.51	39675.09	24760.01	14227.12
	Ongoing	61	44351.51	39675.09	24760.01	14227.12
	New	0	0	0	0	0
3) Fiscal Space(=1-2)		0	0	9111.57	28905.32	44804.74

Sub-sector: 29-Power Generation

1) Budget Ceiling		11	19707.89	21678.68	23846.55	26231.2
2) Forward Baseline Estimates / ADP Allocation	Total	11	19707.89	16531.06	8635.17	8747.8
	Ongoing	11	19707.89	16531.06	8635.17	8747.8
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	5147.62	15211.38	17483.4

Sub-sector: 30-Power Transmission

1) Budget Ceiling		16	11716.43	12888.07	14176.88	15594.57
2) Forward Baseline Estimates / ADP Allocation	Total	16	11716.43	12454.33	8198.68	2779.39
	Ongoing	16	11716.43	12454.33	8198.68	2779.39
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	433.74	5978.2	12815.18

ANNEX 6: Template Activity 5 Comparison Report (Example)

a. Comparison Report (Example)

PE sector MYPIP
Based on the ADP 2022-23

Introduction

The Circular for the ADP 2022-23 requested all sectors to complete outer year estimates for all projects. For the PE sector and the LGRD sector an additional note was issued providing instructions to improve the outer year estimates. This Report presents the results of analysing AMS outer year entries for the Power and Energy Sector. The analysis compares the outer years completed in AMS to the outer year suggestions based on the expenditure profiles. It also indicates whether outer year estimates were missing or inconsistent.

Main findings

Table A.6.1 below summarizes the main findings of the AMS outer year analysis. Based on the analysis presented below, we observe that:

- For 15 projects (27% of total projects) the outer year projection for FY 2023/24 is quite close to the outer year projection based on the expenditure profile. These 15 projects cover 57% of the remaining budget needs¹⁶.
- For 28 projects (50% of total project) the outer year projections for FY 2023/24 deviate more than 5% from the projection based on the expenditure profiles. These 28 projects cover also 40% of the remaining budget needs. For these projects, the absolute average deviation from the expenditure profile is 16%. There does not seem to be a bias towards overestimating or underestimating. For FY 2024/25 the absolute average deviation is 12%.
- For 10 projects (18% of the projects) the outer years have not been completed or “zero” was filled in where the project was expected to continue in FY 2022/23 and FY 2023/24. These 34 projects cover 28.6% of the remaining budget needs.
- And for 3 projects inconsistent/incorrect information was provided for both outer years. Simple estimates for the outer years were provided (a “1” or “2” was filled in). These 3 projects cover 1% of the remaining budget needs.

Table A.6.1: Summary of main findings AMS outer year analysis of PE Sector

	Number of projects	% Total projects	% of remaining budget
<5% deviation from expenditure profile – FY 2022/23	15	27%	57%
>5% deviation from the expenditure profile – FY 2022/23	28	50%	40%
Zero or not completed outer years ¹⁷	10	18%	3%
Inconsistent/incorrect outer years	3	5%	1%
Total	56	100%	100%
No projections for FY 2023/24, although expected	8		

Note: analysis focussed on FY 2023/24 outer year.

Table A.6.2 summarizes the deviations from the expenditure profile projections for the 5 biggest projects in the PE sector. These 5 projects together encompass 68 percent of the remaining budget needs of all ongoing projects. Based on the table below we can observe that:

- For FY 2023/24 in 2 out of the 5 projects the projections are significantly lower than suggested by the expenditure profiles. For FY 2024/25 in 2 out of the 5 projections are lower than suggested by the expenditure profiles in which one is significantly lower.

¹⁶ Remaining Budget = total project costs – Cumulative Expenditure up to June 2021(minus) – (minus) RADP 2021/22 allocation - ADP 2022-23 allocation

¹⁷ Out of the 56 projects a total of 10 projects were not included in the AMS report. We assumed that for these projects no outer year estimates were made.

- These 5 large projects combined project got lower budget than the FBEs than suggested by the expenditure profiles, decreasing negative fiscal space but also indicating possible longer implementation.

Table A.6.2: AMS outer years deviations from expenditure profile projections for the top 5 biggest projects in the PE

Nr	Project	% Remaining sector budget	FY 2023/24 deviation	FY 2023/24 deviation
1	Construction of Rooppur Nuclear Power Plant	31%	+5%	+4%
2	Matarbari 2x600 MW Ultra Super Critical Coal-Fired Power Project (1 st Revised)	16%	+3%	-1%
3	Expansion and Strengthening of Power System Network under DPDC (1 st Revised)	9%	-34%	+19%
4	Power Grid Network Strengthening Project under PGCB (Revised)	7%	-24%	+9%
5	Infrastructure Development for Power Evacuation Facilities of Rooppur Nuclear Power Plant	5%	+1%	-32%
	Total	68%		

Sector FBEs and projected fiscal space

Figure A.6.1 below presents the FBEs and the subsequent fiscal space based on the MYPIP expenditure profiles for all 56 projects (green line) and the FBEs as completed in AMS (red line). Based on the figure below we can observe that:

- In both cases, fiscal space is negative for FY 2022/23. Negative fiscal space projections based on MYPIP expenditure profiles (red line) is larger than negative fiscal space based on the AMS projections (red line).
- The difference between the two lines is mostly explained by:
 - In the red line FBEs are missing for 8 out of the 64 projects for FY 2023/24 and for 10 projects there is no outer year projections made for FY 2023/24, whereas the projects would require projections for these years.
 - In the red line, FBEs are lower for FY 2023/24 two out of the five large projects (16% of the total remaining budget needs) and for FY 2024/25 two out of five large projects (21% of the total remaining budget needs) than suggested by the expenditure profiles.

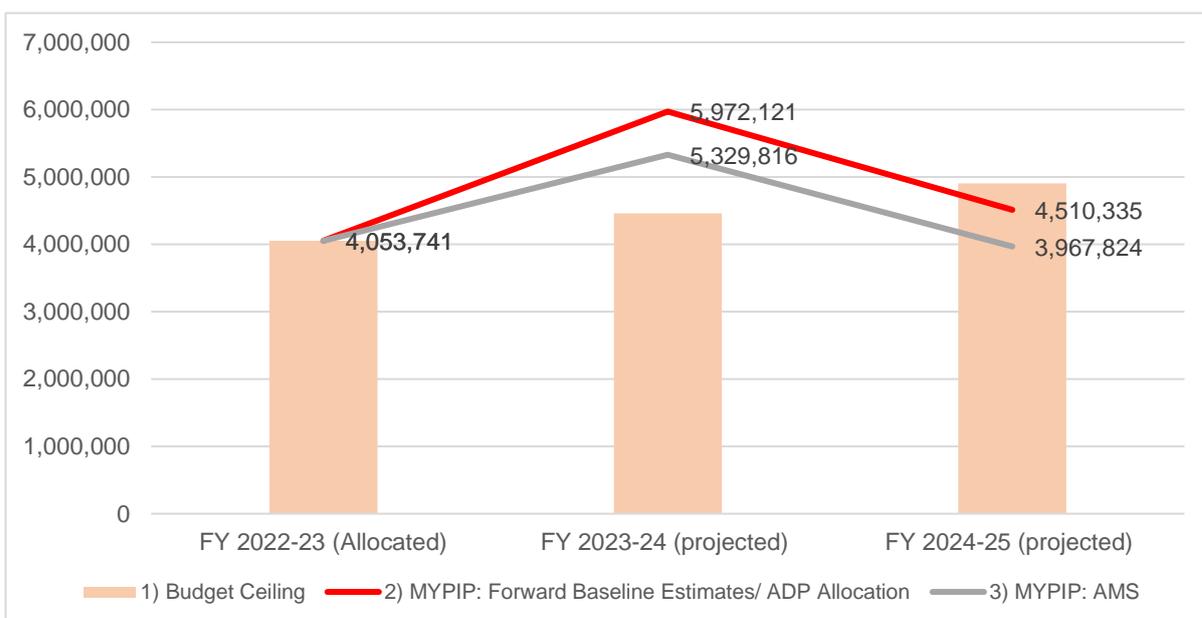


Figure A.6.1: FBEs based on expenditure profiles and FBEs based on manual inputs AMS

Main conclusions

- **There it seems to be an indication that the MYPIP-FBE suggestions are used/consulted when completing the RADP.** This is based on the finding that for 15 out of the 64 projects the AMS outer year projections are close to the outer year projections based on expenditure profiles.
- **Follow-up discussion with the sector is needed to understand why the outer years for the 2 of the top 5 large projects are substantially below the expenditure profiles.** More accurate FBE projections for the larger projects will lead to a more robust fiscal space analysis.

When developing the RADP 2022-23, additional instructions should be provided to the sector to avoid “zero or not-completed outer year projections” and “inconsistent/incorrect outer year projections” in AMS. These two categories covered 5% of all PE projects (and 1% of the remaining budget).

b. Information Table Template

sl. no.	Projects Name	Total Cost	Cumulative Expenditure up to June 2021 (FY 2019-20)	RADP 21-22 Allocation	Remaining Budget [D-E-F]	Project Duration		FY 2022-23 (Projected)	AMS Total 2022_23	% FY 2022-23 (Projected)	% AMS Total 2022_23	Difference in percentage points	Absolute number	FY 2023-24 (Projected)	AMS Total 2023_24	% FY 2023-24 (Projected)	% AMS Total 2023_24	Difference in percentage points	Absolute number	Linear Projections	Same as RADP 2022-23	Same as RADP 2023-24
						Start Date	Completion Date															
1	Khurushkul Special Shelter Project (1/7/2020 - 30/6/2023)	133,362	2,000	72,896	58,466	7/1/2020	6/30/2023	40,009	12,222	30	9	(21)	21	18,457	1	14	0	(14)	14	12,221	(60,674)	(72,895)
2	Ashrayan-2 (3rd Revised) (01/07/2010-30/06/2022)	1,114,288	455,733	72,896	585,659	7/1/2010	6/30/2023	445,715	10	40	0	(40)	40	139,944	10	13	0	(13)	13	-	(72,886)	(72,886)

ANNEX 7: Template Activity 6 MYPIP Analysis

This is the template for the MYPIP Analysis Paper is based on 4 sections. The template includes instructions (in bullets) on how to populate the sections and tables, to clarify what information is presented in the 4 sections. This MYPIP Analysis Paper is developed on the basis of the MYPIP reports from AMS.

Introduction

Stating the objective of the MYPIP Analysis Paper and its audience

Explain which data the analysis is based on (what is included and what is not)

Main conclusions and Recommendations

- This section is structured in three sub-sections
 - Findings; Summarizing the main findings in maximum 5 bullets, based on the factual data. Findings are observations that are undisputable and data-based
 - Conclusions; Summarizing the main conclusions in maximum of 5 bullets, interpreting the findings towards policy statements.
 - Recommendations; Summarizing the main recommendations in maximum of 5 bullets, translating the conclusions in actions.

Project overview

- Provide an overview of the number of projects in the ADP/RADP of the previous year and the ADP/RADP of the current year.
- Present the number of newly introduced projects in the respective ADPs and RADPs in brackets (..).
- Analyse the development in the number of projects

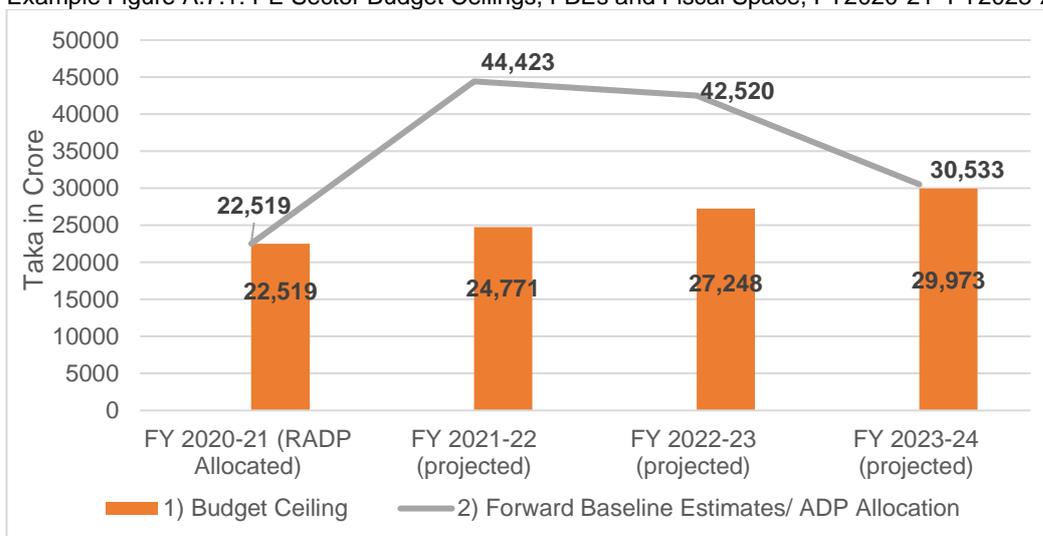
Table A.7.1: Project overview

Sector/ sub-sector	Type of Projects	# of projects ADP (t = -1) (# of new projects)	# of projects RADP (t= -1) (# of new projects)	# of projects ADP (t= 0) (# of new projects)	# of projects RADP (t=0) (# of new projects)
Sub-sector	Investment	.. (..)	.. (..)	.. (..)	.. (..)
	TA	..	..	..	.. (.)
	Subtotal	..	..	..	..
Sub-sector	Investment	.. (..)	.. (..)	.. (..)	.. (..)
	TA	..	..	..	..
	Subtotal	..	..	..	..
Sector	Total	..	..	..	..

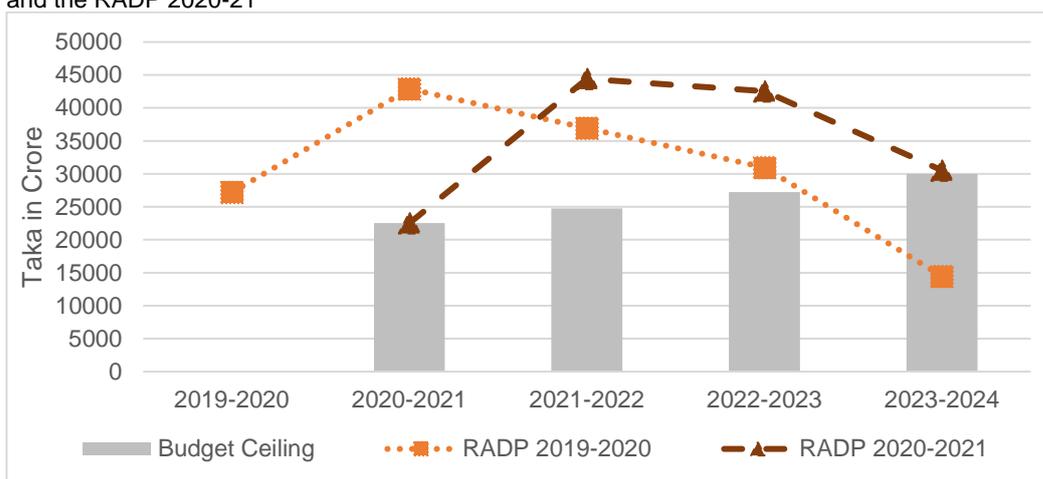
Fiscal Space Projections Sector level

- Present the Fiscal space graphics, based on the RADP data of the current year (See example Figure A.7.1 below, where Fiscal Space based on RADP 2020-21 was presented for preparation of the ADP 2021-22)
- Present the development of Fiscal Space in time (graphical) based the RADP data of the previous year and the current year (See example Figure A.7.2 below, where the Fiscal Space projections are based on the RADP 2019-20 and RADP 2020-21, in preparation of the ADP 2021-22)
- Identify Findings and conclusions.

Example Figure A.7.1: PE Sector Budget Ceilings, FBEs and Fiscal Space, FY2020-21–FY2023-24



Example Figure A.7.2: Subsequent MYPIP baseline projections for the PE sector, based on the RADP 2019-20, and the RADP 2020-21



Sub-sector analysis

- Every sub-sector is analysed, so this Section can include a number of sub-sections (Based on the number of sub-sectors)
- Identify the number of projects in the sub-sector (see table A.7.1)
- If possible and relevant, identify which projects cause the negative fiscal space. This can be done by analysing the Fiscal Space in more detail, based on the MYPIP Report.
- Present the development of sub-sector Fiscal Space in time (graphical) based the RADP data of the previous year and the current year (See example Figure A.7.3 below, where the sub-sector Fiscal Space projections are based on the RADP 2019-20 and RADP 2020-21, in preparation of the ADP 2021-22)
- Complete Table A.7.2: indicate which projects have received a higher ADP allocation (current year) than FBEs indicated.
- Complete Table A.7.3: indicate which projects are projected to be completed earlier than the DPP completion date, based on the MYPIP analysis.
- Analyse the number of projects that received a lower allocation than the FBEs would have suggested. This implies a possible longer implementation period for these projects.
- Analyse the figures and tables and formulate findings and conclusions.

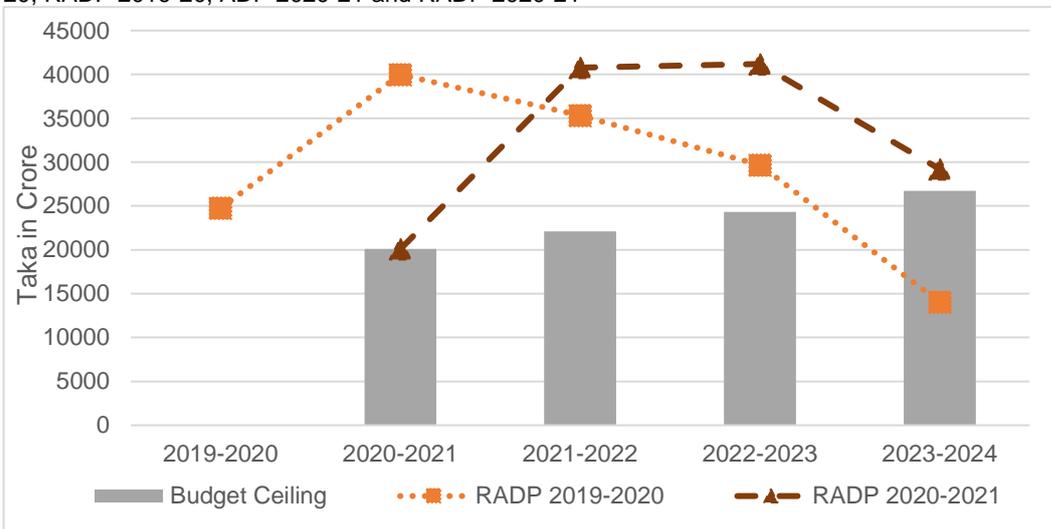
Table A.7.2: Projects with a higher ADP allocation than the FBEs indicated

Project name	Expenditure profile/ Category

Table A.7.3: Projects projected to be completed earlier/on time as indicated by DPP completion date

Project name	Expenditure profile/ Category

Example Figure A.7.3: subsequent MYPIP baseline projections for the Power sub-sector, made on the ADP 2019-20, RADP 2019-20, ADP 2020-21 and RADP 2020-21



ANNEX 8: Template Activity 7 AMS/MYPIP Reports

a. ADP based MYPIP Report from AMS (Format)

MYPIP Report

Sector: 08-Local Government and Rural Development

(BDT in Lakh)

Sl. No.	Project Title (Implementation Period)	Project Cost	Cum. Exp. June 2021	RADP 2021-22	ADP 2022-23	Remaining Budget (3-4-5-6)	Project Duration		FBEs					Calculation	
							Start Date	End Date	FY 2023-24 (Projected)	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)	Base Year	Remaining Budget(%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	224055400-Action Research Project on Construction of Cooperative Based Multistoried 'Palli Janapad' Housing With Modern Urban Amenities for Livelihood Improvement of the Rural People (1st Revised)	25116	14386	5500	1	5229	01/07/2014	30/06/2024	5229	--	--	--	--	30 June, 2023	21
2	224279000-Project on "Poverty Reduction of Marginalized People Kurigram and Jamalpur Districts" (2nd Revised)	16241	5043	5938	6350	-1090	01/07/2018	30/06/2023	--	--	--	--	--	30 June, 2023	-7
3	224055600-Employment Guarantee Scheme for the Poor of Northern Region (2nd Phase) (2nd Revised)	13148	11594	1152	1	401	01/04/2014	30/06/2023	401	--	--	--	--	30 June, 2023	3
4	224054900-Participatory Rural Development Project-3 (PRDP-3) (2nd Revised)	28663	14484	3800	5000	5379	01/07/2015	30/06/2023	5379	--	--	--	--	30 June, 2023	19
5	224133100-Gaibandha Integrated Rural Poverty Alleviation (1st Revised)	5094	2993	1179	920	2	01/01/2018	30/06/2023	2	--	--	--	--	30 June, 2023	0
6	224283800-Poverty Reduction through production and marketing of high valued minors crops program (2nd Revised)	23730	6930	6956	4290	5554	01/01/2019	31/12/2023	5554	--	--	--	--	30 June, 2023	23
7	224052400-Construction of Long Bridge on Upazila and Union Roads (3rd Revised)	228765	209055	7000	12510	200	01/02/2010	30/06/2023	200	--	--	--	--	30 June, 2023	0
8	224045900-Haor Infrastructure and Livelihood Improvement Project (2nd Revised)	101696	77736	3100	4462	16398	01/01/2012	30/06/2023	16398	--	--	--	--	30 June, 2023	16
9	224046000-Rural Transport Improvement Project-II (RTIP-II) (3rd Revised)	481970	391081	59115	31772	2	01/07/2012	30/06/2023	2	--	--	--	--	30 June, 2023	0

b. ADP based MYPIP Summary Report from AMS (Example)

Multi-Year Public Investment Programme (MYPIP)
08-Local Government and Rural Development Sector

(BDT in Crore)

MTBF Ceiling / ADP Allocation		No Of Projects	FY 2022-23 (Allocated)	FY 2023-24 (Projected)	FY 2024-25 (Projected)	FY 2025-26 (Projected)
Sector : 08-Local Government and Rural Development						
1) Budget Ceiling		102	16107.92	17718.72	19490.57	21439.65
2) Forward Baseline Estimates / ADP Allocation	Total	102	16107.92	29623.8	20451.75	10710.22
	Ongoing	102	16107.92	29623.8	20451.75	10710.22
	New	0	0	0	0	0
3) Fiscal Space(=1-2)		0	0	-11905.08	-961.18	10729.43
Sub-sector: 41-Rural Development and Cooperatives						
1) Budget Ceiling		20	2699.26	2969.19	3266.1	3592.72
2) Forward Baseline Estimates / ADP Allocation	Total	20	2699.26	4712.22	1462.9	0
	Ongoing	20	2699.26	4712.22	1462.9	0
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	-1743.03	1803.2	3592.72
Sub-sector: 40-Local Government						
1) Budget Ceiling		64	11151.33	12266.46	13493.11	14842.42
2) Forward Baseline Estimates / ADP Allocation	Total	64	11151.33	21439.79	17001.21	9240.1
	Ongoing	64	11151.33	21439.79	17001.21	9240.1
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	-9173.33	-3508.1	5602.32
Sub-sector: 39-Rural Institutions						
1) Budget Ceiling		9	1566.06	1722.67	1894.93	2084.43
2) Forward Baseline Estimates / ADP Allocation	Total	9	1566.06	2626.51	1781.96	1345.68
	Ongoing	9	1566.06	2626.51	1781.96	1345.68
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	-903.84	112.97	738.75
Sub-sector: 42-Hill Tracts Affairs						
1) Budget Ceiling		8	376.49	414.14	455.55	501.11
2) Forward Baseline Estimates / ADP Allocation	Total	8	376.49	502.26	205.68	124.44
	Ongoing	8	376.49	502.26	205.68	124.44
	New		0	0	0	0
3) Fiscal Space(=1-2)		0	0	-88.12	249.87	376.67

ANNEX 9: Template Activity 7 AMS/MYPIP Comparison Report

a. Comparison Report (Example): Same as Annex 6(a)

b. Information Table Template

sl. no.	Projects Name	Total Cost	Cumulative Expenditure up to June 2021 (FY 2019-20)	RADP 21-22 Allocation	Remaining Budget [D-E-F]	Project Duration		FY 2022-23 (Projected)	AMS Total 2022_23	% FY 2022-23 (Projected)	% AMS Total 2022_23	Difference in percentage points	Absolute number	FY 2023-24 (Projected)	AMS Total 2023_24	% FY 2023-24 (Projected)	% AMS Total 2023_24	Difference in percentage points	Absolute number	Linear Projections	Same as RADP 2022-23	Same as RADP 2023-24	
						Start Date	Completi on Date																
1	Project A																						
2	Project B																						

ANNEX 10: Template Activity 8 Improved Sector Highlight

This is the template for the new sector highlights. The template is based on 4 sections. The template includes instructions (in bullets) on how to populate the sections and tables, to clarify what information is presented in the 4 sections.

1. Introduction: objective of the Sector

- Explain sector objectives: List the main objective of the Sector (source: 8th FYP, SSP, and MTBF)
- Explain sector outcomes: List the main outcomes and intermediate outcomes (source: 8th FYP, SSP and MTBF)
- Explain the importance of the sector (Contribution of the sector in GDP (%), significance of the sector in national development and economic growth)

2. Total allocation and number of projects

- List the number of ongoing projects (source: ADP).
- List the number of new projects to start in ADP 2021/22 (source: ADP)
- Explain how the ongoing projects relate to the sector objectives (analysis).
- Indicate how many projects are scheduled to be completed in FY 2021/22 (Source: ADP)
- Indicate the number of unapproved new projects without allocation
- Complete the table below (source: combining information from different sections in the ADP).
- Analyse the table below, and answer the following questions (analysis):
 - What is the main means of financing ongoing projects in the sector?
 - What is the main means of financing new projects in the sector? Is there any difference with financing the ongoing projects?
 - What new projects have started in ADP 2021/22
 - Explain, if any, why block allocations are made for ADP 2021/22.
 - If there are projects in the ADP 2021/22 without allocations, explain why.
- Analyse increases/decreases in terms of previous fiscal year

Table A.10.1: overview of ongoing and new projects in support of sector development (in Taka Crore)

Type	Number	ADP 2021/22	ADP 2021/22
	Ongoing projects	(in Taka Crore)	(% of total ongoing projects)
Investment projects			
Self-financed			
Technical assistance			
JDCF			
Sub-total on going			
	New projects	(In Taka Crore)	(% of total new projects)
Investment projects			
Self-financed			
Block allocation			
Technical assistance			
JDCF			
Sub-total new			
Total			

3. New activities for the FY 2021-22

- Provide more details on the new projects that start (source: DPPs, also make reference to section 2)
- Explain why new projects will start in ADP 2021/22 in relation to the objectives (analysis)
- If possible, relate the start of new projects to sector performance, by making reference to MTBF indicators, APA indicators, or SSP indicators) (source: SSP, MTBF from last year)
- If no new projects start in ADP 2021/22, also explain why (analysis).

4. Medium Term fiscal context of the ADP

- Complete Table A.10.2, on the basis of the MYPIP for the sector (print-out from AMS) (Source: AMS)
- Insert graphic explaining fiscal space for the sector (source: AMS).
- Explain the concepts of Figure A.10.1 and Table A.10.2: fiscal space, FBE, budget.
- Analyse the table and figure, and answer in a Highlight the following questions:
 - What is the basis for the indicative budget ceiling? (% budget growth assumption)
 - Is there positive or negative fiscal space expected for the outer years?
 - Can the positive or negative fiscal space be explained by a specific project or a group of projects? (analysis)
 - Conclusion: what does this most likely mean for next year ADP?

Table A.10.2: Medium term fiscal perspective of the Sector (in taka crore)

Sector	ADP FY 2021/22	Indicative Projection FY2022/23	Indicative Projection FY2023/24	Indicative Projection FY 2023/24
1) Indicative budget Ceiling				
2) Ongoing projects: FBE				
3) new projects: FBE				
3) Indicative fiscal space (= 1 – 2)				

Figure A.10.1: Graph explaining Fiscal Space for the sector



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