



# HANDBOOK FOR DPP PREPARATION

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

May 2024

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Strengthening Public Investment Management System (SPIMS) Project

## PREFACE

The Government of Bangladesh (GOB) allocates public investment through Annual Development Programme (ADP) to drive economic growth. As budget is limited, it is necessary to ensure efficient utilization of the amount allocated in the projects.

A detailed study was undertaken to identify primary gaps to improve the efficiency of Public Investment Management (PIM). The study found that standardizing the practices of project assessment/appraisal at both Ministry/ Division and Planning Commission level would be essential. The standardization aims to enhance the quality of development proposal and streamline processing. Thus, (1) Ministry Assessment Format (MAF), and (2) Sector Appraisal Format (SAF) were developed and introduced in accordance with Planning Division Circular on 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). Now, Ministries/Divisions and Sector Divisions of the Planning Commission are using the MAF and SAF to assess and appraise the project, respectively.

The limitations in Agency level in preparing quality DPP still persists and calls for effective intervention to improve the situation. To improve the knowledge and skills of agency officials in preparing DPPs, the Strengthening Public Investment Management System project has produced this guide called "Handbook for DPP Preparation".

This Handbook supplements the said Planning Division Circular and explains how to write each item of the Development Project Proposal (DPP) from the perspective of Project Assessment/ Appraisal. By understanding how the DPP is assessed/appraised, the user of this handbook can prepare proposals more effectively.

It is expected that this Handbook will fulfil the long-awaited need for a guide for preparing a quality DPP and the concerned officers in the Ministries/Division and Agencies will find it useful.



## Acknowledgement

This “Handbook for DPP Preparation” was developed with support from the Strengthening Public Investment Management System (SPIMS) Project. The SPIMS project is managed by the Programming Division of the Planning Commission with the technical support of Japan International Cooperation Agency (JICA). The SPIMS project aims to enhance the Public Investment Management (PIM) capacity of the Government of Bangladesh by strengthening the alignment between public investment projects, national development policies/ plans, and fiscal frameworks.

We would like to express our sincere gratitude to JICA for the financial support of the Government of Japan for the implementation of the SPIMS project. We extend thanks to officials from the Planning Commission, Ministries/Divisions and Agencies for their collaboration and practical comments to improve the quality of this Handbook. We are especially grateful to the Member (Senior Secretary), Programming Division, and Chief of Programming Division for their guidance, invaluable advices and support, which were instrumental to the success of developing this Handbook. Finally, we commend the officers of PIM Reform Wing and the members of JICA Expert Team for their hard work and dedication in preparing this Handbook. Overall, we express our gratitude to everyone associated in formulating this handbook.

We hope this Handbook will play a useful role for the planning officials in the Agencies and the Ministries/Divisions in formulating standardized DPP.



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and  
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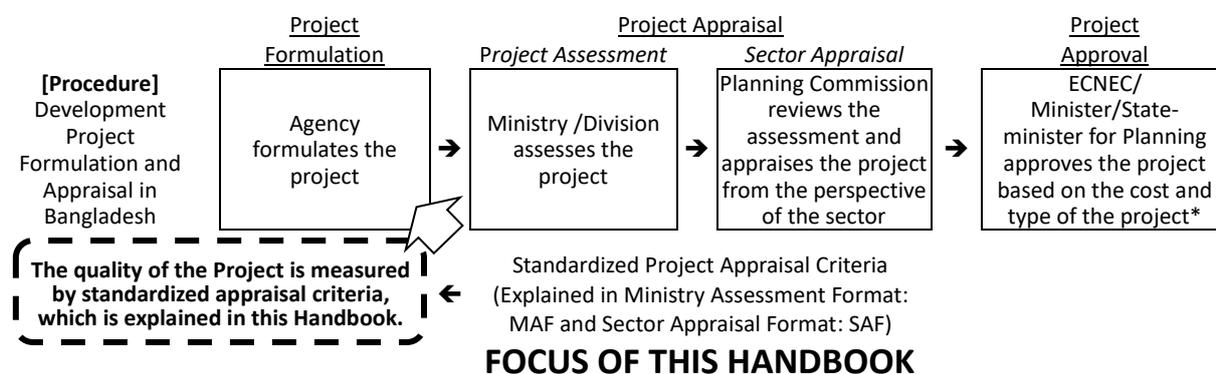
## Introduction of the Handbook

**The Purpose** of this Handbook is to briefly explain how to write each item of the Development Project Proposal (DPP) from the perspective of Project Appraisal<sup>1</sup>. The Handbook is one of the supplementary documents to the Planning Division Circular for Instructions on Development Project Formulation, Processing, Approval and Revision (Memo no: 20.00.0000.404.014.61.2020(Part- 1)/133, Date: 12 June 2022), (Hereafter, “**Green Book**”)<sup>2 3</sup>.

**The Users** of this Handbook are the officers who work at concerned Implementing Agencies whose tasks are to formulate and propose public investment projects in the form of DPP. These officers are named “**Project Formulator**” in this Handbook. The Green Book provides the DPP pro-forma/ format. In contrast, this Handbook offers the know-how/guidelines for filling up DPP formats appropriately.

**The Benefits** of the users of this Handbook are that they can draft the DPPs efficiently by having a clear idea about how the project proposal is appraised at the Ministry/ Division and Planning Commission.

Project formulation is the focus of this Handbook and corresponds to project appraisal, which is an integral part of overall project management. The following figure shows the focus of this Handbook in the overall project management process.



[Legend] ECNEC: Executive Committee of National Economic Council

\* Cost: the project costs is 50 Crore and above or not, Type: the project requires the acquisition of more than 20 acres of land.

**Figure: Focus of this Handbook on the overall project operation and management process**

<sup>1</sup> **Definitions of key terms:** The following definitions are used throughout this Handbook. **Project Appraisal:** A project evaluation performed before implementation of a development project. Project appraisal is sometimes called ex-ante Evaluation. In this Handbook, project appraisal consists of the Ministry Project Assessment/ Project Assessment and Sector Project Appraisal/ Sector Appraisal as explained below. **Ministry Project Assessment/ Project Assessment:** An overall assessment of the relevance, feasibility and potential sustainability of a development project at the Ministry/Division level; **Sector Project Appraisal/ Sector Appraisal:** Sector-level review of Ministry Project Assessment and appraisal of the DPP from a sector perspective at the Sector Division, Planning Commission

<sup>2</sup> If any inconsistency of any matter/issue of this Circular is observed/noticed with the existing Law/Regulation, necessary actions will have to be taken according to existing Law/Regulation.

<sup>3</sup> Green Book paragraphs/examination aspects used in this Handbook are unofficially translated.

## HOW TO USE THIS HANDBOOK

Based on the requirement of information, the User can select one out of three levels of this Handbook, as shown below:

<b>Level 1</b>	For those who would like to have a <b>Quick</b> understanding of some of the required information in the DPP	→	Refer to <ul style="list-style-type: none"><li>• <b>DPP Preparation At-a-Glance [Annex 3]</b></li><li>• <b>List of check points before submitting the DPP to the Ministry/ Division [Annex 4]</b></li></ul>
<b>Level 2</b>	For those who would like to know <b>Detailed Suggestions</b> on the formulation of DPP:	→	Refer to the <b>Main Text of this Handbook</b>
<b>Level 3</b>	For those who would like to know <b>Further Explanation</b> : how to prepare the Logical Framework, conduct the Cost-Benefit Analysis, and Social and Environmental Considerations	→	Refer to the <b>Special Topics and guidance in this Handbook</b> . <ul style="list-style-type: none"><li>● Special Topics 1: Logical Framework [Annex 1]</li><li>● Special Topics 2: Social and Environmental Considerations [Annex 2]</li></ul>

### General Rules and Suggestions when using this Handbook

**The general rules** used in this Handbook are as follows:

- This Handbook uses the term "Annexure" as the mandatory information/document to be attached when submitting DPP, while the "Appendix" as the optional information/document to be attached when submitting DPP.
- This Handbook uses the term "**Implementing Agency**" to refer to the Agency, which will implement the project. It is called the "**Executing Agency**" in some Guidelines and Manuals. In the context of the Government of Bangladesh, these two terms are interchangeable.

**General suggestions** used in this Handbook are as follows:

- The User should extract lessons learnt from previous projects, and explain how the proposed project deals with those lessons.
- The User should prepare comparison tables\* of the following aspects to present how the proposed project is efficient in relation to other on-going and/or completed projects having a similar nature:
  - Manpower/ management setup;
  - Project cost; and
  - Project period.

\* To ensure appropriate comparison, the User should attempt to use the same or similar measurement units among projects.

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## Abbreviations and Acronyms

ADP	Annual Development Programme
BCR	Benefit-Cost Ratio
BDT	Bangladesh Taka
CBA	Cost Benefit Analysis
DPA	Direct Project Aid
DPP	Development Project Proforma/ Proposal
DRF	Development Result Framework
EA	Economic Analysis
ECC	Environmental Clearance Certificate
ECNEC	Executive Committee of the National Economic Council
EIA	Environmental Impact Assessment
FA	Financial Analysis
FE	Foreign Exchange
FYP	Five Year Plan
GED	General Economics Division
GOB	Government of Bangladesh
IA	Important Assumption
ICT	Information and Communication Technology
IEE	Initial Environmental Examination
IMED	Implementation Monitoring and Evaluation Division
IRR	Internal Rate of Return
MAF	Ministry Assessment Format
MOV	Means of Verification
MTBF	Medium-Term Budget Framework
MYPIP	Multi-Year Public Investment Programme
NPV	Net Present Value
PA	Project Aid
PDPP	Preliminary Development Project Proposal
PEC	Project Evaluation Committee
PIM	Public Investment Management
PSC	Project Steering Committee
PSC	Project Scrutiny Committee
RPA	Reimbursable Project Aid
SAF	Sector Appraisal Format
SAP	Sector Action Plan
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SPIMS	Strengthening Public Investment Management System Project
SRF	Sector Results Framework
SSP	Sector Strategy Paper
TOR	Terms of Reference

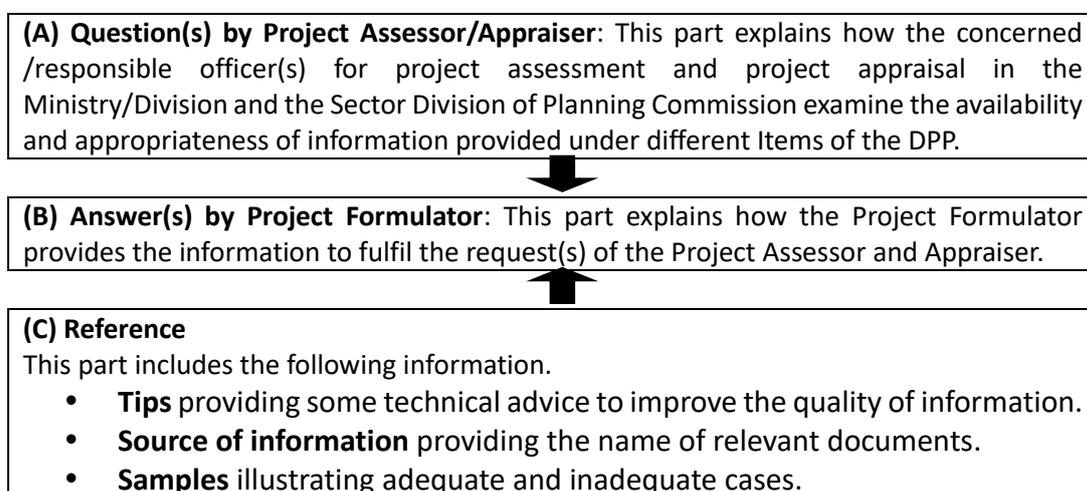
## How to fill up /complete the Development Project Proforma (DPP)

The user is suggested to use the English Format of the DPP if s/he is dealing with a foreign financed project.

The Project Implementing Agency/ the Project Formulator prepares investment projects according to the following format.

- Use prescribed Development Project Proforma/ Proposal Format (DPP).
  - In case of projects having the involvement of foreign grant/loan, use English format (Annexure–GHA)\*
  - In case of projects to be implemented with full funding from GoB resources, use Bangla format (Annexure-GA.)\*
- Mention the Source of the data /information used in the DPP.
- Use A4 Paper.
- Print on Both sides.
- Put the signature and seal in the designated /appropriate place of the document.
- Use Unicode letter (Nikosh)
- According to Green Book paragraph 21.31 regarding online Project formulation, processing, approval and revision, Project Planning System (PPS) software needs to be used in processing DPP/TPP/TAPP.

Figure 1 illustrates the structure of instructions in this Handbook: how the person(s)/ officer(s) responsible for the formulation of DPP (Hereafter “Project Formulator”) writes/develops each item of the DPP.



**Figure 1: Three aspects of explanation**

### Relevant paragraphs in Green Book 2022

- 1.1.13 Source of data/ information: The Source of the data /information used in the DPP will have to be mentioned.
- 1.13 The Implementing Agency will formulate Development Project Proposal (DPP) for the Investment Project in the prescribed format considering the points /issues mentioned in para 1.1 to 1.12 above. The DPP for the projects to be implemented with 100% funding from the Government (GoB) will be prepared in Bangla as per Format at Annexure- GA(গা), and for projects

- with foreign funding DPP will have to prepared in Bangla as at Annexure-GHA.
- 1.14 The size and content of the DPP should be kept limited as far as possible (Size: A4) and will be printed on both sides. Only the summary /recommendations of urgently required reports may be attached to the DPP. However, it has to be ensured that necessary information/data will be submitted as per the desire of the Planning Commission for the purpose of appraisal of the project and effective participation of the members in the PEC/DPEC.
  - 21.7 The signature of the officers responsible for the preparation of the Project Proposal (DPP/TAPP/TPP RDPP/RTAPP/RTPP or FSP) and the head of the Agency and the Senior Secretary/ Secretary of the sponsoring Ministry/Division must be there in the designated /appropriate place of the document. In addition, it will have to be ensured that the signature and seal of the responsible officers of the Implementing Agency, the sponsoring Ministry/Division and the concerned Sector-Divisions of the Planning Commission are there on every page of the Project Proposal. After recasting /modifying the Project Proposal, the concerned officers will have to again sign and put their seal in the respective places.
  - 21.32 The Circular issued by the Planning Division in the meantime relating to the preparation, processing, approval and revision of Development Projects “On Line” (Annexure-U) will have to be followed.

The DPP has two (2) parts with 33/34 items\*, seven (7) stipulated attachments named “Annexure” and seven (7) supporting attachments (named Appendix in this Handbook) which are explained in the table below.

\* Bangla and English formats have 33 and 34 items, respectively. **The Handbook follows the English format to explain all items.**

Part A:	Project Summary (Item number 1 to 13)	
Part B:	Project Details (Item number 14 to 34)	
Annexures:	Attachment of the DPP <b><i>always applicable</i></b>	DPP item no.
Annexure I:	Location-wise cost breakdown of the Project	8.
Annexure II:	Management setup of the Project (Organogram of proposed setup)	11.1
Annexure III:	Total procurement plan for development project	12.1
Annexure IV:	Year-wise financial and physical target plan	12.1
Annexure V:	Detailed estimated cost and detailed annual phasing of estimated cost	22.
Annexure VI:	Amortization schedule (only for projects funded with loan from Gov.)	24.
Annexure VII:	Financial Plan of proposed project considering MTBF ceiling and allocation required for on-going projects in ADP	6.3
Appendices:	Attachment of the DPP <b><i>when applicable</i></b>	
Appendix 1:	Location of the project (map)	7.1
Appendix 2:	Summary of findings & recommendations of pre-appraisal/ feasibility study/pre-investment study (if applicable)	17.
Appendix 3:	Calculation sheet for financial and economic analysis	18.
Appendix 4:	Technical specification/design of major components	23.
Appendix 5:	Environmental Impact Assessment documents, when the proposed project’s environmental category is “red category”	25.2
Appendix 6:	Environmental Clearance Certificate	26.2
Appendix 7:	Copy of relevant pages of (i) Bangladesh Delta Plan 2100, (ii) Perspective PI 2021-2041, (iii) Five Year Plan, (iv) SDGs, and (v) Ministry/ Sector Priority, and (vi) Sector Strategy Paper (SSP)/Sector Action Plan (SAP)	27

In addition to the Annexures and Appendices listed above, the Green Book 2022 requires that the documents listed in the table below be attached to the DPP, as appropriate and necessary. The table below shows the cases when each document should be attached

DPP Item No.	Cases	Documents	Green Book Para No.
2.1	Project linking more than one sector	Compliance Table/ Meeting Minute/ Working Paper of inter-Ministerial meeting	3.1.1 (1)
6.	Project Aid	Copy of Preliminary DPP (PDPP)	7.1
6.	Project Aid	In-principal Approval of the project	7.1
6.	Own Fund/ Projects of State-owned/ Autonomous Institutions	Prior-consent of the Finance Division (Requiring the GOB fund)	1.7.1
6.	Own Fund/ Projects of State-owned/ Autonomous Institutions	No-objection of Finance Division (Investing their surplus)	11.1.1
7.	Climate Change Risks	Hazard Map (justification about the selection of site)	1.16
17.	Feasibility Study	Recommendation of Technical Committee	3.1.3
23	Technical Specification	e.g., No-Objection/ Clearance Certificate form WARPO (for projects related to Water Resources)	3.1.3
23. 25.	Technical test	Reports of technical tests (soil test, DIA and others), speed of cyclone, the maximum height of the flood etc.	1.16
25.3	Disaster Management	Disaster Impact Assessment Report	1.16/ 21.3
24	A loan from Gov.	Copy of Loan Agreement (together with Annexure VI)	1.7.2
30.	Project Aid	Copy of Loan/ Grant Agreement/ MOU/ Appraisal report	7.1
31.	Land Acquisition	Certificate from the Deputy Commissioner	1.4
33.1	Sustainability	Exit Plan	1.1.10

Cases Related to Project Appraisal Procedure	Documents	
Project Not listed in Green Page	Letter of prior approval of the Hon'ble Minister/ State-Minister of the Planning	21.5
Before DPP is submitted to the Ministry/ Division	Meeting Minute/ Working Paper of Committee of Agency	2.1
After the Project Scrutiny Committee Meeting	Compliance Table/ Meeting Minute/ Working Paper of Project Scrutiny Committee Meeting	2.3
	Compliance Table/ Meeting Minute/ Working Paper of Manpower Fixation Committee Meeting	1.1.14
	MAF and Check Sheet	1.9
After the Project Evaluation Committee Meeting	Compliance Table/ Meeting Minute/ Working Paper of Project Evaluation Committee Meeting	
	Compliance Table/ Meeting Minute/ Working Paper of Cost Rationalization Committee Meeting	3.1.10
	SAF and Check Sheet	1.9

Although it is not clearly stated in the DPP or the Green Book, the following documents should be attached to the DPP to support the statement in the DPP.

DPP	Case	Documents
17	Compensation	Land Acquisition Management Plan
17	Compensation	Rehabilitation/ Resettlement Action Plan

25.2	Environment	Environmental Management Plan
25.3	Disaster Management	Contingency Plan for Emergency Disaster Management



## Part A: Project Summary

### Item 1. Project Title

Reference: DPP item

01. Project Title

#### (A) Question(s) by Project Assessor/Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the project title explains the key concept of the project explicitly.
- Whether the meaning of the project title in English and Bangla is the same.
- Whether the project name is not confused with other projects of similar nature.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

Project name should be the same as what is indicated in the DPP and its related documents.

- The project title should refer to the project purpose: direct results of the project with the name of the location where applicable.

#### (C) Reference

**Tips:** While filling up Item 1. of the DPP, the Project Formulator considers the following points.

- Use the wording of Narrative Summary and Objectively Verifiable Indicators (OVIs) of the Project Purpose in the Logical Framework (Log Frame) as the key concept for selecting the project name.

**Sample:** The table below provides examples of this item.

	Inadequate case	Points to be revised	Adequate case
1	Project for Economic Growth and Poverty Reduction in XYZ area of the project	Economic growth and poverty reduction are too large to be achieved by one project.	(If it is a power generation project). Project for XXX MW Power Generation in xxx Upazila
2	Project for Establishing Rural Road Network	Where applicable, it is better to describe the specific project location in the project title.	Project for Establishing Rural Road Network in xxx District

**Source of Information:** The Project Formulator refers to the following documents and understands the purpose of the proposed project.

- Sector Strategy Paper (SSP), explained in Box 1/ Sector Action Plan (SAP)\*
- Suppose the SSP/SAP for the respective sector is yet to be prepared. In that case, the relevant chapter of the Five-Year Plan may become the source of information for the purpose of the proposed project.

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

#### Box 1: What is SSP

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

## Items 2.1 to 2.3 Ministry/Division, and Agency

### Reference: DPP item

- 02.1 Sponsoring Ministry/ Division
- 02.2 Implementing Agency (ies)
- 02.3 Concerned Division of the Planning Commission

### (A) Question(s) by Project Assessor/Appraiser

The Project Assessor/Appraiser examines these items from the following perspectives.

- Whether the scope of the project is within the jurisdiction of the proposed Sponsoring Ministry/Division's responsibilities.
- Whether the scope of the project is within the jurisdiction of the proposed Implementing Agency's responsibilities.
- Whether the scope of the project is within the jurisdiction of the concerned Sector Division of the Planning Commission.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Specific name of the Sponsoring Ministry/ Division, and Implementing Agency
- Specific sector of the Planning Commission

### (C) Reference

**Tips:** While filling up DPP Item 2.1, 2.2, and 2.3, the Project Formulators consider the following points.

- Whether the scope of the proposed project falls into a specific sector.
- The Project Formulator needs to consider why the project can be carried out by the proposed Implementing Agency. The stakeholders should examine the purpose and scope of the project carefully, and decide whether the project should be implemented through the proposed Implementing Agency, Sponsoring Ministry/Division, and processed in the proposed Sector/Division of the Planning Commission.
- Items 28.1 and 28.2 of the DPP provide the background information of these items.

**Source of Information:** The Project Formulator refers to the following relevant documents for writing this item and understanding the project appraisal points.

- Medium-Term Budget Framework
- Annual Performance Agreement
- Schedule 1 of the Rules of Business 1996 (revised 2017)

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"><li>- 2.1 to 2.3: Ministry/Division, and Agency [ item explained in this chapter]</li><li>- 28.1 Vision and Mission of MDA</li><li>- 28.2 Allocation of Business of Ministry/ Division</li></ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"><li>- Section 1: Basic Information</li><li>- Section 3: Market Demand Analysis (b) Relevance of the Project Idea</li><li>- Section 8: Institutional and Legal Analysis</li></ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"><li>- 1.1.1 Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. [skip the rest]</li></ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"><li>- Part VII 1. Relevance, (1) Consistency with Plan, Strategies, and Programmes</li></ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"><li>- Readiness Check, B-3: Compliance with the allocation of business and sector specific requirements, 1. Allocation of Business</li></ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"><li>- Medium Term Budget Framework</li><li>- Annual Performance Agreement</li><li>- Schedule 1 of the Rules of Business 1996 (revised 2014)</li></ul>

### Item 3. Objectives and Targets of the Project

**Reference: DPP item**

03. Objectives and Targets (of Beneficiaries) of the Project  
(Please specify in quantity and/or in percentage and write in bullet form.)

#### (A) Question(s) by Project Assessor/Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the **“DIRECT”** project purpose is specified and explained clearly.
- Whether the **MEASURABLE INDICATORS** of the **“DIRECT”** project purpose are explained; and
- (If applicable) If the **“indirect”** project purpose is specified and explained clearly.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- **DIRECT/ IMMEDIATE RESULT** of the project expected to be achieved at the time of project completion.
- The number of the beneficiaries in brief.

#### (C) Reference

**Tips:** While filling up Item 3., the Project Formulator can consider the following points.

- The Narrative Summary and Objectively Verifiable Indicators (OVIs) of Purpose/Objective in the Logical Framework (Item 10.) should be the same or have the same context as reflected in the statement of Item 3. “Objectives of the Project.”
- The explanation on beneficiaries and needs of beneficiaries are explained in DPP items 14, 15 and 16.

**Source of Information:** The Project Formulator refers to the following documents to understand the Objective of the proposed project.

- Sector Strategy Paper (SSP): i.e., Theory of Change and Sector Results Framework
- Where SSP is yet to be available, indicators in the Results Framework of Five-Year Plan, Annual Performance Agreement (APA), and Medium-Term Budgetary Framework (MTBF).

**Sample:** The table below provides examples of this item in two ways: inadequate and adequate cases with possible comments.

Inadequate case	Points to be revised	Adequate case
<ul style="list-style-type: none"> <li>• To reduce the gap between demand and supply of electricity through the plant in the country by increasing the Plant output from XXX MW to XXXX MW.</li> <li>• To overcome the present generation shortage by increasing the efficiency of the plant from XXX % to XXXX%.</li> <li>• To meet the demand of the ABC region by the local generation of about XXX MW and increase the reliability of electricity to the Consumers.</li> <li>• To minimize transmission loss and improve low voltage</li> </ul>	<ul style="list-style-type: none"> <li>• Description is lengthy.</li> <li>• Indirect results of the project are also included in the same line of direct results.</li> <li>• Direct and indirect results should be</li> </ul>	<ul style="list-style-type: none"> <li>• Generated additional electricity.</li> </ul> <p>(OVIs)</p> <ul style="list-style-type: none"> <li>• XXX MW additional electricity generated by XXXX</li> </ul>

<p>problems by local generation.</p> <ul style="list-style-type: none"> <li>• To accelerate the economic development of the country by adequate and reliable power generation and to minimize load-shedding.</li> <li>• To enhance the stability and reliability of the national grid system.</li> <li>• To develop human resources through the transfer of technology.</li> </ul>	<p>described separately.</p>	<ul style="list-style-type: none"> <li>• Number of Beneficiaries of Direct result</li> </ul>
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## Auxiliary Guide

<p><b>Relevant items in DPP</b></p>
<ul style="list-style-type: none"> <li>- 3. Objectives of the Project [item explained in this chapter]</li> <li>- 10. Logical Frame</li> <li>- 14. Background</li> <li>- 15. Project Description</li> </ul>
<p><b>Relevant sections in Feasibility Study [If applicable]</b></p>
<ul style="list-style-type: none"> <li>- Section 1: Basic Information, 3. Project Objectives (Project to be taken based on the study)</li> <li>- Section 3 Market Demand Analysis (b) Relevance of the Project Idea</li> <li>- Section 8: Institutional and Legal Analysis</li> </ul>
<p><b>Relevant paragraphs in Green Book 2022</b></p>
<ul style="list-style-type: none"> <li>- 1.1.1 Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. [skip the rest]</li> <li>- 1.1.5 Consistency with short, medium and long-term development plan, policy and strategy: <ul style="list-style-type: none"> <li>(a) Consider Bangladesh Delta Plan 2100, the objectives, targets and strategy of the Five-Year Plan and the Perspective Plan;</li> <li>(b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations;</li> <li>(c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division</li> <li>(d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u>, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided</li> </ul>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p>
<ul style="list-style-type: none"> <li>- Part VII, 1. Relevance, (1) Consistency with Plan, Strategies, and Programmes</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p>
<ul style="list-style-type: none"> <li>- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning)</li> </ul>

## Item 4. Project Implementation Period

Reference: DPP item

04. Project Implementation Period  
(i) Date of Commencement  
(ii) Date of Completion

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the proposed project period is appropriate compared to other similar completed/on-going projects.
- Whether the proposed project period is practical in consideration of the following issues.
- Land acquisition/ Utility shifting
- procurement schedule
- seasonal fluctuation
- project appraisal and approval schedule
- availability of fund
- Whether the completion time of the project is appropriate considering the expected achievement status of the project purpose.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Starting month, year and ending month, year
- Total months

### (C) Reference

**Tips:** While filling up Item 4., the Project Formulator consider the following points.

- The project is not necessarily completed when Outputs are completed. The implementation period of the project means the period required for the achievement of the Project Purpose.
- The project starting date should be provided considering the progress of project formulation, assessment and appraisal, and approval.
- Project duration, in general, should be “within 3 (three) years” (as per para 1.1.12, Green Book 2022)
- A comparison table of the duration of similar completed/on-going projects is helpful in explaining whether the proposed project duration is reasonable.
- 

**Source of Information:** The Project Formulator refers to the following document to understand what should be the appropriate duration of the proposed project.

- Project Evaluation Reports of similar project(s), prepared by IMED

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<b>Relevant items in DPP</b>
- 4. Project Implementation Period [item explained in this chapter] - 12.1 Procurement Plan (Annexure III) - 12.2 Year-wise Financial and Physical Target Plan (Annexure IV) - Attachment: Gantt Chart of project activities
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 1: Basic Information, 8. Project Duration - Section 4: Technical/ Technological & Engineering analysis, (e) Implementation Plan
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.12 Project duration: Generally, the duration of a Project will be 3 (three) years except for Special cases. - 1.5 In case acquisition of land and drawing and design related activities are necessary for the implementation of a project, a separate project may be formulated in consideration of the volume of such activities. The main activity of formulation and processing the project in terms of construction and works should be taken up simultaneously with the on-going activities for land acquisition and design to ensure that the main project activities can start immediately after land acquisition and design related works are completed.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII, 3. Efficiency, (2) Duration of the project
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 3. Efficiency
<b>Reference/ relevant documents</b>
- Project Evaluation Reports of similar project(s)

## Items 5.1 and 5.2 Estimated Cost of the Project (Taka in lac)

Reference: DPP item

### 05.1 Estimated Cost of the Project (Taka in lac)

Total:

GOB (JDCF/DRGA-CF and any other Debt Cancellation):

Project Loan (PL)/ Project Grant (PG):

Own Fund:

Others:

### 05.2 Exchange Rate(s) with Date

(Source: Bangladesh Bank)

[Legend] GOB: Government of Bangladesh, JDCF: Japan Debt Cancellation Fund, DRGA-CF: Debt Relief Grant Assistance-Counterpart Fund

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the total project cost, and the breakdown in GOB, PA, Own Fund, and Others are identified.
- When Project Loan/ Grant is involved, whether the exchange rate with a date is referred correctly.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- The total project cost
- The breakdown in GOB, PA, Own Fund, and Others
- Exchange rate(s) as of the date of submission of the DPP should be mentioned, with the date it procured from Bangladesh Bank (suggested in GED's Manual for DPP, page. 16)

### (C) Reference

**Tips:** While filling up Item 5.1 and 5.2, the Project Formulator considers the following points.

- Projects involving foreign funding will have to be processed fast and on a priority basis. (Para 1.17, Green Book 2022)
- Japanese Debt Relief (JDCF) and DRGA-CF funding of a project will be treated as similar to that of GoB funding. (Para 21.13, Green Book 2022)
- The figures in the following items should be consistent.
- 5.1 Estimated cost of the project
- 6.1 Mode of financing with source
- 6.2 Year wise Estimated Cost
- 9. Estimated Cost Summary
- 12.2 Year-wise Financial and Physical Target Plan (Annexure-IV)
- 22. Detailed Annual Phasing Cost (Annexure-V)

**Source of Information:** The Project Formulator refers to the following website to write this item and to understand the project appraisal points.

- Exchange rate: Bangladesh Bank Website  
(<https://www.bb.org.bd/econdata/exchangerate.php>)

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<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 5.1 &amp; 5.2 Estimated Cost of the Project [item explained in this chapter]</li> <li>- 6.1 Mode of financing with source</li> <li>- 6.2 Year wise Estimated Cost</li> <li>- 9. Estimated Cost Summary</li> <li>- 12.2 Year-wise Financial and Physical Target Plan (Annexure-IV)</li> <li>- 22. Detailed Annual Phasing Cost (Annexure-V)</li> <li>- 30. Major Terms and Conditions of Foreign Financing</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 4: Technical/ Technological &amp; Engineering Analysis, (d) Cost estimation</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.17 Projects having involvement of foreign funding will have to be processed fast and on priority basis. DPP/TAPP for this kind of projects will have to be prepared at the time of appraisal by the development partners so that DPP/TAPP and other protocols can be finalized before /at the time of negotiation/signing the loan or grant Agreement.</li> <li>- 21.13 The Japanese Debt Relief (JDCF) and DRGA-CF funding of a project will be treated as similar to that of GoB funding. However, for the JDCF funded Investment Projects DPP will have to be prepared in English (Annexure-GHA) and for TA projects TAPP will have to be formulated in English (Annexure -CHHA). After the preparation of the DPP/TAPP it will be processed for approval following the procedures stated at paragraphs 3 and 8 respectively.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Compliance A-3: Foreign Financing: Grant/Loan</li> <li>- Compliance A-4: Projects of State-owned/Autonomous Institutions</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Readiness Check, B: Confirming Compliance Check, B-1 Compliance with the procedure, 3. Foreign Financing: Grant/Loan</li> <li>- Readiness Check, B: Confirming Compliance Check, B-1 Compliance with the procedure, 4. Projects of State-owned/Autonomous Institutions</li> <li>- Part II Relevance to the Sector Planning and Budgeting, 2. Relevance of the project with project with budgetary resources</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Exchange rate: Bangladesh Bank Website (<a href="https://www.bb.org.bd/econdata/exchangerate.php">https://www.bb.org.bd/econdata/exchangerate.php</a>)</li> </ul>

## Items 6. Mode of Financing

Reference: DPP item

### 6. Mode of Financing

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

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

#### 6.2 Year-wise Estimated Cost (Taka in Lac)

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

#### 6.3 Financing Plan of the proposed project considering MTBF ceiling and allocation required for on-going projects in ADP: Annexure VII

[Legend] DPA: Direct Project Aid, FE: Foreign Exchange, denoting DPP requires to show the amount in Foreign Currency, GoB: Government of Bangladesh PA: Project Aid, RPA: Reimbursable Project Aid, MTBF: Medium Term Budget Framework

[NOTE] In accordance with Planning Division Circular dated 29 May 2023, memo no: 20.00.0000.803.06.010.23.79- Direct Project Assistance (DPA) and Reimbursable Project Assistance (RPA) are replaced by Direct Project Loan /Grant (DPL/DPG) and Reimbursable Project Loan /Grant (RPL/RPG), respectively. For further details, see the same circular.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- The sources of financing are adopted: GOB, DPs, Implementing Agency and others.
- The mode(s) of financing is/are adopted.
- Whether the proposed budget allocation is consistent with sector programme budget allocation, Medium Term Budgetary Framework (MTBF) and Multi-Year Public Investment Programme (MYPIP).
- Whether the explanation in item 6.2 or Annexure VII is given and reasonable, when Fiscal Space is negative.
- Whether necessary attachments/ appendices, explained in the table below, are attached to the DPP.

DPP Item No.	Cases	Documents	Green book Para no'
6.	Project Aid	Copy of Preliminary DPP (PDPP)	7.1
6.	Project Aid	In-principal Approval of the project	7.1
6.	Own Fund, Projects of State-owned/ Autonomous Institutions	Prior-consent of the Finance Division (Requiring the GOB fund)	1.7.1
6.	Own Fund, Projects of State-owned/ Autonomous Institutions	No-objection of Finance Division (Investing their surplus)	11.1.1

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Source-wise budget allocation, including Own Funding
- Financing mode-wise budget allocation including investment, loan/credit, equity, grant
- The budget type includes budget allocation from the Foreign Exchange Account of GOB (FE) and Budget allocation from Reimbursable Project Aid (RPA).
- Fiscal Space (financial capacity) of the Ministry/Division (Annexure- VII)
- When the fiscal space/ financial capacity of the Ministry/Division is negative, the way of financing the proposed project should be explained.
- When the proposed Project involves Project Aid (PA), the Green Book 2022 requires the Agency to prepare the Preliminary Development Project Proposal (PDPP). The copy of approved PDPP/ **“in-principal approval”** becomes one of the attachments of the proposed DPP. (para 7.1, Green Book 2022).
- When the funding from the GoB is necessary for the projects of the State-owned/Autonomous Institutions, **prior consent from the Finance Division** will have to be obtained for determining the nature/type (grant/equity) of funding. (para 1.7.1, Green Book 2022)
- When Autonomous, Semi-autonomous Agencies, Public Sector Corporations and State-owned Companies invest their surplus funds in development projects, a **'No Objection Certificate' from the Finance Division** will have to be obtained. (para 11.1.1, Green Book 2022)

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- When the proposed Project involves GOB's loan, the DPP requires providing the Amortization Schedule using Annexure VI of the DPP. (Item 24. of the DPP).
- The proposed allocation should be within the block allocation of the concerned Ministry/Division in the current ADP for unapproved new projects or should make arrangements for re-appropriation from other project(s).

**Source of Information:** The Project Formulator refers to the following documents to fill up this item appropriately and to understand the project appraisal points.

- Five Year Plan
- Annual Development Programme (ADP)
- ADP Management System (AMS)
- Sector Strategy Paper (SSP) / Sector Action Plan (SAP) of the concerned Sector
- Medium-Term Budgetary Framework (MTBF) of Ministry/Division

- Multi-Year Public Investment Programme (MYPIP) of the concerned Sector and Ministry/Division
- If Project Aid (PA) is required, Loan Agreement/Grant Agreement
- If Own Fund is needed, the Financial Statement of the Implementing Agency.

Box 2 provides the explanation of MYPIP and MTBF

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<b>Relevant items in DPP</b>
- 6. Mode of Financing (Annexure VII) [item explained in this chapter] - 5.1 Estimated cost of the project - 9. Estimated Cost Summary - 12.2 Year-wise Financial and Physical Target Plan (Annexure-IV) - 22. Detailed Annual Phasing Cost (Annexure-V)
- Attachment: Approved PDPP - Attachment: Approval letter of PDPP - Attachment: Finance Division's letter regarding prior consent/ no-objection certificate
<b>Relevant sections in Feasibility Study [If applicable]</b>
- No relevant sections
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.6 Consideration of availability of resources: (a) Preparation of projects based on rational cost estimates within the resources ceiling/limit of the Mid-term Budget Framework (MTBF) and checking the appropriateness of MTBF-related information and the MTBF Certificate; (b) Not taking up project without confirmation of the availability of funding (c) Formulating one comprehensive project instead of preparing more than one small and separate projects for achieving the same and similar objectives - 1.7.1 If funding from the GoB is necessary for the projects of the State-owned/Autonomous Institutions, prior consent from the Finance Division will have to be obtained for determining the nature/type (grant/equity) of funding. Action in this regard will have to be taken as per the latest (up to the time of preparation of the project) instruction/ decision of the Finance Division and mentioned in the project proposal. - 7.1 For securing foreign funding for Investment and Technical Assistance Projects, the sponsoring Ministry/Division will prepare a Preliminary Development Project Proposal (PDPP) (ANNEXURE-DA/সংযোজনী ড) and submit it simultaneously to the Economic Relations Division (ERD) and the Sector Division of the Planning Commission. Notwithstanding or irrespective of the size or cost of the proposed project, the Sector Division of the Planning Commission, after 10 (10) days of receipt of the PDPP from the Ministry/ Division, will finalize its comments regarding acceptability of the project and obtain the approval of the Minister/State Minister for Planning and communicate the views/ "in-principle" approval of the project simultaneously to ERD and inform the sponsoring Ministry/Division. - 11.1.1 The Autonomous, Semi-autonomous Agencies, Public Sector Corporations and State-owned Companies can invest their surplus funds, if any, in development projects. For such investment proposals the sponsoring Ministry/Division will have to obtain 'No Objection Certificate' from the Monitoring Cell of the Finance Division in terms of the latest Policy and Circular of the Finance Division and subsequent amendments thereto regarding investment of the surplus funds of the Autonomous Agencies/ Corporations. The Autonomous Agencies/ Corporations and the State-owned Companies will have to strictly follow the conditions laid down by the Finance Division for lending and relending of local and foreign currency loans for such projects.
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be

<p>examined /considered taking into account detailed and thorough <u>review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division</u>, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided</p> <p>- 3.1.1(4) For consideration of Project Proposal of the agencies which are allocated public funds for making them self-reliant, it is necessary to examine in details the overall situation with regard to the amount of funds so far allocated to them, its present status and future fund requirement indicating the period up to which time such allocation will be needed in future.</p>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p>
<ul style="list-style-type: none"> <li>- Compliance A-3: Foreign Financing: Grant/Loan</li> <li>- Compliance A-4: Projects of State-owned/Autonomous Institutions</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p>
<ul style="list-style-type: none"> <li>- Readiness Check, B: Confirming Compliance Check, B-1 Compliance with the procedure, 3. Foreign Financing: Grant/Loan</li> <li>- Readiness Check, B: Confirming Compliance Check, B-1 Compliance with the procedure, 4. Projects of State-owned/ Autonomous Institutions</li> <li>- Part II Relevance to the Sector Planning and Budgeting, 2. Relevance of the project with project with budgetary resources</li> </ul>
<p><b>Reference/ relevant documents</b></p>
<ul style="list-style-type: none"> <li>- Five Year Plan</li> <li>- Annual Development Programme (ADP)/ ADP Management System (AMS)</li> <li>- Sector Strategy Paper (SSP) / Sector Action Plan (SAP) of the concerned Sector</li> <li>- Medium Term Budgetary Framework (MTBF) of Ministry</li> <li>- Multi-Year Public Investment Programme (MYPIP) of the concerned Sector and Ministry</li> </ul>

## Box 2: What is MTBF, MYPIP, FBE, and Fiscal Space

**Medium Term Budgetary Framework (MTBF)** is a budgeting approach that adopts a medium-term perspective to budgeting for 3-5 years. It links public policy priorities for resource allocation and performance emphasizing efficient and effective use of limited public resources towards achieving (national level) results and goals. It provides (1) greater responsibility of resource allocation and budget implementation by line Ministry/Divisions; and (2) set 'resource envelopes' for each Ministry/Division/Budget Entity within a medium-term framework (for 3 financial/budget years). MTBF consists of a 'top-down resource envelope' and a 'bottom-up estimation' of the current and medium-term costs of existing policies (including the projects and programmes)

**Multi-Year Public Investment Program (MYPIP)** is one of PIM tools developed by the SPIMS project with support of JICA in 2018, and adopted by the government in the Green Book in 2022. It envisages transformation of the current 'one-year ADP' into a multi-year (i.e., for 3 budget years) strategic document, enabling ADP to match with the 3-year perspective of MTBF to make resource allocation for projects and programmes clearly targeted to achieve development results for each sector following the Sector Strategy Paper and Five-Year Plan. The MYPIP considers allocation for the current budget year along with the projections (based on **Forward Baselined Estimations\***/ FBEs) of two outer years consisting of MTBF ceilings for the Ministry/ Division). MYPIP analysis provides project wise demand of allocation which helps in bargaining the Ministry/Division for their required MTBF ceiling; thus, becomes a PIM tool for determining MTBF ceiling for the ADP.

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

**Fiscal space** is the difference between approved MTBF ceiling and calculated demand for resources of a Ministry /Division for a particular financial (budget) year and outer (future) years, which may be positive or negative. Decision of taking new project depends on fiscal space. If fiscal space is positive, new project may be taken based on the size of fiscal space. If fiscal space is negative or zero, theoretically, it indicates that it would not be wise to take new project for implementation by the Ministry/Division to avoid resource shortage.

Source: GoB 2023 Public Investment Management (PIM) Guideline



## Item 7.1 & 7.2 Location of the Project and Justification of Selecting the Project Area

Reference: DPP item

### 7.1 Location of the project

Division	District	City Corporation/Paurashava/ Upazila
(1)	(2)	(3)

(Attach map, when necessary)

### 7.2 Justification of selecting the project area:

#### (A) Question(s) by Project Assessor/Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the DPP has information about City Corporation/Paurashava/ Upazila wise location.
- The information in Item 7.1 has similarity to the information in Annexure-I (Location-wise Cost Breakdown).
- The information in Item 7.1 has a similarity to the location map of the project, where applicable (Appendix 1.).
- Whether explanations are given in Item 7.2 if the selected project location is strategically, technically, environmentally, and socially adequate, including disaster and climate change risks.
- Whether necessary attachments/ appendices, e.g., MAP.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- The specific information of the project location up to Division, District, City Corporation/Paurashava/ Upazila level.
- The specific information on how the selected project site is a prioritized geographical area considering government policies and master plan including poverty alleviation and removal of regional disparity, and existing, on-going and pipelined projects, institutions, and facilities.
- The specific information on how the selected project site is suitable for technology adopted for the proposed project.
- A map (Appendix 1) will be appended with the DPP, showing linkage with other existing, on-going, and pipeline projects, institutions, and facilities.
- The selected project site is NOT within or near the environmentally protected area.
- A hazard map will be attached to the DPP, showing the climate change risks and disaster management, e.g., the relations with Climate Stress Areas mentioned in the National Adaptation Plan. (Section 4: Technical/ Technological & Engineering analysis, (a) Location)
- Suppose the location of sub-projects is planned to be selected during the project implementation stage. In that case, the selection criteria of the sub-project site should be explained.

#### (C) Reference

**Tips:** While filling up Item 7. of the DPP, the Project Formulator considers the following points.

- When the project sites are scattered in many City Corporation/Paurashava/ Upazila level, the specific information can be explained as Attachment.
- It is helpful for the Project Assessor/ Appraiser if the map shows geographical linkage among the proposed project, other projects and other existing or expected facilities.

**Source of Information:** The Project Formulator will refer to the following documents to write this item and to understand the project appraisal point:

- Sector Strategy Paper's location-wise information, if applicable
- Regional Development Plan/ Master Plan of Local Government Institutions.
- Household Income and Expenditure Survey (HEIS)
- National Adaptation Plan
- Disaster Impact Assessment (DIA) report
- Disaster and Climate Risk Information Platform (DRIP) (<http://drip.plancomm.gov.bd/>)

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<b>Relevant items in DPP</b>
- 7.1 & 7.2 Location of the Project with Justification [item explained in this chapter] - 8. Location wise Cost Breakdown (Annexure I)
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 1: Basic information, 7. Project Geographic Location - Section 4: Technical/ Technological & Engineering analysis, (a) Location - Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.9 Poverty alleviation and removal of regional disparity: (a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group; (b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and (c) The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and (d) Creation and preservation of digital database of the beneficiaries. - 1.16 In the case of infrastructure projects, reports of technical tests (soil test, DIA and others), speed of cyclone, maximum height of flood and justification about the selection of site will have to be attached with the DPP/RDPP.
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u> , capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII, Evaluation Criteria, 1. Relevance, (4) Project Location
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning) - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance
<b>Reference/ Relevant documents</b>
- Sector Strategy Paper's location-wise information, if applicable - Regional Development Plan/ Master Plan of Local Government Institutions. - Household Income Expenditure Survey (HEIS) - National Adaptation Plan - Disaster and Climate Risk Information Platform (DRIP)

## Item 8. Location-Wise Cost Breakdown of the Project (Annexure-I)

Reference: DPP item

### 08. Location-Wise Cost Breakdown (Annexure-I)

The box below shows the table in **Annexure I** as reflected in the DPP.

(Figures in Lac Taka)						
Sl. No	Division	District	Upazila/Thana/City Corporation/ Paurashava	Major Items (Quantity)	Estimated cost	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the location-wise cost and location-wise outputs are consistent with the Regional Development Plan/ Master Plan of Local Government Institutions.
- Whether the location-wise cost is correctly estimated.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- The location-wise cost with location-wise major components, outputs and OVIs.

#### (C) Reference

**Tips:** While filling Annexure-I, the Project Formulator considers the following points.

- The rough number of location-wise cost and **capital components** can be estimated as indicated by output level indicators, and based on Item 9. "Estimated Cost Summary".

**Source of Information:** The Project Formulator refers to the following documents to fill this item and understand the project appraisal points.

- Regional Development Plan
- Master Plan of Local Government Institutions.

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 8. Location wise Cost Breakdown (Annexure I) [item explained in this chapter] - 7.1 & 7.2 Location of the Project with Justification
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 1: Basic information, 7. Project Geographic Location - Section 4: Technical/ Technological & Engineering analysis, (a) Location
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.9 Poverty alleviation and removal of regional disparity: (a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group; (b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and (c) The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and (d) Creation and preservation of digital database of the beneficiaries. - 1.16 In the case of infrastructure projects, reports of technical tests (soil test, DIA and others), speed of cyclone, maximum height of flood and justification about the selection of site will have to be attached with the DPP/RDPP.
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u> , capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII, Evaluation Criteria, 1. Relevance, (4) Project Location
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning) - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance
<b>Reference/ Relevant documents</b>
- Sector Strategy Paper's location-wise information, if applicable - Regional Development Plan/ Master Plan of Local Government Institutions.

## Item 9. Estimated Cost Summary

Reference: DPP item												
Economic Code	Economic code wise Item Description	Unit	Quantity	Total Cost*	GOB (FE)	Project Aid				Own Fund (FE)	Others	% of Total Project Cost
						RPA		DPA				
						Through GOB	Special Account**	Through PD	Through DP			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a) Revenue:												
Sub Total (Revenue):												
(b) Capital :												
Sub Total (Capital):												
Total Cost (Revenue & Capital)												
(c) Physical Contingency:												
(d) Price Contingency:												
<b>Grand Total (a + b + c + d)</b>												
* Column 6=(7+8+9+10+11+12+13)												
** DOSA, CONTASA, SAFE, Imprest, etc.												

The Project Formulator explains **the economic code-wise estimated cost** under this item.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the process of cost estimation is adequate, e.g., estimation of contingency.
- Whether the ratio between revenue and capital components is reasonable with respect to the nature of the proposed project.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

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

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

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

## (C) Reference

**Tips:** While filling up this item, the Project Formulator may consider the following points.

- The yearly disaggregated information should be found in Item 22. “Annual Phasing of Cost” and Annexure-V (a) “Detailed Estimated Cost” and (b) “Detailed Annual Phasing of Estimated Cost”.
- Item 12.1/ Annexure-III (a) (b) and (c), namely Total Procurement Plan, can provide the input-wise cost estimation and detailed package-wise estimation.
- (a) Goods, e.g., supply and installation of computer equipment
- (b) Works, e.g., construction of office building
- (c) Services, e.g., consultancy for assessment of the impact of the project on the environment
- To keep reasonable contingency is essential to implement the project smoothly.

**Source of information:** The Project Formulator refers to the following documents to fill this item and understand the project appraisal points.

- Relevant circulars on "Economic Code."
- Integrated Budget and Accounting System (iBAS++)

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 9. Estimated Cost Summary [item explained in this chapter] - 12.1 “Procurement Plan”, Annexure-III (a) (b) and (c) - 22. “Annual Phasing of Cost” and Annexure-V (b) “Detailed Annual Phasing of Estimated Cost”.
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 4: Technical/ Technological & Engineering analysis, (d) Cost estimation
<b>Relevant paragraphs in Green Book 2022</b>
1.1.8.2 Justification of the cost estimates: (a) Making the cost estimates practical mentioning the basis / justification of component-wise cost estimates relating to consultants, manpower, seminar, and training; (b) Justification for procurement of consulting services and vehicles under the project, (c) Present condition/ location of the vehicles/equipment procured by the same Agency for the projects implemented earlier; (d) Identification of possible risks during project implementation (economic, technical, environmental, the impact of climate change and disaster, etc.) and mitigation measures thereof; (e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants) and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project (f) Considering procurement of physical services through Service Outsourcing in possible cases; and (g) Conducting realistic financial and economic analysis - 1.1.8.3. Provision funds may be kept for Price Contingency for inflation and for Physical Contingency for a limited amount of additional physical work in the special case in accordance with Economic Cde/Sub-code). A maximum of 8 % of the total estimated cost of the project may be provided for Price Contingency, and a maximum of 2% of the total estimated cost may be provided only for Physical Contingency for physical items.
- 3.1.1(3) Proposal for <u>procurement of vehicles and equipment</u> will have to be considered taking into account the overall present condition of the vehicles and equipment procured

<p>under the operating and development budget, consistency with manpower and their use and the recommendation of the Committee for determination of manpower. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.</p> <p>- 3.1.1(9) Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.</p> <p>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</p>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p>
<p>- Part VII, Evaluation Criteria, 3. Effectiveness, (1.1) Cost Estimation</p>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p>
<p>- Part IV Relevance to Costing, 1. Cost estimation for project implementation, 2. Vehicles and equipment, 3. Price contingency and physical contingency</p>
<p><b>Reference/ relevant documents</b></p>
<p>- Circulars related to Economic Code - Integrated Budget and Accounting System (iBAS++)</p>



## Item 10. Logical Frame

**[NOTE 1] This Handbook's Special Topic 1 (Annex 1) explains how to formulate Logical Framework. Hence, only a brief explanation is given in this section.**

### Reference: DPP item

10. Logical Frame:  
 (i) Planned date of project commencement :  
 (ii) Planned date of project completion :

Narrative Summary	Objectively Verifiable Indicators (OVI)	Means of Verifications (MOV)	Important Assumptions (IA)
Goal			
Objective/ Purpose			
Output			
Input			

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the narrative summary of each level: Goal, Purpose/ Objective, Outputs and Inputs are logically set up, including the Important Assumptions (IA).
- Whether the Objectively Verifiable Indicators (OVIs) have correctly explained the achievement of narrative summary.
- Whether the Means of Verification (MOV) is identified and practical.
- Whether the Important Assumption (IA) is identified and practical.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Narrative Summary
- Goal: **Impact and medium/long term Outcome** of the project, expected to be reached 2 to 3 years after the Project Purpose is achieved
- Purpose/Objective: **Immediate outcome** of the project, expected to be achieved at the time of completion or immediately after the project completion
- Outputs: Important divided components to achieve the Project Purpose
- Inputs: Resources required to materialize/achieve the Outputs of the project
- OVIs and MOV: Measuring what the Narrative Summary aims
- Showing in the **SMART** way: Specific, Measurable, Achievable, Relevant and Time-bound or **QOTL**: Quality, Quantity, Time and Location
- Important Assumption/s and Preconditions:
- Critical factors uncontrollable by the project that could affect the achievement of the planned results.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- In short, the Logical Frame is the summary of the project, explained in DPP items 14. "Background Information" and 15. "Project Description". The Logical Frame can give the skeleton of the project, and DPP Items 14 and 15 can provide a detailed explanation of the skeleton.

**[NOTE2] "Logical Framework for Investment Project (separate volume)" explains the definition and relationships of key elements in the Logical Framework and provides points to consider when formulating, evaluating and assessing the Logical Framework.**

**Source of Information:** The Project Formulator refers to the following documents to write/incorporate appropriate information in this item and to understand the project appraisal points.

- Sector Strategy Paper (SSP)'s Theory of Change and Sector Results Framework (SRF).
- When SSP is not available, the indicators in the Development Results Framework of the Five-Year Plan, Annual Performance Agreement (APA), and Medium-Term Budgetary Framework (MTBF)

<p>The SSP document will be a firm reference.</p> <ul style="list-style-type: none"> <li>• The causal relationship between the Project Purpose and the (direct) Project Goal should be similar to the causal relationship of sector outcomes and sector intermediate outcomes.</li> <li>• Intermediate outcome indicators will be strong references for OVIs of the Project Purpose.</li> <li>• It will be appropriate to decide the timeframe and coverage of the Project Goal in relation to the SSP.</li> </ul>
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### Auxiliary Guide.

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 10. Logical Frame [item explained in this chapter]</li> <li>- 14. Background Information</li> <li>- 15. Project Description</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 1: Basic Information, 3. Project Objectives (Project to be taken based on the study)</li> <li>- Section 3: Market/ Demand Analysis (c) Proposed Project Intervention</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.4 Purpose of the Project: The purpose of the Project has to be Specific, Measurable, Achievable, Relevant and Time-bound. Any activity not consistent with the title and purpose of the project cannot be included.</li> <li>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u>, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part II, Clarity of Logical Framework</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Part I Basic Information, A. Review of the Logical Framework</li> <li>- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning)</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria)</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Special Topic 1 (Annex 1) of this Handbook: Logical Framework</li> <li>- Logical Framework for Investment Project</li> <li>- Sector Strategy Paper (SSP)'s Theory of Change and Sector Results Matrix.</li> <li>- Development Results Framework of Five-Year Plan,</li> <li>- KPI in Annual Performance Agreement (APA), and Medium-Term Budgetary Framework (MTBF)</li> </ul>

## Item 11. Project Management

[NOTE] The Green Book 2022 requires the information “Manpower for Operation and Maintenance” in DPP Items 13. “After project completion” and 33.1 “Sustainability of the Project Benefits with Exit Plan”.

Reference: DPP item

### 11. Project Management:

11.1 Proposed Project Management Setup (As per Annexure II)

11.2 Implementation Arrangement

## Item 11.1 Proposed Project Management Setup (As per Annexure-II)

Reference: DPP item

Category wise Manpower to be recruited.

S/No.	Name of the Post	Number of posts	Qualifications and Experiences	Mode of Recruitment (Deputation/ Direct/ Outsourcing)	Pay Scale/ Consolidated	Pay Grade	Responsibility/ Accountability	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Organogram of the proposed setup should be attached.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the manpower required for the project implementation is sufficient to conduct activities and to realize the outputs by comparing them with similar completed/on-going projects.
- Whether Organogram of the proposed project is attached.
- Whether the manpower setup is formulated along with the recommendations of the Manpower Fixation Committee\* of Finance Division.
- Whether necessary attachments/ appendices, explained in (B), are attached to the DPP.

\* The recommendation of the Manpower Fixation Committee is required when there is provision for employment of manpower either directly/ through outsourcing/deputation during the implementation stage of the project. (para 1.1.14, Green Book 2022)

### (B) Answer(s) by Project Formulator

To answer the question(s) (A), the Project Formulator provides the information by following the format provided in Annexure II.

- The Project Formulator prepares the table considering the mode of recruitment carefully: (1) Deputation, (2) Direct Recruitment, and (3) Outsourcing.
- Organogram of the proposed project.

- When Manpower Fixation Committee's recommendation is required, the following documents are attached to the DPP.
- Minutes of the meeting of the Manpower Fixation Committee, and checklist of compliance with the Manpower Fixation Committee's recommendation
- Working Paper/ Situation Analysis Report/ comparison table of the manpower setup of similar projects

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points:

- A comparison table of the manpower setup of similar completed/on-going projects is helpful in explaining whether the proposed project's manpower is reasonable.
- The comparison table mentioned above is used for preparing the working paper "Situation Analysis Paper" of the Manpower Fixation Committee.

**Source of Information:** The Project Formulator refers to the following documents to write this item and to understand the project appraisal points.

- Circulars related to (1) Deputation, (2) Direct Recruitment, and (3) Outsourcing.
- Pay scales
- Situation Analysis Paper/ Working Paper for Manpower Fixation Committee
- Minutes of Manpower Fixation Committee Meeting
- Completed Project Evaluation Report of similar project(s), prepared by IMED

### Item 11.2 Implementation Arrangement

In Item 11.2, the Project Formulator explains the background and rationale of the project management setup proposed in Item 11.1

#### (A) & (B) Question(s) by Project Assessor/ Appraiser, & Answer(s) by Project Formulator

The following table summarizes the questions and answers, mainly by comparing with other completed/on-going projects of similar nature/characteristics.

	Topics	(A) Questions	(B) Answers
1	Project's Organisational Structure	Whether the structure matches the size, location(s), managerial and technical requirements of the project during its implementation.	The Project Formulator explains the structure with respect to size, etc., by comparing it with other projects having similar nature/characteristics.
2	Posts (Deputation/ Direct Recruitment/Outsourcing)	Whether the status of personnel and its balance is adequate/appropriate for the project with respect to i) Deputation, ii) Direct recruitment, and iii) outsourcing.	The Project Formulator explains the balance of posts by comparing them with other projects having similar nature/characteristics.
3	Cost of Manpower	Whether the total costs incurred for manpower is rational.	The Project Formulator explains the cost of manpower by comparing them with other projects having similar nature/characteristics.

	Topics	(A) Questions	(B) Answers
4	Expected date and period of recruitment/ appointment	Whether the target date or period of manpower recruitment within the project implementation plan is clear/ appropriate.	The Project Formulator explains the recruitment/appointment plan for manpower.
5	Central/local distribution of manpower	Whether there is a reasonable balance of manpower placements at central (in Agencies, Ministries/Divisions) and local (close to project sites) levels.	The Project Formulator provides information with respect to location-wise manpower, and explains the necessity and rationality of such manpower distribution.
6	Balance and responsibilities of positions	Whether the duties/functions amongst the manpower are balanced to ensure efficient project implementation.	The Project Formulator explains the allocation of duties/responsibilities among each officer/staff.
7	Technical requirements	Whether the technical requirements within the manpower formulation are reasonable to ensure the quality of implementation of the project.	The Project Formulator explains the necessity of technical requirements and selects/proposes technical personnel accordingly.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points:

- A comparison table of the manpower setup of similar completed/on-going projects is helpful in explaining whether the proposed project's manpower is reasonable.
- The comparison table mentioned above is used for preparing the working paper "Situation Analysis Paper" of the Manpower Fixation Committee.

**Source of Information:** The Project Formulator refers to the following documents to write this item and to understand the project appraisal points.

- Circulars related to (1) Deputation, (2) Direct Recruitment, and (3) Outsourcing.
- Pay scales
- Situation Analysis Paper/ Working Paper for Manpower Fixation Committee
- Minutes of Manpower Fixation Committee Meeting
- Project Evaluation Reports of similar project(s), prepared by IMED

### Auxiliary Guide

Relevant items in DPP
- 11. Project Management [item explained in this chapter] - 12.1 Procurement Plan (Service) (Annexure III (c)) - 13. After completion, whether the output of the project needs to be transferred to the revenue budget - 33.1 Sustainability of the Project Benefits with Exit Plan
- Attachment: Minutes of the meeting of Manpower Fixation Committee, and checklist - Attachment: Working Paper/ Situation Analysis Report/ comparison table of the manpower setup of similar projects

<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 7: Human Resources and Administration Support - Section 8: Institutional and Legal Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.8.2 Justification of the cost estimates: (b) Justification for procurement of consultant services and vehicles under the project, (f) Considering procurement of physical services through Service Outsourcing in possible cases - 1.1.14 Project Manpower: Information regarding the institutional capacity (Technical and Financial) of the Implementing Authority during implementation and operational phase of the project will have to be furnished. Specially, the outline of the experience and efficient manpower necessary for the operation of the infrastructure and establishments created as Output of the project should be specifically mentioned. The post /type and number of manpower should be properly reflected in the DPP along with the recommendations of the Manpower Committee of Finance Division constituted by the Cabinet Division. However, the recommendation of the Finance Division's Manpower Committee will not be required if there is no provision for employment of manpower either directly/ through outsourcing/deputation during implementation stage of the project. - 21.9 (snip) It is to be noted that the provision of consultants, if it is at all necessary for the GoB funded projects, should be kept at the minimum level. The PPR 2008 will have to followed for payment of salary/honorarium of the consultants considering their qualification /experience etc.
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other ongoing/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, <u>capacity of the implementing agency in implementation of projects</u> , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided. - 3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, <u>consistency with manpower and their use and the recommendation of the Committee for determination of manpower</u> . In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly. - 3.1.1. (5) In the PEC meeting it has to be ensured that the type /nature, post/number of manpower proposed for the implementation of project has been recommended by the Manpower Committee of the Finance Division and the matter has to be confirmed in the PEC meeting (Details at paragraph 1.1.14).
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part II, Clarity of Logical Framework, 4. Inputs, 3) Manpower - Part VII, Evaluation Criteria, 3. Efficiency, 4) Manpower
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Readiness Check, A. Sector Division, 5. Manpower Fixation Committee - Part III Relevance to Manpower, 2 Manpower during Project Implementation - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 3. Efficiency
<b>Reference/ Relevant documents</b>
- Circulars related to (1) Deputation, (2) Direct Recruitment, and (3) Outsourcing. - Pay scales - Situation Analysis Paper/ Working Paper for Manpower Fixation Committee - Minutes of Manpower Fixation Committee Meeting, and check list - Project Evaluation Reports of similar project(s), prepared by IMED

## Item 12. Financial and Procurement Plan

### Reference: DPP item

12. Financial and Procurement Plan:  
 12.1 Procurement Plan  
 12.1 (As per Annexure -III (a), III(b) & III(c))  
 12.2 Year-wise Financial and Physical Target Plan  
 12.2 (As per Annexure-IV)

## Item 12.1 Procurement Plan [As per Annexure -III(a), III(b) & III(c)]

### Reference: DPP item

Total Procurement Plan for Development Project								Annexure III(a)		
Ministry/Division								Project Cost (In Lac Taka)		
Agency								Total		
Procuring Entity with Code								GOB		
Project/Program with Code								FF		
								Own Fund		
Package No.	Description of Package as per DPP (Goods)	Unit	Quantity	Procurement Method & Type	Tender Approval Authority	Source of Funds	Est. Cost (Lac Taka)	Indicative Dates		
								Invitation of Tender	Signing of Contract	Completion of Contract
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total Cost of Goods										

Note: The annexures III(b) and III(c) are omitted to reduce number of pages.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the Procurement Plan fits into the project period as a whole as well as the output-wise timeline, considering seasonal and functional fluctuations.
- Whether the Procurement Plan adequately addresses all necessary procurement requirements of the project in Goods, Works, and Services according to Public Procurement Rules. (Type of Procurement, Method of Procurement, Tender Approval Authority, etc.)
- Whether the capacity of the Implementing Agency is appropriate to execute the Procurement Plan efficiently.

### (B) Answer(s) by Project Formulator

The Project Formulator considers the following steps to answer the question(s) (A).

- Step 1: Identify all necessary procurement requirements for the whole project period and categorize them into the following three groups: 1) Goods, 2) Works, and 3) Services.
- Step 2: Select the size and number of each package and/or lot. \*
- Step 3: Prepare the tentative broad specification of each package and/or lot.
- Step 4: Estimate the cost of each package and/or lot.
- Step 5: Select the procurement method of each package and/or lot.
- Step 6: Prepare the Total Procurement Plan, separately for 1) Goods, 2) Works, and 3) Services, considering the project's schedule of activities.

\* Information of step 2 can be used for DPP Item 20. “Basis of Cost Estimation” and DPP Item 23. “Technical Specification/ Design of Major Items”.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the points in the table below:

	Steps	Tips
1	Identify all necessary procurement requirements and to categorize them into three groups: 1) Goods, 2) Works, and 3) Services.	<ul style="list-style-type: none"> <li>• Listing up all key procurement requirements for the whole project period.</li> </ul>
2	Select the size and number of each package and/or lot	<ul style="list-style-type: none"> <li>• Grouping similar items to form packages and/or lots</li> <li>• Following the principle of “economies of scale.”</li> <li>• Considering the balance between the number of packages and geographical locations of the project.</li> <li>• Considering the balance between the size of package/lot, and the capacity of available contractors/suppliers.</li> </ul>
3	Prepare the tentative specification of each package and/or lot	<ul style="list-style-type: none"> <li>• Following the standards.</li> <li>• Providing the expected minimum performance.</li> <li>• Identifying key components of the package and/or lot.</li> </ul>
4	Estimate the cost of each package and/or lot	<ul style="list-style-type: none"> <li>• Including all related costs, i.e., transportation, installation, etc.</li> <li>• Check the present market prices with CDVAT, and estimated costs should be similar to the present market price (not too high or low from the present market price).</li> </ul>
5	Select the procurement method of each package and/or lot	<ul style="list-style-type: none"> <li>• Selecting the method, considering the following issues: <ul style="list-style-type: none"> <li>- Cost;</li> <li>- Volume;</li> <li>- Complexity;</li> <li>- Source of supply/ contractor/ supplier including the number of available contractor/supplier/consultants;</li> <li>- Available information about the object of procurement;</li> <li>- Frequency of requirements; and</li> <li>- Emergency.</li> </ul> </li> </ul>
6	Prepare the Total Procurement Plan, separately for 1) Goods, 2) Works, and 3) Services, considering the project’s schedule of activities	<ul style="list-style-type: none"> <li>• Selecting the Approving Authority as per the latest Delegation of Financial Power (DOFP) under the development budget prepared by the Finance Division</li> <li>• Determining dates of advertisement, signing of the contract, completion of the contract, etc., by setting the completion of the contract date first, and then chronologically calculating backwards considering the required days at different stages.</li> </ul>

Source: Guidelines for procurement, prepared by Mr. Mesbahuddin

**Source of Information:** The Project Formulator refers to the following documents to write this item and to understand the project appraisal points.

- Public Procurement Act, 2006
- Public Procurement Rules, 2008
- Delegation of Financial Power (DOFP), 2015

Box 3 is the clipping of the Public Procurement Rules 2008, which explains the condition of type and method of procurement.

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<p><b>Relevant items in DPP</b></p> <ul style="list-style-type: none"> <li>- 12.1 Procurement Plan (Annexure-III (a), (b) &amp; (c)) [item explained in this chapter]</li> <li>- 9. Estimated Cost Summary</li> <li>- 20. Basis of Cost Estimation</li> <li>- 22. Detailed Annual Phasing of Cost (As per Annexure - V(a) &amp; V(b))</li> <li>- 23. Specification of Major Components</li> </ul>
<p><b>Relevant sections in Feasibility Study [If applicable]</b></p> <ul style="list-style-type: none"> <li>- Section 4: Technical/ Technological &amp; Engineering analysis, (e) Implementation Timeline (No specific information on “procurement”)</li> </ul>
<p><b>Relevant paragraphs in Green Book 2022</b></p> <ul style="list-style-type: none"> <li>- 1.15 In the Procurement Plan under the project, only one procurement method in the case of a package will have to be mentioned according to the PPR. More than one procurement method cannot be followed for a lot/package.</li> <li>- 1.1.8.2 Justification of the cost estimates: [snips] (b) Justification for procurement of consulting services and vehicles under the project, and [snips] (f) Considering procurement of physical services through Service Outsourcing in possible cases.</li> <li>- 3.1.1(3) Proposal for <u>procurement of vehicles and equipment</u> will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, consistency with manpower and their use and the recommendation of the Committee for determination of manpower. In addition, matters relating to the use, maintenance and repair of the vehicles and equipment after completion of the project will have to be reviewed and examined thoroughly.</li> </ul>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p> <ul style="list-style-type: none"> <li>- Part II, Clarity of Logical Framework, 4. Inputs, 1) project inputs, and 4) procurement plan</li> <li>- Part VII, Evaluation Criteria, 3. Efficiency, 1.1) Cost Estimation, 2) Duration of the project, 4) Manpower</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p> <ul style="list-style-type: none"> <li>- Part III Relevance to Manpower, 2. Manpower During project implementation</li> <li>- Part IV Relevance to Costing, 1. Cost estimation for project implementation, 2. Vehicles and equipment</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 3. Efficiency</li> </ul>
<p>Reference/ Relevant documents</p> <ul style="list-style-type: none"> <li>- Public Procurement Act 2006</li> <li>- Public Procurement Rules 2008</li> <li>- Delegation of Financial Power (DOFP)</li> </ul>

### **Box 3: Conditions of type and method of procurement**

#### **15. Procurement Planning and Selection of Procurement methods**

- (1) Prior to the preparation of a Procurement Plan in the case of splitting up a single procurement object into more than one package, the Procuring Entity shall decide on splitting the packages and the applicability of the Procurement methods considering the nature and size of the Procurement, by carefully reviewing the proposed Procurement activities and issues.
- (2) The Procuring Entity shall take into account the following when determining the method of Procurement and consolidating of Goods packages: (a) type of goods to be procured; (b) estimated cost as approved by the HOPE or an officer authorised by him or her; (c) availability of the relevant Goods in the local market; (d) quality, sources and brand of the Goods available in the local market; (e) price levels of the designated Goods; (f) capacity of local Suppliers to supply the required quantities; (g) capacity of the national industry and quality of its products; (h) market conditions and expected competition; (i) urgency of the Procurement; (j) capacity of beneficiary stores and proposed terms of delivery and schedule; and, (k) risks related to supply in the local and international markets.
- (3) The Procuring Entity may decide to use Framework Contracts following Rule 89 for repetitive supplies and may decide to go for Tenders on lot-by-lot or item-by-item basis if advantageous.
- (4) The Procuring Entity shall be very cautious in preparing the packages and shall not include too many items in one package, in order to ensure that the number of potential Suppliers is not reduced.
- (5) The Procuring Entity shall organize the lot by integrating only those the items that are normally supplied by the same range of Suppliers.
- (6) For special type of supplies (such as Health Sector Goods) Tenders may be invited on item-by-item basis, if the participation of the Manufacturers in the Tendering process is desired to be encouraged.
- (7) In the case of determining the method of Procurement for Works, the Procuring Entity shall consider the following: – (a) estimated cost as approved by the HOPE; (b) the prevalent conditions of the contracting industry; (c) capacity of local Contractors; (d) expected competition; (e) geographic location; (f) intended completion date and (g) other related matters.

#### **17. Splitting of an Object of Procurement into More Than One Package**

- (1) The Procuring Entity shall not generally split a Project or a Programme component into successive packages of lower value when preparing its Procurement Plan with the intention of avoiding either a particular Procurement method or the obligations of seeking the approval of a higher authority.
- (2) The Procuring Entity shall not usually split a package as approved in the Total Procurement Plan into more than five (5) lots in order to make application of the provisions of cross-discounts simple during evaluation.
- (3) The Procuring Entity shall take into account the following aspects for splitting single object of Procurement into smaller packages and packages into smaller lots - (a) the capacity of the local and international markets in submitting responsive Tenders for packages and lots of the size recommended; (b) the convenience of implementation with due regard to geographical location of sites for potential Works contracts.
- (4) The Head of the Procuring Entity or an officer authorised by him or her shall approve splitting smaller packages and lots on justifiable grounds.
- (5) In the cases where a single object of Procurement is split into more than one (1) package and packages are split into more than one (1) lot under Sub- Rules (1), (2) & (3), the Tenders for each of the packages or lots shall be placed for approval before the authority competent to approve the sum total of those packages or lots, prior to the issuance of Notification of Award for any one (1) of those packages or lots

Source: GOB CPTU 2008 Public Procurement Regulations

## Item 12.2 Year-Wise Financial and Physical Target Plan (As per Annexure-IV)

Reference: DPP item																
(Taka in Lac)																
Economic Code	Economic Sub-code	Economic Sub-code Description (In Detail)	Total Physical & Financial Target					Financial Year 20** - 20**			Financial Year 20** - 20**			Financial Year 20** - 20**		
			Unit	Unit Cost	Quantity	Total Cost	Weight	Financial Amount	Physical		Financial Amount	Physical		Financial Amount	Physical	
									%of Item	%of Project		%of Item	%of Project		%of Item	%of Project
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>(a) Revenue</b>																
Sub total of Revenue																
<b>(b) Capital</b>																
Sub total of Capital																
<b>(c) Physical Contingency</b>																
<b>(c) Price Contingency</b>																
Total (a+b+c+d)																

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives:

- Whether activities and the project period are reasonable, considering seasonal and functional fluctuations.
- Whether the sequence of activities and inputs (cost) are consistent with the procurement plan, Item 12.1 and Annexure III (a), (b) and (c); and
- Whether the annual phasing of the project cost is reasonable considering the fiscal space in the Multi-Year Public Investment Programme (MYPIP).

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Financial Targets: the figure is the same as DPP Item 22. "Detailed Annual Phase of Cost" and Annex V (b) "Detailed Annual Phase of Estimated Cost".
- Physical Targets in two forms: 1) Physical Percentage (%) of Each Item, and 2) Physical Percentage (%) of Each Item in Total Project Cost; and
- The formula is given in the Green Book 2016\* as below.

$$\begin{array}{l}
 \text{[Physical Percentage (\% of Each Item]} \\
 \text{Targeted Quantity of Each Item} \\
 \text{For Each Year} \\
 \hline
 \text{Targeted Quantity of Each Item} \\
 \text{For Whole Project Period} \\
 \text{]} \times \frac{\text{[Weight of Each Item]} \\
 \text{Estimated Cost} \\
 \text{of Each Item} \\
 \hline
 \text{Estimated Cost} \\
 \text{of Total Project (= Total Project} \\
 \text{Cost)}} = \text{[Physical Percentage (\% of Each Item} \\
 \text{in Total Project Cost]}
 \end{array}$$

**For example,** The project requires procuring the item "goods X" for 100 units per project period. The project period is 3 years. The procurement plan is 25 units for the first year, 50 units for the second year, and 25 units for the final year. [Physical Percentage (%) of Each Item]

of each year becomes 25%, 50%, and 25%, respectively. If the estimated cost of this item "goods X" is 10 lacs, and the total project cost is 100 lacs. The [Weight of Each Item] becomes 0.1. Then, [Physical Percentage (%) of Each Item in Total Project Cost] of those three-year project period becomes 2.5%, 5%, and 2.5%, respectively.

\*Green Book 2022 does not explain the formula.

### (C) Reference

**Source of Information:** To write this item, the Project Formulator refers to the following related DPP Items: Item 22. "Detailed Annual Phase of Cost" and Annex V (b) "Detailed Annual Phase of Estimated Cost", and Item 12.1 Procurement Plan and Annex III (a), (b), and (c) "Total Procurement Plan (goods), (works), and (services)."

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<b>Relevant items in DPP</b>
- 12.2 Year wise Financial and Physical Target Plan [item explained in this chapter] - 9. Estimated Cost Summary - 12.1 Procurement Plan and Annex III (a), (b), and (c) "Total Procurement Plan (goods), (works), and (services)" - 22. Detailed Annual Phasing of Cost (As per Annexure –V(a) & V(b))
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 4: Technical/ Technological & Engineering analysis, (e) Implementation Timeline
<b>Relevant paragraphs in Green Book 2022</b>
1.1.6 Consideration of availability of resources: (a) Preparation of projects based on rational cost estimates within the resources ceiling/limit of the Mid-term Budget Framework (MTBF) and checking the appropriateness of MTBF related information and the MTBF Certificate; (b) Not taking up project without confirmation of the availability of funding and (c) Formulating one comprehensive project instead of preparing more than one small and separate projects for achieving the same and similar objectives. 1.1.12 Project duration: Generally, the duration of a Project will be 3 (three) years except for the Special cases.
3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part II, Clarity of Logical Framework, 4. Inputs - Part VII, Evaluation Criteria, 3. Efficiency
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part I Basic Information, A. Review of the Logical Framework - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria)

### **Item 13. After completion, Whether the Output of the Project Needs to be Transferred to the Revenue Budget**

**[NOTE] DPP requires providing the information related to cost and personnel to make the benefits of the projects sustainable.**

Reference: DPP item

13. After completion, whether the output of the project needs to be transferred to the revenue budget:
- 13.1 If yes, briefly narrate the institutional arrangement and technical & financial requirements for operation and maintenance.  
(To continue the benefits of the project, required yearly costs and personnel should be mentioned.)
- 13.2 If not, briefly narrate the institutional arrangement and financial requirement for operation and maintenance.  
(To continue the benefits of the project, required yearly costs and personnel should be mentioned.)

#### **(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the Operation and Maintenance (O&M) Plan/ Exit Plan is prepared.
- Whether the responsible organization/group of O&M is identified.
- Whether the organizational setup (organogram) for O&M is identified/developed.
- Whether the technical requirements for O&M are identified.
- Whether the implication of the recurrent budget for O&M is identified/determined
- Whether the cost and manpower required for O&M are sufficient to provide the services adequately by comparing these with similar facilities presently under operation.
- Whether the capacity for O&M is developed under the proposed project. If so, the budget for capacity development is proposed in the DPP.

#### **(B) Answer(s) by Project Formulator**

The Project Formulator provides the following information to answer the question(s) (A).

- Operation and Maintenance Plan including the information below.
  - Organizational/ Management Structure (organogram)
  - Budget for Operations and Maintenance
  - Government Involvement in Operation and Maintenance
  - Operation and Maintenance Management Responsibility
  - Required Technical Aspects

#### **(C) Reference**

**Tips:** While filling up this item, the Project Formulator considers the following points:

- The Project Formulator explains the O&M plan briefly in item 13. and in detail in item 33.1.
- The Project Formulator prepares the O&M Plan/ Exit Plan as an attachment of the DPP.
- O&M Plan/ Exit Plan may be prepared as a part of Feasibility Study (Item 17.0).
- When the project requires Direct Recruitment for project implementation, the Project Formulator provides the information on whether the newly recruited officers and employees under the project would be transferred to, or continue to work under the revenue budget.

- Currently, there is no specific guidance or formula to estimate the requirement of O&M manpower. Hence, the table in Annexure II of the DPP can be used to formulate the manpower required for O&M.

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<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 13. Operation and Maintenance [item explained in this chapter]</li> <li>- 18. Financial and Economic Analysis</li> <li>- 33.1: Sustainability of the project benefit</li> <li>- [Attachment] Exit Plan/ Operation and Maintenance Plan</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 7: Human Resources and Administration Support</li> <li>- Section 8: Institutional and Legal Analysis</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.10 Making the project results sustainable: <ul style="list-style-type: none"> <li>(a) Furnish specific information /plan relating to maintenance and operation of the institutions /infrastructure created under the completed project and all necessary information for its institutionalization and sustainability (Exit Plan);</li> <li>(b) Detailed Plan for the use of the equipment, furniture and vehicles procured under the development project/programme after the completion of the project/programme should be stated in the DPP Check whether nominal /current or real/constant prices have been used to calculate the future O&amp;M funding needs</li> </ul> </li> <li>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, <u>pressure on the operating budget after project completion</u> and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.</li> <li>- 3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, <u>consistency with manpower and their use and the recommendation of the Committee for determination of manpower</u>. In addition, matters relating to the use, <u>maintenance and repair of the vehicles and equipment</u> after completion of the project will have to be reviewed and examined thoroughly.</li> <li>- 3.1.1(9) Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.</li> <li>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part VI, Cost Benefit Analysis</li> <li>- Part VII, Evaluation Criteria, 5. Sustainability</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Part III Relevance to Manpower, 3 Manpower during operation and maintenance (O&amp;M)</li> <li>- Part VI Relevance to Costing, 4. Cost estimation for operation and maintenance</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 5. Sustainability, 6. Risk</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Operation and Maintenance Policy or Plan of the relevant Sector/ facilities</li> </ul>

## Part B: Project Details

### Item 14. Background Information

Reference: DPP item

#### 14. Background information

- 14.1 Background with Problem Statement
- 14.2 Linkage (with other Projects & Institutions) <sup>(Note 1)</sup>
- 14.3 Poverty Situation

Note 1: DPP Item 27. explains the linkage with other global, national and sector development indicators.

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the problems, the causes of the problems, and the possible sequences of the problem are identified.
- Whether the beneficiaries of this project are appropriately identified.
- Whether the current and future demands of beneficiaries are appropriately identified.
- Whether the Project Purpose can be achieved under conditions of the location(s) where the project will be implemented
- Whether the problems to be addressed under the proposed project are consistent with the macro development objectives stipulated in the Five Year/ Perspective Plans and Programs and/or Sector Strategy Paper (SSP)/ Sector Actin Plan (SAP).
- Whether the linkages shown with other projects/ institutions are appropriate and relevant.
- Whether there is no overlap between the proposed project and other development projects/programmes outside the ADP, on-going projects/programmes under the Climate Change Trust Fund (CCTF) or other funds, and on-going activities under the operational budget.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

	Title	Description	Related DPP Items
14.1	Background with Problem Statement	<p>The need for a project can be explained by how the proposed project will contribute to meeting the needs of the beneficiaries or improving the situation of the beneficiaries. The beneficiaries' 'needs' should be linked to the 'demand' in the Demand analysis.</p> <ul style="list-style-type: none"> <li>• <b>Beneficiaries:</b> Appropriate identifications of the direct and indirect beneficiaries of the proposed project.</li> <li>• <b>Problem statement:</b> What kinds of problems the beneficiaries have and want to resolve. The specific problem(s) of the sector that is/are expected to be addressed under the proposed project.</li> <li>• <b>Stakeholder:</b> Appropriate identifications of the direct and indirect</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries/ Population data should be consistent with DPP item 16.</li> <li>• Demand information should be consistent with Financial and Economic Analysis in DPD item 18.</li> <li>• A detailed explanation on the justification for selecting the project area should be given in DPP item 7.2.</li> </ul>

	Title	Description	Related DPP Items
		beneficiaries of the proposed project. <ul style="list-style-type: none"> <li>• <b>Demand Analysis:</b> current and future demand of beneficiaries. (For detail, see Box 4)</li> <li>• <b>Location:</b> The justifications of the locational coverage of the project.</li> </ul>	
<b>14.2</b>	Linkage (with other Projects and Institutions)	<ul style="list-style-type: none"> <li>• <b>Relevance of the Project Idea:</b> To what extent the proposed project can contribute to the sector goals and its linkage with other projects and existing facilities/institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• The effect of that linkage should be explained in DPP item 25.1.</li> <li>• A detailed explanation on linkage should be given in DPP item 27.</li> </ul>
<b>14.3</b>	Poverty Situation	<ul style="list-style-type: none"> <li>• Overall poverty situation in the proposed project location.</li> <li>• Specific poverty situation with respect to direct beneficiaries of the proposed project: who they are, how many, where they live.</li> <li>• Benefit of the project: long term: any sustainable incomes after completion of the project.</li> <li>• Benefit of the project: short term: any income generation during project implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries/ Population data should be consistent with DPP item 16.</li> </ul>

### (C) Reference

**Source of Information:** The Project Formulator refers to the following documents to write/develop this item and understand the project appraisal points.

	Sub-Item	Description
<b>14.1</b>	Background with Problem Statement	<ul style="list-style-type: none"> <li>• Five Year Plan (relevant Section/Sub-Section)</li> <li>• Perspective Plan (relevant Section/Sub-Section)</li> <li>• Sector Plan and Programme, including Sector Strategy Paper (SSP)/ Setor Action Plan (SAP)</li> </ul>
<b>14.2</b>	Linkage (with other Projects & Institutions)	<ul style="list-style-type: none"> <li>• Sector Strategy Paper (SSP), including Sector Results Matrix</li> <li>• Sector Multi-Year Public Investment Plan</li> <li>• Map of project location (Appendix, Item 7. of the DPP)</li> </ul>
<b>14.3</b>	Poverty Situation	<ul style="list-style-type: none"> <li>• Labour Force Survey</li> <li>• Household Income and Expenditure Survey</li> <li>• Population Census</li> </ul>

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<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 14. Background Information [item explained in this chapter]</li> <li>- 10. Logical Frame</li> <li>- 15. Project Description</li> <li>- 16. Population Statistics</li> <li>- 18. Financial &amp; Economic Analysis</li> <li>- 27. Linkage</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 3 Market Demand Analysis (a) Problem Statement, (c) Relevance of the Project Idea, (d) Stakeholder, (e) Demand Analysis</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>

<ul style="list-style-type: none"> <li>- 1.1.5 Consistency with short, medium and long-term development plan, policy and strategy: <ul style="list-style-type: none"> <li>(a) Consider Bangladesh Delta Plan 2100, the objectives, targets and strategy of the Five-Year Plan and the Perspective Plan;</li> <li>(b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations;</li> <li>(c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division</li> <li>(d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.</li> </ul> </li> <li>- 1.1.7 Consideration of results of the projects of the same nature /type and avoidance of duplication: (c) Ensuring avoidance of duplication of the activities of the proposed project with those of development programmes outside ADP, ongoing projects/programs under the Climate Change Trust Fund (CCTF) or other Fund and the ongoing activities under the Operating Budget.</li> <li>- 1.1.9 Poverty alleviation and removal of regional disparity: <ul style="list-style-type: none"> <li>(a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group;</li> <li>(b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and</li> <li>(c) The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and</li> <li>(d) Creation and preservation of digital database of the beneficiaries.</li> </ul> </li> </ul>
<p>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u>, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided</p>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p>
<p>- Part VII Evaluation Criteria, 1. Relevance, (1) Plan, Strategy, and Programmes, (3) Beneficiaries, (4) Location</p>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p>
<p>- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning)</p> <p>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance, 2. Effectiveness,</p>
<p><b>Reference/ Relevant documents</b></p>
<ul style="list-style-type: none"> <li>- Five Year Plan (relevant Section/Sub-Section)</li> <li>- Sector Strategy Paper (SSP)</li> <li>- Sector Action Plan (SAP)</li> <li>- Labour Force Survey</li> <li>- Household Income and Expenditure Survey</li> <li>- Population Census</li> </ul>

#### **Box 4: What is Demand Analysis?**

Demand analysis identifies the need for an investment by assessing:

- Current demand (based on statistics provided by service suppliers/ regulators/ ministries/ national and regional statistical offices for the various types of users);
- Future demand (based on reliable demand forecasting models that take into consideration macro- and socio-economic forecasts, alternative sources of supply, elasticity of demand to relevant prices and income, etc.) in both the scenarios with- and without-the-project.

Both quantifications are essential to formulate demand projections, including generated/induced demand where relevant\*, and to design a project with the appropriate productive capacity. For example, it is necessary to investigate which share of the demand for public services, rail transport, or disposal of waste material can be expected to be satisfied by the project.

Demand hypotheses should be tested by analysing the conditions of both the present and future supply, which may be affected by actions that are independent from the project.

Source: EU 2014 Guide to Cost-Benefit Analysis of Investment Projects for Cohesion Policy 2014-2020

\* Future demand comes from: existing users, users diverted from other service providers, users generated/induced by the new activities that are allowed by the project. The capacity of a project to generate induced demand for example depends, among other things, on the size of the project compared to existing supply, the elasticity of demand and the related capacity to reduce the prevailing market price.

## Item 15. Project Description

Reference: DPP item

### 15. Project Description

15.1 Objectives<sup>(1)</sup>

15.2 Outcomes<sup>(1)</sup>

15.3 Outputs

15.4 Activities

Note (1) "Objectives" and "Outcomes" in Items 15.1 and 15.2, respectively, can be considered as synonymous to those of "Purpose" and "Goal" as reflected in Item 10. Logical Frame.

### (A) & (B) Question(s) by Project Assessor/ Appraiser, & Answer(s) by Project Formulator

The Project Assessor/Appraiser examines this item to find the logical linkages among Objectives, Outcomes, Outputs and Activities of the proposed project to meet the beneficiaries' demand. The specific questions are shown in the table below. To answer the question(s) in (A), the Project Formulator provides the required information, as shown in the same table below.

	Sub-Items	(A) Questions	(B) Answers
15.1	Objectives	Whether the actual effect of the Project Purpose at the time of project completion is explained adequately. It should not be just achieving the targets of the Outputs.	DIRECT RESULTS of the project, expected to be achieved at the time of completion or immediately after project completion.
15.2	Outcomes	Whether the Short-term and medium-term effects (Short-term and medium-term outcomes), and longer development effects (longer-term outcome/ impact) of the project are explained.	Short-term and medium-term effects that the beneficiaries obtain by using the Outputs, and longer development effects aligned with the short-term and medium-term effects
15.3	Outputs	Whether Outputs are clearly divided, so that each output can be self-concluded (It does not mean that the set of activities and inputs have to be self-concluded).	Role of divided components to achieve the Project Purpose. Products and services generated by using the Inputs via Activities and delivered to the beneficiaries
15.4	Activities	Whether activities are adequate as a set of process that achieves each output. Whether the Gantt Chart of project activities is attached to the DPP. Whether project activities are scheduled taking into account the work breakdown and critical path.	Groups of tasks to be carried out by using Inputs to produce the Outputs-

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following point.

- The logical linkage should be consistent with that of Item 10.

**Source of Information:** Project Formulator refers to Annex 1 of this Handbook and Logical Framework for Investment Project to understand the adequate logic among objectives, outputs, and activities.

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 14. Project Description [item explained in this chapter]</li> <li>- 10. Logical Frame</li> <li>- 15. Background</li> <li>- Attachment: Gantt Chart of project activities</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 3 Market Demand Analysis (c) Proposed Project Interventions
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.4 Purpose of the Project: The purpose of the Project has to be Specific, Measurable, Achievable, Relevant and Time-bound. Any activity not consistent with the title and purpose of the project cannot be included.</li> <li>- 1.1.5 Consistency with short, medium and long-term development plan, policy and strategy: <ul style="list-style-type: none"> <li>(a) Consider Bangladesh Delta Plan 2100, the objectives, targets and strategy of the Five-Year Plan and the Perspective Plan;</li> <li>(b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations;</li> <li>(c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division</li> <li>(d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.</li> </ul> </li> <li>- 1.1.9 Poverty alleviation and removal of regional disparity: <ul style="list-style-type: none"> <li>(a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group;</li> <li>(b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and</li> <li>(c) The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and</li> <li>(d) Creation and preservation of digital database of the beneficiaries.</li> </ul> </li> <li>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u>, capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part II, Clarity of Logical Framework
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning)</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance, 2. Effectiveness, 3. Efficiency</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Annex 1 of this Handbook</li> <li>- GoB-SPIMS 2023 Logical Framework for Investment Projects</li> <li>- World Bank 1996 Performance Monitoring Indicators Handbook</li> <li>- ADB 2020 Guidelines for Preparing and Using a Design and Monitoring Framework</li> </ul>

## Item 16. Population Statistics

Reference: DPP item

### 16. Population Statistics

16.1 Population Coverage

16.2 Population disaggregated data by women, senior citizens, children, physically & mentally challenged, etc.

### (A) & (B) Question(s) by Project Assessor/ Appraiser, & Answer(s) by Project Formulator

The Project Assessor/Appraiser examines overall population coverage in general and its distribution of specific categories, namely, women, senior citizens, children, physically & mentally challenged. The particular questions are shown in the table below. To answer the question(s), the Project Formulator provides the required information, as shown in the same table below.

	Sub-Items	(A) Questions	(B) Answers
16.1	Population Coverage	Whether the overall and location-wise beneficiaries of the proposed project are identified and estimated correctly.	Overall and location-wise number of beneficiaries of the project.
16.2	Population disaggregated data	Whether the project brings potential opportunities to women, senior citizens, children, physically & mentally challenged etc.: If yes, who they are.	Disaggregated target group information: who they are, how many, where they live, their employment, income, etc.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following point.

- The logical linkage should be consistent with that of Item 10.

**Source of Information:** Project Formulator refers to the following documents to write this item and to understand the project appraisal points.

- Labour Force Survey
- Household Income and Expenditure Survey
- Population Census

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 16. Population [item explained in this chapter] - 14. Background Information - 15. Project Description
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 3 Market Demand Analysis (d) Stakeholder
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.9 Poverty alleviation and removal of regional disparity: (a) For removing regional disparity in the context of the socio-economic situation, priority should be given to selection of projects from the less developed areas of the country and incorporation of specific information about the project beneficiary group; (b) Arrangements for ensuring that the lion's share of the allocation for Poverty Alleviation Projects reaches the beneficiaries directly; and (c) The location of the project should be selected keeping in view the policy of reaching the project benefits to all Divisions and Districts for ensuring balanced development in all the areas of the country and (d) Creation and preservation of digital database of the beneficiaries.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII Evaluation Criteria, 1. Relevance, (3) Beneficiaries
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance
<b>Reference/ Relevant Information</b>
- - Labour Force Survey - Household Income and Expenditure Survey - Population Census

**Item 17. Whether any pre-appraisal/feasibility study/pre-investment study was done before formulation of this project? If so, attach summary of findings & recommendations. (If not, mention the causes)**

**[NOTE] “Before taking up any Investment Project with an estimated cost of above Tk. 50 (fifty) crore, Feasibility Study must be conducted”. (based on Para 1.1.2 Green Book 2022)**

Reference: DPP item

- 17.** Whether any pre-appraisal/feasibility study/pre-investment study was done before formulation of this project? If so, attach a summary of findings & recommendations. (If not, mention the reasons).

**(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether pre-feasibility study and/or feasibility study has been conducted before formulating the proposed project:
- If yes, whether the findings and recommendations of the study have been attached with the proposal.
- If not, whether the reason(s) for not conducting a pre-feasibility study and/or feasibility study has been mentioned clearly.
- Whether recommendations of the study were incorporated into the project design properly.
- If not, whether the reasons for not incorporating the recommendations of the study into the project design have been mentioned correctly.

**(B) Answer(s) by Project Formulator**

The Project Formulator provides the following information to answer the question(s) (A).

- If a Feasibility study was conducted, attach its findings and recommendations with the DPP.
- If a Feasibility study was not conducted, provide the reasons for not doing it.
- Explanation of the actions taken on the findings and recommendations of the Feasibility study with justifications where applicable.

**(C) Reference**

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The contents of Feasibility Study are reviewed by the Technical Committee and recast based on the comments of said committee. (Para 21.4 in Green Book 2022)
- Examine the Feasibility Study report critically and prepare a “Findings and Recommendations” covering all key observations, findings and recommendations, which need to be attached with the DPP.
- A comparison table of the options in Summary and Feasibility Study Report is helpful in explaining whether the proposed project design is reasonable.
- The aspects of the comparison depend on the project size and nature. The following aspects should not be excluded.
- Scope of the proposed options with respect to the key indicators, the number of

- beneficiaries, and location
- Major Components of the proposed options
- Cost of the proposed options
- Duration of the proposed options
- Cost of O&M of the proposed options

The Feasibility Study will involve various analyses shown in the table below.

	<b>Title</b>	<b>Description</b>
<b>1</b>	Problem and risk assessment and Vulnerability analysis	<ul style="list-style-type: none"> <li>• What are the target groups?</li> <li>• What is the rationale/basis of the project?</li> </ul>
<b>2</b>	Project objectives and option analysis	<ul style="list-style-type: none"> <li>• What are Alternatives solutions?</li> </ul>
<b>3</b>	Technical feasibility	<ul style="list-style-type: none"> <li>• What technical options are relevant and advised for the planned solution(s)?</li> </ul>
<b>4</b>	Institutional feasibility	<ul style="list-style-type: none"> <li>• Is the organizational set up for project implementation sound?</li> </ul>
<b>5</b>	Environmental and Social Impact Assessment (ESIA)	<ul style="list-style-type: none"> <li>• What are the ESIA category and findings?</li> <li>• Are compensation measures necessary?</li> <li>• What are the risks of community action against the technical measures of the project, and what response measures are envisaged?</li> </ul>
<b>6</b>	Financial feasibility	<ul style="list-style-type: none"> <li>• Is the project financially viable from the viewpoint of an investor or operator?</li> <li>• Is there sufficient provision for O&amp;M?</li> </ul>
<b>7</b>	Economic feasibility	<ul style="list-style-type: none"> <li>• Is the project good for society? (CBA analysis)</li> </ul>
<b>8</b>	Risk analysis	<ul style="list-style-type: none"> <li>• Is it clear how the direct and indirect costs and benefits of the project have been distributed over the target groups?</li> <li>• What are the risk management measures?</li> </ul>
<b>9</b>	Sensitivity analysis	<ul style="list-style-type: none"> <li>• Robustness of results for changes in assumptions</li> </ul>
<b>10</b>	Monitoring and Evaluation	<ul style="list-style-type: none"> <li>• Monitoring of project implementation and impact evaluation</li> </ul>

Source: SPIMS (2017) Guidance for CBA trainers

Box 5 presents template of Feasibility Study in Green Book 2022.

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 17 Findings and Recommendations of Feasibility Study (Appendix: findings and recommendations) [item explained in this chapter] - All items (The content of the feasibility study is linked to all elements of the DPP.)
<b>Relevant sections in Feasibility Study [If applicable]</b>
- All Sections
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.2 Before taking up any Investment Project with estimated cost of above Tk. 50 (fifty) crore, Feasibility Study must be conducted by an experienced organization in the concerned field, and Feasibility Study Report has to be prepared in the prescribed format (Annexure – KA/KHA). Recommendations and important parts (Executive Summary, Cost estimates, design/conceptual design etc.) of the Report will have to be attached with the Project Proposal (DPP). Feasibility Study will have to be conducted also for projects with estimated cost of up to Tk. 50 (fifty) crore in consideration of the importance and nature of a project. - 21.4 There will be a Technical Committee comprising officers having technical knowledge in every agency which implement Development Projects. If necessary, an experienced and efficient officer/ person on the concerned subject outside the Agency may be included as member of the Committee. The above-mentioned Committee will receive the Report of the Feasibility Survey and provide necessary directives /guidance regarding the strategy for implementation of the project according to the Study Report.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Compliance Check A-2: Feasibility Study - All Parts
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Readiness Check, B: Confirming Compliance Check, B-1 Compliance to the procedure, 2. Feasibility Study
Reference/ Relevant documents
- Green Book 2022 Annexure Ka: Template of Feasibility Study Report in Bangla - Green Book 2022 Annexure Kha: Template of Feasibility Study Report in English

### Box 5: Template of Project Feasibility Study Report

#### Executive Summary

Summaries the key findings of the Feasibility Study and recommendations.

#### Section 1: Basic Information

1	Name of the Project	:	
2	(a) Sponsoring Ministry/Division (b) Implementing Agency	:	
3	Project Objectives (Project to be taken based on the study)	:	
4	Estimated Project Cost (Taka in Crore)	:	
5	Sector & Sub-Sector	:	
6	Project Category (Based on Environment Conservation Rules 1997)	:	
7	Project Geographic Location (a) Countrywide (b) Division (c) District (d) Upazila (e) Others (City Corporation/Pourashava)	:	
8	Project Duration	:	

#### Section 2: Introduction

Describe the following:

- (a) Project Background: Rationale and genesis (Mention the sources of information through reviewing the relevant documents);
- (b) Objectives of the feasibility study;
- (c) Approach and methodology of the feasibility study; and (d) Organization of the feasibility study.

#### Section 3: Market/Demand Analysis

This section assesses the need for public investments and involves the elements listed below:

- (d) Problem Statement: Provide an explicit definition of the problem to be addressed, identify the likely causes (both direct and indirect) of the problem and give a brief insight of the likely consequences if no intervention in public sector is made.
- (e) Relevance of the Project Idea: Justify the need for the proposed project by linking the project(s) goals, outcomes and outputs to Global/National Development Plans/Policies and Sector Strategic objectives.
- (f) Proposed Project Interventions: Describe the interventions (project inputs & outputs) that need to be undertaken by the government through the proposed project to address the problem, describe the interventions undertaken earlier to solve this problem by this organization or other organizations (if any).
- (g) Stakeholders: Identify the key stakeholders that are likely to be associated with the project interventions.
- (h) Demand Analysis: Identify the need for public investments by assessing:
  - (i) Current demand (based on statistics provided by service providers/regulators/ ministries/national & regional statistical offices for the various types of users);
  - (ii) Future demand (based on reliable demand forecasting models) in both the scenarios with and without the project; and
  - (iii) Various constrains and means to meet the demand including government regulations,

technological developments etc.

- (i) SWOT Analysis: Identify the Strengths, Weaknesses, Opportunities and Threats to the project.

#### **Section 4: Technical/Technological & Engineering analysis**

A summary of the proposed project shall be presented with the following headings:

- (a) Location: description of the location of the project including a geographical illustration (map and/or geo-coordinates) with justification. Availability of land is a key aspect; evidence should be provided that the land is owned (or can be accessed) by the organization, which has the full title to use it, or has to be purchased (or rented) through acquisition/requisition process. Besides, it should address if any kind of utility shifting is required. Identify the issues of disaster risks (existing and future) in the proposed location along with project site on hazard map.
- (b) Technical design: description of the main components, technology adopted, design, standards and specifications. Key output indicators should be defined as the key physical quantities produced (e.g., meters, sq. meters, kilometres, numbers, man months, etc.). If the project is in disaster prone areas and has the probability of climate change impact, disaster and climate change risks related information should be integrated in technical design in order to address the impact of hazards on the project.
- (c) Output plan: description of the output and the expected utilization rate. These elements describe the service provision from the supply side in the context of the forecasted demand.
- (d) Costs estimates: estimation of the financial needs for project design, implementation and operations, component wise cost estimates should be provided based on evidence.
- (e) Implementation timeline: considering the volume of works, capacity of implementing agency, budget flow (MTBF ceiling), project priority etc. a realistic project timeline along with the implementation schedule should be provided (for example, a Gantt chart with the work plan).

#### **Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis**

##### **5.1 Environmental, Climate Change and Disaster Risk Analysis**

Specify and describe the economic effects/impacts of environmental, disaster and climate change and possible compensations for ecological damages. Key issues to be addressed:

- (a) What are the likely environmental, disaster and climate change impacts or risks from the project (any impact of project to increase the existing disaster and climate change related risks and/or contribute to create new risks)?
- (b) What counter measures should be taken to reduce these impacts?
- (c) What is the cost for reducing/mitigating the negative impacts?
- (d) Are there alternative ways of delivering the required services or goods without incurring these environmental costs? What are the costs of these alternatives?
- (e) What types of assessments are required for the project (e.g., EIA/DIA)?
- (f) Is there any resettlements issue to be addressed? If yes, provide resettlement modality in details.

##### **5.2 Assessment of Disaster Resilience of the Project**

This section assesses the resilience and address about uncertainties. Key indicators need to be discussed:

- (a) Contingency Plan for Emergency Disaster Management: Describe the evacuation plan if required, institutional arrangement for shutting down of utility services, and general procedures to be followed by individuals during disasters (Fire, Earthquake, Flood, Cyclone etc.);
- (b) Business Continuity Plan: Outline the key response and recovery priorities. This plan will detail out how different utility services will be rendered to support the overall Emergency Management Plan;
- (c) Time of Recovery: Required time for rehabilitation after a disaster; and

- (d) Reporting of residual risks: Reporting of remaining risks after recognition and put in place adequate risk reduction measures.

## **Section 6: Cost-Benefit Analysis**

### **6.1 Financial Analysis**

Describe the components of costs and benefits at market prices including option analysis.

- (a) Identify the components of cost & benefit;
- (b) Transfer them in monetary value;
- (c) Construct cash flow;
- (d) Identify the Key Assumptions considered in exercises; then (e) Compute the following indicators and interpret the results:
  - (i) Financial Net Present Value (FNPV)
  - (ii) Financial Benefit Cost Ratio (FBCR)
  - (iii) Financial Internal Rate of Return (FIRR)

### **6.2 Economic Analysis**

Economic adjustments from financial data using standard conversion factor; after that costs and benefits are appraised from the point of view of the entire economy.

- (a) Identify the direct, indirect and associated cost and benefit components;
- (b) Adjust them where necessary;
- (c) Convert the value of cost and benefit components into economic price by using Standard Conversion Factor (SCF) determined by the Government;
- (d) Construct the cash flow;
- (e) Mention the Assumption;
- (f) Compute the following indicators and interpret the results:
  - (i) Economic Net Present Value (ENPV)
  - (ii) Economic Benefit Cost Ratio (EBCR)
  - (iii) Economic Internal Rate of Return (EIRR)

## **Section 7: Human Resources and Administrative Support Analysis (During Implementation and Post Implementation of the project)**

Point out the functional structure and institutional capacity of the Agency (in terms of both Technical & Financial) required for implementation and operational stages of the project(s), sources of the workforce & financing are needed to be identified. Key issues to be addressed:

- (a) What types of managerial and skilled workforces are needed during implementation and operational phases of the project?
- (b) Does the project entity have ability to provide the managerial and skilled workforces needed for implementation of the project? If not, provide suggestions specifically.
- (c) Does the implementing agency have institutional capacity (financial & technical) to retain the project output functional? If not, provide specific suggestions.
- (d) Is the project entity equipped with skilled & experienced workforces to operate the project output? If not, provide specific suggestions.
- (e) Does the entity have adequate fund under its recurring budget to incur the operational expenditure of the project output? If not, provide specific suggestions.
- (f) Is timing of project consistent with organizational capacity (in terms of quantity and other)? A comparative statement should be provided in light of experience of the entity in project implementation.

## **Section 8: Institutional and Legal Analysis**

Illustrate the legal restrictions (if any) that may obstruct or impede the project during its implementation and functional stage of the project outputs, key issues are:

- (a) Does the project match with the legal boundary (allocation of business or mandate) of the

project entity?

- (b) Are the capabilities and physical facilities of the agency being properly utilized?
- (c) Is there any need for adjustment (reforms) in the policy and/or institutional setup?
- (d) What adjustments may be required before the project is implemented?
- (e) Do the institutions have suitable skills and capacity in line with the project requirements?
- (f) Are there any incentives or penalties in place to ensure the project delivery on time and within the budget?
- (g) Are there any critical governance issues that may affect implementation? If yes, state briefly.
- (h) Are there any challenges related to cross-cutting issues to be addressed? If yes, a mitigation strategy would be suggested.
- (i) Others (if any).

### **Section 9: Risk (Uncertainty) and Sensitivity Analysis**

Issues regarding uncertainty in flow of costs and benefits through out the project period should be taken into considerations. Guideline has to be formulated to stimulate different scenario and to reduce the risks in light of the relevant contractual clauses. The questions that need to be answered are:

- (a) What are the major risks that may affect project?
- (b) How will the project be affected if the risk event materialized?
- (c) What are the possible mitigation measures needed?
- (d) How sensitive are the assumptions used in the financial and economic models in an environment that differs significantly?
- (e) Are there any risks, legal and regulatory obligations that could increase costs or decrease the benefits? If there any, how much project implementation may be hampered or benefit of the project may be reduced?

### **Section 10: Alternative/Options Analysis**

Option Analysis with recommendations & justifications. Technology and strategy recommended to achieve the goals and objectives of the proposed project should be described along with advantages and disadvantages considering various technologies and strategies applicable.

### **Section 11: Recommendation and Conclusion**

Illustrate the solutions specifically to overcome the critical issues that may hinder the project implementation and that would be supported by different sections of analysis.

### **Section 12: Annexes**

Attach detailed technical and engineering designs, plant prototypes design etc. Financial & Economic models and any supporting documents.

Source : Green Book 2022



## Item 18. Financial and Economic Analysis

**[NOTE] Calculation Sheet needs to be attached, considering 12% discount rate.**

### Reference: DPP item

#### 18. Financial & Economic Analysis

(Attach Calculation sheet)

- 18.1 Net Present Value (NPV)  
(Considering 12% discount rate)
  - (i) Financial
  - (ii) Economic
- 18.2 Benefit- Cost Ratio (BCR)  
(Considering 12% discount rate)
  - (i) Financial
  - (ii) Economic
- 18.3 Internal Rate of Return (IRR)
  - (i) Financial
  - (ii) Economic

The Project Formulator explains the financial and economic value of the project, with reference to Net Present Value (NPV), Benefit-Cost Ratio (BCR) and Internal Rate of Return (IRR). Estimating the economic value of the project is essential for all development projects. However, estimating the financial value of the project is only necessary for revenue generating projects, explained later.

	Net Present Value (NPV)	Benefit-Cost Ratio (BCR)	Internal Rate of Return (IRR)
<b>Financial</b>	FNPV	FBCR	FIRR
<b>Economic</b>	ENPV	EBRC	EIRR

Box 6 explains the outline of Financial and Economic Analysis. For the detailed information, see Handbook for CBA.

### Box 6: Outline of Financial and Economic Analysis

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

constant prices should differ from the discount rate in nominal prices by a percentage approximately equal to the inflation rate.

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

- **The Net Present Value (NPV)** shows the present (when the project is being formulated) value of the stream of costs and benefits over the economic lifetime of a project. The NPV is calculated using discounting techniques and a given discount factor. While in the EA, this is the social discount rate (SDR), in the FA, this is a market interest rate of discount (MDR). The  $NPV > 0$  means that the Net benefit (the difference between the NPV of all revenues/benefits and the NPV of all costs) is positive, given the specified discount rate. The discount rate fixed by the GoB is called the Social Discount Rate.
- **The Benefit Cost Ratio (BCR)** gives a relative indicator of project performance. The  $BCR > 1.1$  means that the NPV of the project benefits is 10% higher than the NPV of project costs. The  $BCR = 1$  means that the NPV of benefits and the NPV of the costs are the same at the given discount rate.
- **The Internal Rate of Return (IRR)** shows the return on investment. The IRR shows the discount rate, which gives the NPV of zero for the project's net cash flow of non-financial operations. If the EA shows that the  $EIRR > SDR$ , then the project performance will be better than the welfare benchmark defined by the GOB with the SDR; If the FA shows that the  $FIRR > MDR$ , then this means the project will be profitable for all stakeholders.

Source: SPIMS (2017) Guidance for CBA trainers

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

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

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

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

Source: Part VI of MAF, 2018

**(B) Answer(s) by Project Formulator**

The Project Formulator provides the following information to answer the question(s) (A).

When Financial and Economic Analysis apply to the proposed project, the Project Formulator will provide not only the results of the Financial and Economic Analysis and calculation sheet, **but also information listed in the table below.**

**In case of Financial Analysis**

Items	Description	
Economic Life (years)		
Narrative Summary of Financial Cost (Expenditure) components		
Total Financial Cost (including O&M) (TK.)		
Narrative Summary of Financial Benefit (profit) components		
Total Financial Benefit (TK.)		
Tax and duty	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Price contingency	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Physical contingency	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Narrative Summary of Key assumptions		
Results of Sensitivity Analysis: Which assumptions/parameters are more sensitive to cost and benefit?		
Discount Rate		
Financial NPV (FNPV)	<input type="checkbox"/> FNPV ≤ 0	<input type="checkbox"/> FNPV > 0
Financial BCR (FBCR)	<input type="checkbox"/> FBCR ≤ 1	<input type="checkbox"/> EBCR > 1
Financial IRR (FIRR)	<input type="checkbox"/> FIRR ≤ Discount Rate	<input type="checkbox"/> FIRR > Discount Rate

**In case of Economic Analysis**

Items	Description	
Economic Life (years)		
Narrative Summary of Economic Cost components		
Total Economic Cost (including O&M)		
Narrative Summary of Economic Benefit components		
Total Economic Benefit		
Externality (if any)	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Tax and duty	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Price contingency	<input type="checkbox"/> Included	<input type="checkbox"/> Excluded
Physical contingency		
Conversion factors		
Narrative Summary of Key assumptions		
[Results of Sensitivity Analysis] Which assumptions/parameters are more sensitive to cost and benefit?		
Discount Rate	<input type="checkbox"/> ENPV ≤ 0	<input type="checkbox"/> ENPV > 0
Economic NPV (ENPV)	<input type="checkbox"/> EBCR ≤ 1	<input type="checkbox"/> EBCR > 1
Economic BCR (EBCR)	<input type="checkbox"/> EIRR ≤ Discount Rate	<input type="checkbox"/> EIRR > Discount Rate

## (C) Reference

**Source of Information:** The Project Formulator refers to “Handbook on the Cost-Benefit Analysis of Public Investment Projects: Applications with Excel Examples”.

**Sample:** The following bullet points show the sample narrative summary of analysis. The following narrative summary is for a Power Distribution Project.

- The number of potential customers is 224,000 for retail and 750 for bulk in 2014. These numbers will increase annually at 5.5% for retail and 4.0% for bulk until the 6th year of operation and at 6.0% for retail and 5.0% for bulk thereafter until the 14th year of operation. There is no more growth in the number of customers in the 15th year onwards.
- Per capita consumption of electricity is 350 kWh per retail customer and 180,000 kWh per bulk customer in 2014. This will increase at 8.0% for retail and 7.5% for bulk annually until the 7th year. The growth rate of per capita consumption will increase to 8.8% for retail and 8.0% for bulk in the 8th year, and to 9.0% for retail and 8.8% for bulk in the 12th year, and to 10.0% for retail and 9.0% for bulk in the 17th year until the 24th year, and no more growth thereafter.
- The distribution network coverage is 30% in 2014 and will increase by 10% annually until reaching 100% in the 8th year.
- Average sales price is assumed at Tk5.83 per kWh for both retail and bulk customers and no increase in real term.
- System loss of distribution network is assumed at 10%.
- Electricity price procured is assumed at Tk4.58 per kWh and no increase in real term.
- Cash operating cost is assumed at 9.1% to project gross assets.
- Capital project cost (before price contingency) is estimated at Tk 48, 677 lakhs.
- It will be disbursed over three years with the disbursement ratio of 20%, 59%, and 21%.
- Financial analysis is conducted on a constant price basis.
- Project life is 30 years in operation.

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 18. Financial & Economic Analysis (Appendix: Calculation Sheet) [item explained in this chapter] - All Items
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 6 Cost Benefit Analysis - Section 9 Risk (uncertainly) and Sensitive Analysis - Section 10 Alternative/ Option Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.8.2 Justification for preparing the cost estimates: (g) Conducting realistic financial and economic analysis- 1.12 Projects which have prospect for implementation by private initiative should not be included in the ADP.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VI Cost Benefit analysis
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part I Basic Information, 2. Review of Cost Benefit Analysis
<b>Reference/ Relevant documents</b>
- GOB-SPIMS 2023 Handbook on the Cost-Benefit Analysis (CBA) for Public Investment Projects: Applications with Excel Examples (forthcoming)

## Item 19. Lessons Learnt from Similar Nature of Project(s)

Reference: DPP item

### 19. Lessons Learnt from Similar Nature of Project(s):

19.1 Indicate which issues lead to make the project successful

19.2 Indicate which issues did not work well

In DPP Item 19., the DPP requires to provide not only lessons learnt but also good practices to be applied for the proposed project's design and implementation.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives:

- Whether the lessons learnt and good practices from projects with a similar nature are adopted.
- If yes, what lessons learnt and good practices are adopted, and how relevant are they to the proposed project.
- If not, why the lessons learnt and good practices are not adopted in the proposed project.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

If the lessons learnt and good practices are adopted, the key lessons learnt and good practices.

- If not adopted, the reasons for not adopting.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The Project Formulator can prepare the summary table of lessons learnt and good practices, as shown below, with respect to evaluation criteria, namely 1) Relevance, 2) Effectiveness, 3) Efficiency, 4) Impact, 5) Sustainability and 6) Risks. It is not necessary to include all aspects.

	Aspect	1) Good Practices	2) Lessons Learnt	How the proposed project adopts those practices and lessons.
1	Relevance			
2	Effectiveness			
3	Efficiency			
4	Impact			
5	Sustainability			
6	Risks			

**Source of Information:** Project Formulator refers to the following documents of the completed and on-going projects with a similar nature to write/fill up this item and to understand the project appraisal points.

- Project Progress Report
- Project Completion Report

- IMED’s Project Terminal Evaluation Report
- IMED’s Project Impact Evaluation Report

### Auxiliary Guide

<b>Relevant items in DPP</b>
- 19. Lessons Learnt [item explained in this chapter] - 14. Background Information - 15. Project Description - 32. Risk Analysis and Mitigation Measures
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 9 Risk (uncertainty) and Sensitivity Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.7 Consideration of results of the projects of the same nature /type and avoidance of duplication: (a) Considering the results and experience of similar projects implemented earlier or under implementation at present to determine plan and strategy for mitigating the possible risks of the proposed project;
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- All parts
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- All parts
Reference/ Relevant documents
- Project Progress Report - Project Completion Report - IMED’s Project Terminal Evaluation Report - IMED’s Project Impact Evaluation Report

## Item 20. Basis of Item wise Cost Estimate and Date

Reference: DPP item

20. Basis of Item-wise Cost Estimate and Date:

SL NO	Major Items	Unit	Unit Cost	Basis	Source	Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

Whether the cost estimation conforms to the latest standards/ rate schedule/ pay scale.

- In the case of non-scheduled items, e.g., medical, ICT, and other specialized equipment/ materials/ commodities, whether the cost estimation conforms to unit price considering the market price.
- If the cost estimation of the project is appropriate and reliable at the item level (standards and prevailing market price).

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- The information of major item-wise unit cost with source (basis)\* as the evidence of cost estimation.  
\* Basis are latest standards/ rate schedule/ pay scale, or in case of non-scheduled items, market price

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The Project Formulator uses the **latest information**: basis and source.
- Item 12.1 of the DPP: Total Procurement Plan can provide the reference; what components are the major cost items of the project.

**Source of Information:** Project Formulator refers to the following documents to write/fill up this item and to understand the project appraisal points.

- Rate of Schedule/ Cost estimates standards of relevant infrastructure type
- Rate of schedule, issued by Roads and Highways Department (RHD), Local Government Engineering Department (LGED), and Public Works Department (PWD)
- The latest Pay Scale
- The prevailing Market Prices
- Inflation Rate

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 20. Basis of Cost Estimation [item explained in this chapter]</li> <li>- 9. Estimated Cost Summary</li> <li>- 11.1 Project management setup (Annexure-II)</li> <li>- 12.1 Procurement Plan (Annexure-III (a), III (b), III(c))</li> <li>- 21.: Comparative cost</li> <li>- 22. Detailed Annual Phasing of Cost (As per Annexure –V(a) &amp; V(b))</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 4 Technical/ Technological & Engineering analysis, (d) Cost Estimation
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.8 Cost estimate and the basis and appropriateness of preparing the cost estimates of the project:</li> <li>- 1.1.8.1 The concerned Ministry/Division will prepare the cost estimates of the development project considering the population, geographical location of the District/Upazila, hard-to-reach area and zone-based unit cost (Rate schedule) of physical construction with the consent of the Finance Division. In addition, for the non-scheduled items (medical, ICT, and other specialized equipment/materials/commodities), the concerned Ministry/Division will prepare a list of an item-wise unit price considering the market price, and the Ministry /Division will have to prepare the cost estimate of the project on the basis of that price list.</li> <li>- 1.1.8.2 Justification of the cost estimates: <ul style="list-style-type: none"> <li>(a) Making the cost estimates practical mentioning the basis / justification of component-wise cost estimates relating to consultants, manpower, seminar, and training;</li> <li>(e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants) and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project</li> </ul> </li> </ul>
- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VI Evaluation Criteria,3. Efficiency (1.1) Cost Estimation
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part IV Relevance to Costing, 1. Cost Estimation for project implementation
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Rate of schedule: Roads and Highways Department (RHD)</li> <li>- Rate of schedule: Local Government Engineering Department (LGED)</li> <li>- Rate of schedule: Public Works Department (PWD)</li> <li>- Rate of Schedule/ Cost estimates standards of the relevant sector/ relevant infrastructure type</li> <li>- The latest Pay Scale</li> </ul>

## Item 21. Comparative Cost of Major Items of Similar Other Projects

Reference: DPP item

### 21. Comparative Cost of Major Items of Similar Other Projects

SI No.	Major Items	Unit	Unit Cost of the Item (Taka in Lac)			Remarks
			Proposed project	Similar On-going Project (*)	Similar Completed Project (**)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

\* Name of similar on-going projects

\*\* Name of similar completed projects

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the major items and units are comparable.
- Whether the unit costs of the main components of the proposed project are reasonable compared to other similar projects.
- Whether the reason(s) of differences is/are provided and justifiable.
- Whether the unit cost reflects the prevailing market prices.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Item-wise unit cost comparison among/between the proposed project and two or more similar on-going and completed projects reason(s) of differences, e.g. the inflation, if any.
- The name(s) of the project (s) used for comparison is/are specified and referred to in the table.

#### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The unit cost provided in the DPP should be comparable; and
- In the column "Remarks" the Desk Officer will explain the reason why the unit cost of the proposed project is higher or lower than other similar on-going and completed projects.

**Source of Information:** The Project Formulator will refer to the following documents to write/fill up this item and to understand the project appraisal points.

- DPPs of similar on-going projects and completed projects
- Project Completion Report of similar completed projects

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<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 21. Comparative Cost of Major Items [item explained in this chapter]</li> <li>- 9. Estimated Cost Summary</li> <li>- 11.1 Project management setup (Annexure-II)</li> <li>- 12.1 Procurement Plan (Annexure-III (a), III (b), III(c))</li> <li>- 20. Basis of item-wise cost estimation and date</li> <li>- 21. Comparative cost</li> <li>- 22. Detailed Annual Phasing of Cost (As per Annexure –V(a) &amp; V(b))</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 4 Technical/ Technological &amp; Engineering analysis, (d) Cost Estimation</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.8.2 Justification of the cost estimates: (a) Making the cost estimates practical mentioning the basis / justification of component-wise cost estimates relating to consultants, manpower, seminar, and training</li> <li>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part VII Evaluation Criteria,3. Efficiency (1.2) Cost Comparison</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Part IV Relevance to Costing, 1. Cost Estimation for project implementation</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- DPP of similar on-going projects and completed projects</li> <li>- Project Completion Report of similar completed projects</li> </ul>

## Item 22. Detailed Annual Phasing of Cost (As per Annexure –V(a) & V(b))

Reference: DPP item

### 22. Detailed Annual Phasing of Cost (As per Annexure- V(a) & V(b))

The box below shows the table in Annexure V as reflected in the DPP.

Detailed Estimated Cost													Annexure V(a)	
Name of the Project :														
Executing Agency :														
Sponsoring Ministry/Division :														
													(Taka in Lac)	
Economic Code	Economic Sub-code	Economic Sub-code Description (In Detail)	Unit	Unit Cost	Quantity	GOB (FE)	Project Aid				Own Fund	Others	Total	% of Total Project Cost
							RPA		DPA					
							Through GOB	Special* Account	Through PD	Through DP				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>(a) Revenue</b>														
D														
Sub total of Revenue														
<b>(b) Capital</b>														
Sub total of Capital														
<b>(c) Physical Contingency</b>														
<b>(c) Price Contingency</b>														
Total (a+b+c+d)														

\* DOSA, CONTASA, SAFE, Imprest etc.

Note: Annexure -V(b) is the year-wise version of Annexure -V (a). Annexure V9b) is omitted due to reduce the number of pages.

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Is the cost estimation consistent with the approved architectural design?
- Is the Annual Phasing of Cost reasonable considering activities and the project period?

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Detailed estimated cost covers all the necessary costs.
- The Annual Phasing of cost, which is consistent with the activities/ Gantt chart and procurement plan

### (C) Reference

**Source of information:** Project Formulator refers to the following documents to fill up this item and to understand the project appraisal points.

- Relevant circulars on "Economic Code"
- Integrated Budget and Accounting System (iBAS++)

## Auxiliary Guide

<p><b>Relevant items in DPP</b></p> <ul style="list-style-type: none"> <li>- 22. Detailed Annual Phasing of Cost [item explained in this chapter]</li> <li>- 6.2 Year Wise Estimated Cost</li> <li>- 6.3 Financing Plan of the proposed project considering MTBF ceiling and allocation required for ongoing projects in ADP (Annexure-VII)</li> <li>- 9. Estimated Cost Summary</li> <li>- 12.1 Procurement Plan (Annex-III (a), (b), and (c))</li> <li>- 12.2 Year-wise target (Annexure IV)</li> <li>- 15.4 Activities</li> <li>- [Attachment] Gantt Chart of project activities</li> </ul>
<p><b>Relevant sections in Feasibility Study [If applicable]</b></p> <ul style="list-style-type: none"> <li>- Section 4 Technical/ Technological &amp; Engineering analysis, (d) Cost Estimation and (e) Implementation Plan</li> </ul>
<p><b>Relevant paragraphs in Green Book 2022</b></p> <ul style="list-style-type: none"> <li>- 1.1.6 Consideration of availability of resources: <ul style="list-style-type: none"> <li>(a) Preparation of projects based on rational cost estimates within the resources ceiling/limit of the Mid-term Budget Framework (MTBF) and checking the appropriateness of MTBF-related information and the MTBF Certificate;</li> <li>(b) Not taking up project without confirmation of the availability of funding</li> <li>(c) Formulating one comprehensive project instead of preparing more than one small and separate projects for achieving the same and similar objectives</li> </ul> </li> <li>- 21.6. In applicable cases, the cost estimate of the project will have to be finalized after thoroughly reviewing the approved architectural design, other necessary design and relevant matters for the preparation/formulation of the DPP/TAPP/TPP or RDPP/RTAPP/RTPP. A full-fledged /complete project proposal avoiding incompleteness, ambiguity, inconsistency and duplication etc., will have to be prepared and processed for approval.</li> <li>- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other ongoing/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided.</li> <li>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</li> </ul>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p> <ul style="list-style-type: none"> <li>- Part VII Evaluation Criteria, 1. Relevance, (2) Financing source</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p> <ul style="list-style-type: none"> <li>- Part II Relevance to the Sector Planning and Budgeting, 2. Relevance of the project with project with budgetary resources</li> <li>- Part IV Relevance to Costing, 1. Cost Estimation for project implementation</li> </ul>
<p><b>Reference/ Relevant documents</b></p> <ul style="list-style-type: none"> <li>- Relevant circular on “Economic Code”</li> <li>- Integrated Budget and Accounting System (iBAS++)</li> </ul>

## Item 23. Technical Specification/Design of Major Items (To be attached)

Reference: DPP item

### 23. Technical Specification/Design of Major Items (To be attached) \*.

\* The current DPP does not provide the template of this Appendix.

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives:

- Whether prevailing norms, and technical standards are applied while preparing specification/design.
- Whether the technical specification/design is sufficient to meet the objective of each component/item.
- Whether the proposed facilities are designed considering the negative social and environmental impacts and mitigation measures.
- Whether the proposed facilities are institutionally, technically, and financially sustainable.
- Whether the proposed facilities are climate and disaster resilient.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Specification/design of major items applying prevailing norms, and technical standards.
- Specification/design of major items considering the social and environmental impacts, disaster management, climate change, and sustainability.
- Merits & demerits of alternative specification/ design, where applicable
- The information through which the Project Assessor/ Appraiser can understand the effectiveness of major components to the project purpose.

#### (C) Reference

**Source of Information:** The Project Formulator refers to the following items in the DPP to write/fill up this item.

- Design standards of the project type
- E.g., Road Design Standards
- Specific requirements mentioned in Green Book 2022, shown in Box 7

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 23. Technical Specification/ Design of Major Items (Appendix) [item explained in this chapter]</li> <li>- 12.1 Procurement Plan and Annex III (a), (b), and (c).</li> <li>- 20. Basis of Cost Estimation</li> <li>- 25. The effect/impact, adaptation and specific mitigation measures</li> <li>- 26. Environmental Clearance</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 4: Technical/Technological &amp; Engineering analysis, (b) technical design</li> <li>- Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 3.1.3 At the time of processing a project in the Planning Commission , the recommendations of the Feasibility study conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO ( for projects related to water resources) , Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase ( for the phased projects ) and the comments/ recommendations of Survey and Evaluation ( as applicable) will have to be considered.</li> <li>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part IV: Environmental Requirements and Disaster &amp; Climate Change Risks</li> <li>- Part V: Sector-Specific Analysis/ Sector-Specific Requirements</li> <li>- Part VI: Evaluation Criteria, 3. Efficiency, (3) Materials, equipment, facilities and technology</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Readiness Check, B. Confirming Compliance Check, B-3: Compliance to the allocation of business and sector specific requirements, 2. Sector Specific Requirements</li> <li>- Part IV Review of Costing, 1. Cost Estimation for project implementation</li> <li>- Part V Review of Evaluation Criteria, 3. Efficiency</li> </ul>
<b>Reference/ relevant documents</b>
<ul style="list-style-type: none"> <li>- Standard design of the project type</li> </ul>

### Box 7: Specific requirements mentioned in Green Book 2022

- 1.1.15 The proposed projects for construction of **highways** under the Roads and Highways Division should include provision for construction of service roads on both sides of the highway to facilitate the movement of slow-moving vehicles and pedestrians. The national highways will have to be constructed, taking into consideration the highest level (height) of floods in the last one hundred years. There should not be any slope/ditch or low land by the side of the highway. In addition, under-pass/over-pass or U-loop will have to be constructed in phases on the four-lane highways and in the busiest location /area and the inter-sections during expansion of the highways.
- 1.1.16 Provision for installing Weighing Machines for controlling the excel load of the vehicles have to be kept for ensuring the sustainability of the existing /to be constructed bridges, Express Way and Tunnel on the **Highways**. In addition, special control measures have to be in place to ensure that heavy vehicles are not allowed to run on the village roads/bridges.
- 1.2 **DPP for Road Transport Sector projects** will have to be prepared and processed based on the information given in the Project Appraisal Framework (PAF). Project Appraisal Report (PAR) and Appraisal Summary Table (AST) shall have to be prepared following the PAF and attached with the DPP. In addition, the classification and standard design of roads will have to be taken into consideration.
- 1.3 For project proposals for construction of **bridges longer than 100 meters in length**, and for projects for **river bank protection** and construction of **embankment on the river**, recommendations of hydrological and morphological study reports and navigational and bathymetric study shall have to be attached with the DPP. The Study should consider the characteristics of the river, flow of water, movement of boats, movement of the chars, aerial view of the hidden/underwater chars and also include information about changes of the course and bank of the rivers. In addition, taking into consideration the recommendations of the study necessary dredging and construction of embankment works have to be included in the DPP as per procedure stated below:
  - 1.3.1 Capital Dredging works need to be considered for inclusion in the **River Bank Protection projects**. For ensuring navigability of the rivers, arrangements have to be made for yearly Maintenance Dredging after Capital Dredging. Arrangements for the use of the dredged materials (mud, silt and sand) will have to be made as per relevant existing law in consultation with the local administration. However, priority will be given to works like elevating rail line and high way, earth filling on the roadside and other works (housing, economic zone). Cultivable and croplands cannot be used for these purposes. The recommendation of the Expert Committee/ Technical Committee for special cases (if any) will have to be mentioned in the DPP with proof/evidence;
  - 1.3.2 Where **embankments** will be constructed in coastal or other areas, the issue of climate change has to be considered for making the embankment sustainable and green belt has to be created /afforestation has to be done on both sides of the embankment;
  - 1.3.3 With a view to protecting the environment and ecology, consideration should be given to the construction of **submerged road/elevated road** where necessary in the Hoar and low-lying areas. For ensuring the normal flow of water, the tendency for construction of regulator and sluice gates should be avoided as far as possible for the projects for water management and construction of embankment and the opinion of the Department of Haor and Waterland Development will also have to be obtained;
  - 1.3.4 Before construction of any infrastructure in the countryside of the **embankment** by any organization, the opinion of the appropriate authority will have to be obtained.
  - 1.3.5 The **design of the bridge** should be prepared, taking into consideration the navigability and ensuring uninterrupted water flow of the river. There should be plan for construction of a minimum possible number of bridges on the river. The design of the bridge should be prepared in such a way that movement of boats are not obstructed, and the bridge is not damaged at the time of re-excavation/dredging of the river at a later stage;
  - 1.3.6 In this case, a Navigational Clearance Certificate from the concerned authority (BIWTA and Others) will have to be obtained and attached with the DPP.
  - 1.3.7 In accordance with the Bangladesh Water Act 2013 and Bangladesh Water Regulation 2018,

Certificate / No Objection has to be obtained from the Water Resources Planning Organization (WARPO) for specific type of projects and attached with the DPP.

- 1.3.8 Considering the involvement of the project where applicable Certificate / No Objection will have to be obtained from the appropriate Authority as per the prevailing **Rail Act**. In addition, necessary Certificate/ No Objection will have to be obtained from other concerned Authorities in the light of relevant Acts, Regulations and Policies.
- 1.6 In the case of **construction of Government Office buildings and residential buildings**, provision of sufficient open space and water body has to be kept and preserved in consideration of future need and the environment. Consideration should be given to construction of buildings with provision for vertical expansion instead of constructing more than one building horizontally. The instruction for accommodating all the offices in one building at the field level instead of constructing separate buildings for different offices will have to be followed. Provision should be made for using the same infrastructure e.g., Hall Room, Auditorium, Training Centre etc. by the various agencies for multipurpose use.
- 1.16 **In the case of infrastructure projects**, reports of technical tests (soil test, DIA and others), speed of cyclone, maximum height of flood and justification about the selection of site will have to be attached with the PDD/RDDP
- 21.19 The issue of **waste management for the projects** relating to development of the Upazila, district and towns will have to be included with special importance. The proposed activities for waste management will have to be included in the DPP with specific and firm allocations. The waste /sewage of the city/town cannot be drained into any river or canal.
- 21.20 There should be provision/arrangement for Central Effluent Treatment Plant (CETP) in **all the Industrial Areas**. Appropriate actions must be taken to ensure the use of the CETP compulsorily by paying fees as per scheduled rate.
- 21.21 Provision for Ramp and disabled-friendly toilets will have to be made **in all structures (in applicable cases)**.
- 21.22 A Master Plan will have to be prepared first for the development of the **Public Universities**, projects will be taken, and development works will be implemented accordingly. Student Hostels for the Universities/Colleges will have to be constructed with the provision of equal ratio of seats for boys and girls.
- 21.23 As land is scarce in the city of Dhaka and other big cities, the Government Agencies/ planning to construct office building in their own land will also consider accommodating space for offices of other Agencies/Organizations. Where applicable facilities and arrangements for commercial use should also be kept.
- 21.24 With the aim /objective of bringing /locating all **the Government offices** at Upazila, District, Division and at central level, provisions for under-ground parking, parking on the basement, 1st floor/2nd floor, waiting space, conference centre, more than one meeting rooms, cafeteria, prayer room and daycare centre etc. will have to be kept. In addition, a model design for a multi-storied building will have to be prepared with provision of facilities of separate and spacious wash-room/toilet for ladies and gents and mothers' corner on each floor. The Exterior Design of the Building will be the same for all locations.
- 21.25 If there is provision for **Auditorium/ large Hall Room** in the design of the project, it will have to be constructed on the ground floor/first floor or on the adjacent vacant space of the building. This can never be located on the upper floors of the building.
- 21.31 The issue of preservation of natural water body /pond/lake will have to be considered at the time of preparation of design of the projects for **construction of office, residential and commercial buildings**, and if necessary, provision for water body/ pond/ lake has to be kept. In addition, arrangements have to be made for using and preserving the rain water through separate drain from the roof of the buildings to the water body, pond and lake. It has to be very carefully seen/observed that the sewerage line does not have any connection/ or does not mix up with the rainwater drain. In addition, the buildings will have to have provision for setting up solar panels.

Source: Green Book 2022

**Item 24. Amortization Schedule for repayment of loan taken from Government (As per Annexure -VI)**

Reference: DPP item

**24. Amortization Schedule for repayment of loan taken from Government (As per Annexure-VI)**

The box below shows the table in Annexure VI as reflected in the DPP.

Annexure VI					
<b>Amortization Schedule</b>					
Name of the Project	:				
Executing Agency	:				
Sponsoring Ministry/Division	:				
Total Investment (In Lac taka)	:				
Amount of Loan	:				
Loan Repayment Period (Years)	:				
Rate of Interest	:				
(Taka in Lac)					
Year	Beginning Principal Amount	Yearly Fixed Amount to be Paid (Principal)	Yearly Interest to be Paid	Total Amount to be Paid (Principal+Interest)	Outstanding of Principal
(1)	(2)	(3)	(4)	(5)=(3)+(4)	(6)=(2)-(3)
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
Total					

**(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether a loan agreement (loan from the Government) is made and attached to the DPP.
- Whether the amortization schedule is appropriate to the loan agreement.
- Whether the schedule of the project is reasonable.
- Whether the financial capacity of the Implementing Agency is reasonable to make repayment on the proposed schedule.

**(B) Answer(s) by Project Formulator**

The Project Formulator provides the following information to answer the question(s) A.

- Total Investment amount (Taka in Lakh)
- Condition of loan, including period and interest rate

- Financial condition and capacity of the proposed implementing agency
- Copy of loan agreement, to be attached to DPP

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<b>Relevant items in DPP</b>
- 24. Amortization Schedule (Annexure -VI) [item explained in this chapter] - 6.1 Mode of Financing with Source
<b>Relevant sections in Feasibility Study [If applicable]</b>
No specific information on financing source is available.
<b>Relevant paragraphs in Green Book 2022</b>
- 1.7.2 For the projects to be implemented with loan (local/ foreign currency) from the GoB, copy of Loan Agreement and the Amortization Schedule will have to be attached with the proposed project proposal (DPP/RDPP). The relending agreement between the Agency (which received the loan) and the Finance Division will have to be signed immediately after the approval of the Project.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII: Evaluation Criteria, 1. Relevance, (2) financing resources
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part II Relevance to the Sector Planning and Budgeting, 2. Relevance of the project with budgetary resources
<b>Reference/ Relevant documents</b>
- Order/ Circular related to loan from the Government (if any)

**Item 25. The effect/impact, adaptation and specific mitigation measures thereof, if any, on**

**Reference: DPP item**

- 25.0** The effect/impact, adaptation and specific mitigation measures thereof, if any, on:
- 25.1 other projects/existing installations
  - 25.2 environmental sustainability like land, water, air, bio-diversity, ecosystem services (If the project is 'Red Category', attach the EIA document)
  - 25.3 disaster management, climate change
  - 25.3 (a) sector-wise statement and analysis in line with the concept of Green and Climate Resilient Development (GCRD)\*
  - 25.4 gender, women, children, person with special needs, excluded groups, etc.
  - 25.5 employment
  - 25.6 poverty situation
  - 25.7 organizational arrangement/setup
  - 25.8 institutional productivity
  - 25.9 regional disparities
  - 25.10 populations

Among the Sub-Items of Item 25., Sub-Item 25.2 is related to Environmental Assessment. Item 26. Provides the relevant information in connection with the procedures and steps to obtain an Environmental Clearance Certificate (ECC).

\* Sub-item 25.3 (a) is included by the Planning Division's circular "Inclusion of Green and Climate Resilient Development (GCRD) in the GoB Guideline for formulation, processing, approval, and revision of Development Projects in the public sector". (Memo no: 20.00.0000.404.014.61.2020 (Part-2), Date: February 13, 2023)

[Social and Environmental Analysis]

[NOTE] Special Topic 2 (Annex 2) of this Handbook further explains the analysis related to the social and environmental considerations.

**(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives:

[For both the Project Implementation stage and the operation stage]

- Whether there are any possibilities of the project and its activities causing **social and environmental positive and negative effects/ impacts**
- Whether the mitigation measures are considered and incorporated into the project design

**(B) Answer(s/Address) by Project Formulator**

The Project Formulator provides the following information, as shown in the table below, to answer the questions (A)

Items	Issues	Information required
25.1	Other projects/ existing installations	<ul style="list-style-type: none"> <li>• Overlap and complementarity between the proposed project and other projects, as well as existing installations</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.2	Environmental sustainability	<ul style="list-style-type: none"> <li>• The impact of the proposed project on land, water, air, bio-diversity, and ecosystem</li> <li>• If the project is environmentally "Red category", the Environmental Impact Assessment document</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.3	Disaster management and Climate change	<ul style="list-style-type: none"> <li>• The impact of disaster and climate change on the proposed project</li> <li>• The impact of the proposed project on climate change adaptation and mitigation</li> <li>• Alignment with the concept of "Green and Climate Resilient Development (GCRD)"</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.4	Gender, etc	<ul style="list-style-type: none"> <li>• The impact of the proposed project on the vulnerability of gender, women, children, person with special needs, excluded groups under the project</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.5	Employment	<ul style="list-style-type: none"> <li>• The impact of the proposed project on existing and new employment, and the vulnerability of project workers (e.g., The proposed project will result in the loss of existing jobs, but will create new opportunities).</li> <li>• Vulnerability of project workers</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.6	Poverty situation	<ul style="list-style-type: none"> <li>• The impact on poverty situation in the location(s) of the proposed project</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.7	Organizational arrangement/ setup	<ul style="list-style-type: none"> <li>• The impact of the proposed project on the organizational arrangement/setup (e.g., to sustain the project benefits, the existing organization arrangement needs to be modified)</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.8	Institutional productivity	<ul style="list-style-type: none"> <li>• The impact of the project on the institutional productivity</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.9	Regional disparity	<ul style="list-style-type: none"> <li>• The impact of the proposed project on regional disparity</li> <li>• The spatial distribution of investment in the relevant sector</li> <li>• Mitigation measures for negative impacts</li> </ul>
25.10	Population	<ul style="list-style-type: none"> <li>• The impact of the proposed project on the volume and magnitude of population mobility (e.g., The proposed project will increase the population of the project area in the future).</li> <li>• Mitigation measures for negative impacts</li> </ul>

The DPP does not provide a template to systematically explain the impacts/effects of the project and the mitigation or countermeasures. The following table can be used for this objective.

Major Impacts	Mitigation measure/ counter measure

### (C) Reference

**Source of Information:** The Project Formulator refers to the following items in the DPP to write/fill up this item.

- Annex 2 of this Handbook

Box 8 explains Disaster Impact Assessment (DIA) Framework.

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<p><b>Relevant items in DPP</b></p> <ul style="list-style-type: none"> <li>- 25. The effect/impact, adaptation and specific mitigation measures [item explained in this chapter]</li> <li>- 26. Environmental Clearance</li> <li>- 31. Involvement of Compensation, Rehabilitation/ Resettlement issues (indicate the magnitude and cost, if applicable)</li> <li>- 32. Risk Analysis and Mitigation Measures (identify risks during implementation and operation)</li> </ul>
<ul style="list-style-type: none"> <li>- Appendix: Environmental Impact Assessment Report</li> <li>- Appendix: Environmental Clearance Certificate (ECC)</li> </ul>
<p>[Attachment] No-objection/ Clearance Certificate from WARPO (for projects related to water resources)</p> <p>[Attachment] Disaster Impact Assessment Report</p> <p>[Attachment] e.g., Environmental Management Plan, Contingency Plan for Emergency Disaster Management, Gender Action Plan, Resettlement Action Plan</p>
<p><b>Relevant sections in Feasibility Study [If applicable]</b></p> <ul style="list-style-type: none"> <li>- Section 1: Basic Information 6. Project Category (Based on Environment Conservation Rules 1997)</li> <li>- Section 4: Technical/ Technological and Engineering Analysis, (b) Technical design</li> <li>- Section 5: Environmental Sustainability, Climate Resilience, and Disaster Risk Analysis</li> <li>- Section 9: Risk (Uncertainty) and Sensitivity Analysis</li> </ul>
<p><b>Relevant paragraphs in Green Book 2022</b></p> <ul style="list-style-type: none"> <li>- 1.1.8 Appropriateness of preparing the cost estimates of the project: 1.1.8.2 (d) Identification of possible risks during project implementation (economic, technical, environmental, impact of climate change and disaster etc.) and mitigation measures thereof.</li> <li>-1.1.11 Analysis of the impact of the project on Environment, Climate Change and other Cross-Cutting Issues: The Development Project Proposal shall include information regarding the effects of climate change and impacts of the proposed project on environment, ecology, natural disaster, employment generation, nutrition, women, children, gender issues, disabled persons, food security, safe food, statistical data on poverty reduction, institutionalization, productivity, adverse impact of the proposed project on the infrastructures of the projects completed earlier or under implementation at present and clear description of the remedial measures for mitigating those. At the time of preparation /formulation of the project, Disaster Impact Assessment (DIA) will have to be done/conducted by using Disaster Risk Information Platform (DRIP) for identification of disaster and climate risks in the project area and for taking measures to mitigate them.</li> <li>- 1.11.11(a) For identification, formulation, and processing of Investment Projects the issue of Green and Climate Resilient Development (GCRD), a sub-paragraph (25.3(a)) will have to be added to paragraph 25.3 of the Development Project Proposal (DPP). In this case sector-wise statement and analysis in line with the concept of GCRD will have to be included in the DPP.</li> <li>- 1.16 In the case of infrastructure projects, reports of technical tests (soil test, DIA and others), speed of cyclone, maximum level of flood and justification about the selection of site will have to be attached with the DPP/RDPP.</li> <li>- 21.3 As per Bangladesh Environment Protection Act, 1995 and Environment Protection Regulations, 1997, before taking up/formulation and approval of any Investment Project of the RED category (especially in the water, power, energy and mineral resources, industry, communication and transport sectors ) Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) Survey will have to be conducted, and the design of the project will have to be modified compulsorily according the recommendations of Study With a view to the mitigating /reducing the adverse impact on environment, the Environmental Management Plan received from the EIA Survey will have to be attached with the DPP. In applicable cases, Disaster Impact Assessment (DIA) will have to be conducted, and necessary actions will have to be taken</li> </ul>

<p>accordingly.</p> <p>- 21.3(a) In the case of identification, formulation, processing of Development Projects the issue of Green and Climate Resilient Development (GCRD) will have to be included as sub-paragraph 25.3(a) of paragraph 25.3 of DPP in line with the stipulation at sub-paragraph 1.1.11(a).</p>
<p>- 3.1.3 At the time of processing a project in the Planning Commission , the recommendations of the Feasibility conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring Ministry/Division, No-objection/ Clearance Certificate from WARPO ( for projects related to water resources) , Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase ( for the phased projects ) and the comments/ recommendations of Survey and Evaluation ( as applicable) will have to be considered.</p>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p>
<p>- Compliance Check (B): B-1 Land, B-2 Rehabilitation/ Resettlement, B-3 Environmental Consideration, B-4 Disaster and Climate Change Risks</p> <p>- Part III: Land Acquisition, and Rehabilitation/ Resettlement, - Part IV: Environmental Requirements and Disaster &amp; Climate Change Risks, - Part VII: Evaluation Criteria, 4. Impact, 4.2 Impact (B)</p>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p>
<p>- Readiness Check, B. Confirming Compliance Check, B-2: Compliance to the relevant regulations, 2. Environmental Consideration, 3. Disaster and Climate Change Risk</p> <p>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 4. Impact</p>
<p><b>Reference/ Relevant documents</b></p>
<p>- Annex 2 of this Handbook</p>

### Box 8 :Disaster Impact Assessment (DIA) Framework

Key elements of 'DIA Framework' developed under National Resilience Programme (NRP)- Programming Division are highlighted below for better understanding of its scope and use as an 'ex-ante' tool for both the project proponents and appraisers:

**Scope of the 'Framework':** The 'Framework' developed is basically targeted for the application of DIA at the "project level" to address relevant Sections (i. e. 24.3 and 30.0/31.0) of the DPP format. At the initial stage 'scope' has been kept limited for 'infrastructure projects' only through providing a list of prospective infrastructures and probable hazards. However, the 'Framework' recognizes 'scale-up' opportunity for DIA application in other sectors, as well as at the policy and program levels.

**Steps to be followed for conducting DIA:** Following six steps are to be followed for conducting DIA of a development project/intervention as identified in the 'Framework':

- Step-1: Locating the 'Project': As the first step, project area or 'site' has to be located on available 'risk or hazard map' to identify and assess the severity of hazard(s), if any, and to follow respective design guidelines to make the project resilient. The 'Framework' refers to a list of Districts facing potential threats from 10 major hazards on 'risk maps' prepared by the Programming Division in 2018 with technical assistance from ADB.
- Step-2: Identifying 'Impact of hazards': The second step would be to report on the impacts of hazard(s) on the proposed project. The 'Framework' mainly refers to 'structural' interventions with service consideration, and provides a long list of impacts on major infrastructures in Bangladesh for different types of hazards as a guideline. The probability of whether the intervention (structures) can impact over the area or environment and may create new hazard(s) should also be considered and reported in this Step. Examples of such 'risk transfer' could be constructing a road that may cause 'water logging', or building embankment that may flood the 'unprotected' areas, etc.
- Step-3: Proposing 'Countermeasures': One of the most important parts of DIA process is to propose 'countermeasures' for risk reduction towards making a project resilient. The third step would identify 'required countermeasures' in response to the impacts reported by Step-2. The 'Framework' provides good example of cyclone shelter project with multiple indicators within a Matrix that can guide common users. However, such "Matrices" can be developed further to expand and extend DIA coverage for other projects and areas, which demonstrates the 'scale-up' opportunity of the 'DIA Framework'.
- Step-4: Assessing 'Resilience': The fourth step of DIA should consider and assess the level of 'resilience' that might be shown by a project immediately after facing a disaster. This can be done by a number of indicators, some of which are mentioned in the 'Framework' as for example: i) Emergency DM Plan- e. g. in case of a building collapse there needs to have an 'evacuation plan'; ii) Service Continuity Plan- e. g. a school needs to resume 'schooling' as soon as possible after a flood, while the building was used as a flood shelter; iii) Time of Recovery- e. g. if a project takes longer 'rehabilitation time' after facing a disaster (a damaged polder for example) then it causes prolonged sufferings to the people or inhabitants of the project area. Thus, it becomes extremely important for a project to have an 'assessment of resilience' during its design and appraisal phases.
- Step-5: Estimating 'Cost of Disaster Risk Reduction- DRR': The cost of DRR should be estimated and reported in the fifth step of DIA, e. g. may be in terms of percentages to the total project cost. It might have implications to the decision-making process and ideally should include in an 'incremental' way (e. g. in case of erosion protection cost for a road construction) or the full cost of a project to address DRR (e. g. in case of constructing a cyclone shelter or embankment). The cost estimation may ideally be reported on the basis of 'unit cost', i. e. how much would be the cost for sheltering a person while constructing a cyclone shelter.

- Step-6: Reporting 'Residual risk': As 'risks' cannot be eliminated entirely, it becomes important to report on the 'residual risk' to facilitate comparison with the cost of DRR while appraising a project. For example, if a building is designed to withstand an earthquake with a magnitude of 7.0 in the Richter scale, then the probability of earthquake above 7.0 needs to be reported.

Reference: HAQUE, S. 2020. Developing and Institutionalizing Disaster Impact Assessment Tool & Guidelines Towards Making Public Investment Resilient: A Review of Policies & Practices. Final Report submitted to UNDP under the National Resilience Programme (NRP), Programming Division Part, Planning Commission.

## Item 26. Environmental Clearance

Reference: DPP item

26. Environmental Clearance:

26.1 Environmental impact wise project category (Red/Orange/Green)

26.2 Whether environmental clearance under the Environmental Conservation Act, 1995 (Revised 2010) has been obtained? *(If yes, attach the certificate. If not, mention the cause.)*

According to Environmental Conservation Rule 2023, four Environmental Categories are defined- Red, Orange, Yellow and Green

### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- The environmental category for this project.
- Whether the project obtained the Environmental Clearance Certificate (ECC).

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s)(A).

- Environmental category of the project, by checking the list in Environmental Conservation Rules 2023\*
- Status of obtaining ECC; where ECC is issued already, the copy of the ECC is attached as an appendix of the DPP
- If the ECC is not yet obtained, whether the reasons for not obtaining it and the next course of action are explained\*\*
- Where the EIA/ IEE report is issued already, if the summary of the EIA/ IEE report is attached as an appendix of the DPP

\*\* In some cases, site clearance certificate can serve for the same purpose. See Environmental Conservation Rules 2023

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following point:

- Environmental clearance is required for all industries and projects listed in Schedule 1 of the Environmental Conservation Rules 2023\*.

**Source of Information:** The Project Formulator refers to the following documents to write/fill up this item and to understand the project appraisal points.

- Department of Environment, Ministry of Environment and Forests (2010) EIA Guidelines for Industries
- Department of Environment, Ministry of Environment and Forests (2010)- A Guide to Environmental Clearance Procedures;
- Schedule 1 (Environmental Conservation Rules 2023\*) Industrial Categories; and
- Form 3 (Environmental Conservation Rules 2023\*), Application for Environmental Clearance Certificate/Site Clearance Certificate.

\* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and approved Environmental Conservation Rules, 2023

Box 9 show the contents of Environmental Impact Assessment (EIA) Report and Environmental Management Plan, stated in Environmental Conservation Rules 2023.

## 6. Obligation to Obtain Site Clearance and Environmental Clearance-

- (1) Before setting up new industries of yellow, orange and red categories and taking up the project, first of all, site clearance and later period environmental clearance will have to be obtained. In the case of green category, direct environmental clearance has to be taken. Also, for the industries in public or private export processing zone, economic zones or in BSCIC, environmental clearance will have to be obtained from the department.
- (2) No land development or any kind of infrastructure of any industrial establishment or project (other than green category) can be constructed without obtaining a site clearance from the Department.
- (3) Gas, electricity, water, and other necessary services cannot be taken up or received without obtaining a site clearance, and without obtaining environmental clearance, it cannot start projects in experimental production and other areas in the case of industrial establishments:
- (4) Experimental production or projects shall not be started in green, yellow, orange and red new industrial establishments without obtaining environmental clearance.

Source : Article 6, Environmental Conservation Rule 2023

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<b>Relevant items in DPP</b>
- 27. Environmental Clearance [item explain in this chapter] - 25. The effect/impact, adaptation, and specific mitigation measures thereof - 32. Risk Analysis and Mitigation Measures (identify risks during implementation and operation)
- Appendix: Environmental Impact Assessment Report - Appendix: Environmental Clearance Certificate (ECC)
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 4: Technical/ Technological and Engineering Analysis, (b) Technical design - Section 5: Environmental Sustainability, Climate Resilience, and Disaster Risk Analysis - Section 9: Risk (Uncertainty) and Sensitivity Analysis
<b>Relevant paragraphs in Green Book 2022</b>
-1.1.11 Analysis of the impact of the project on Environment, Climate Change and other Cross-Cutting Issues: The Development Project Proposal shall include information regarding the effects of climate change and impacts of the proposed project on environment, ecology, natural disaster, employment generation, nutrition, women, children, gender issues, disabled persons, food security, safe food, statistical data on poverty reduction, institutionalization, productivity, adverse impact of the proposed project on the infrastructures of the projects completed earlier or under implementation at present and clear description of the remedial measures for mitigating those. At the time of preparation /formulation of the project, Disaster Impact Assessment (DIA) will have to be done/conducted by using Disaster Risk Information Platform (DRIP) for identification of disaster and climate risks in the project area and for taking measures to mitigate them. - 21.3 As per Bangladesh Environment Protection Act, 1995 and Environment Protection Regulations, 1997, before taking up/formulation and approval of any Investment Project of the RED category (especially in the water, power, energy and mineral resources, industry, communication and transport sectors ) Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) Survey will have to be conducted, and the design of the project will have to be modified compulsorily according the recommendations of Study With a view to the mitigating /reducing the adverse impact on environment, the Environmental Management Plan received from the EIA Survey will have to be attached with the DPP. In applicable cases, Disaster Impact Assessment (DIA) will have to be conducted, and necessary actions will have to be taken accordingly. - 3.1.3 At the time of processing a project in the Planning Commission , the recommendations of the Feasibility conducted for the project and the recommendations of the Technical Committee, the recommendations of the Project Scrutiny Committee (PSC) of the sponsoring

<p>Ministry/Division, No-objection/ Clearance Certificate from WARPO ( for projects related to water resources) , Clearance Certificate from the Department of Environment, Project Completion Evaluation Report about the previous phase ( for the phased projects ) and the comments/ recommendations of Survey and Evaluation ( as applicable) will have to be considered.</p>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p> <ul style="list-style-type: none"> <li>- Compliance Check (B): B-3 Environmental Consideration</li> <li>- Part IV: Environmental Requirements and Disaster &amp; Climate Change Risks</li> <li>- Part VII: Evaluation Criteria, 4. Impact, 4.2 Impact (B) To evaluate the indirect effects of the projects (Positive and Negative) on matters not related to the long-term goal of the project.</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p> <ul style="list-style-type: none"> <li>- Readiness Check, B. Confirming Compliance Check, B-2: Compliance to the relevant regulations, 2. Environmental Consideration, 3. Disaster and Climate Change Risk</li> <li>- Part V Review of Evaluation Criteria, 4. Impact</li> </ul>
<p><b>Reference/ Relevant documents</b></p> <ul style="list-style-type: none"> <li>- Department of Environment, Ministry of Environment and Forests (2010) EIA Guidelines for Industries</li> <li>- Department of Environment, Ministry of Environment and Forests (2010) A Guide to Environmental Clearance Procedures</li> <li>- National Environment Policy</li> <li>- Environmental Conservation Act 1995 (amended in 2000, 2002 &amp; 2010)</li> <li>- Environmental Conservation Rules 1997*</li> </ul> <p>* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and approved Environmental Conservation Rules, 2023</p>

**Box 9: Generic contents of EIA report and Environmental Management Plan**

**Environmental Impact Assessment (EIA) Report**

Serial No.	Subject	Description
(1)	(2)	(3)
1.	Executive Summary	<p>The information and recommendations of the study will be written in non-technical language in the Executive Summary. The following information will be included in it:</p> <ul style="list-style-type: none"> <li>• Project description: Brief description of the proposed project.</li> <li>• Study findings: Terms of Reference (TOR) or the environmental impacts assessed in the light of the main environmental issues identified through the study, the mitigation measures and the summary of plan for monitoring.</li> </ul>
2.	General Information	<p>In General Information the following information will have to be included:</p> <ul style="list-style-type: none"> <li>• The name of the project and the sponsoring agency/entity and address of communication; the name, designation, phone number and e-mail number of the person responsible for the project and the name, designation, phone number and e-mail number of the person responsible for enquiring about any issue relating to assessment of environmental impact.</li> <li>• Environmental Consultant: Name of the Consulting Firm/Institution, communication address and e-mail number, the list and name of each member of the study team, scope of the study and signature</li> </ul>
3.	Project Description and options	<p>The following issues will have to be included in the Project Description:</p> <ul style="list-style-type: none"> <li>• The necessity of the Project: Its justification, purpose and benefits;</li> <li>• Project description: The project description will have to include project activities, location, lay out, the phases of the project along with the implementation schedule and possible expansion of the project. The following issues will have to be included in the project description:</li> <li>• Amount of land: Amount of the required land, ownership of the land, land acquisition etc.</li> <li>• Location of the project and surrounding area: Location of the project (with location map), layout plan which will include utilities, machinery, storage yard, infrastructure, transportation route and other structures will have to be shown.</li> <li>• Project description: Site layout, detailed description of the production process including flow diagram, production capacity, name and quantity of the products/commodities to be produced and description of the utilities.</li> <li>• Project activities and implementation schedule: Land development, construction of infrastructure and list of</li> </ul>

		<p>major activities to be undertaken during operation; phases of implementation /development and implementation schedule.</p> <ul style="list-style-type: none"> <li>Resources and demand for utility services: demand for oil, gas, electricity and coal etc.; list of raw materials, quantity and source; demand for water and source, infrastructure to be built for handling and storage of raw materials and produced commodities; opportunity for employment during implementation and operation of the project.</li> <li>Pollution potential.</li> <li>Options of the Project: Brief description of the options, selection of acceptable options and justification for rejection of other options.</li> </ul>
4.	Existing Environmental Condition of the Project area.	<p>For assessment of environmental impact in the study area information and statistics on the following issues will have to be provided:</p> <ul style="list-style-type: none"> <li>Physical environment: Topography, geology, geomorphology, soil, drainage, hydrology and water resources, weather and climate qualitative standard of air and water, degree/level of sound, sources of prevailing pollution etc.</li> <li>Biological environment: neighborhood conditions (plants and vegetables, fauna land habitation, water habitation) water land, endemic/threatened/endangered species, nearly protected, sensitive or endangered habitat.</li> <li>Land use: Ecologically important area for the use and protection of the existing and proposed land.</li> <li>Social environment: Population distribution, economic activities, physical infrastructure and services, socio-cultural amenities, public health.</li> <li>Map, graph and photo: The following information, map, picture/photo and other visual information will have to be attached with the description of project area.</li> <li>Up to date photo/picture of the environment of the project and surrounding area.</li> <li>Location of the project (with longitude and latitude), geographical boundary of the project and study area; macro-scale map (1: 50,000 and 1: 25,000) indicating the proposed location of the project area, plan, photo or satellite image, clear, readable color land use map. Updated satellite image can be used for understanding the present prevailing environmental condition. An area of the radius of minimum 5 km will have to be included in the land use map.</li> <li>For explaining the prevailing condition of environment, any other map like topography map, hydrological map etc. may be attached according to the nature of the project.</li> </ul>
5	Impact Prediction and Evaluation	Impact Assessment will have to be conducted on the issues /subjects identified in the TOR for assessing environmental impact as well as the additional environmental issues identified in the Environmental Impact Assessment Study. Impact

		<p>Assessment will have to be conducted mainly in the following three steps/stages:</p> <ul style="list-style-type: none"> <li>• Impact Identification: Specific and detail impact will have to be identified for all the steps of the project. All-important impacts will have to be considered. At the same time all possible important indirect and cumulative impacts will also have to be identified.</li> <li>• Impact Prediction: Nature, magnitude, extent and duration of the important impacts will have to be preconceived. There are more one than one qualitative and quantitative assumptive tools for impact assessment. In this case appropriate tool or model has to be selected for the project and the area under study.</li> <li>• Impact Evacuation: The environmental impact caused by the activities of the project has to be assessed based on the following criteria: <ul style="list-style-type: none"> <li>- Magnitude of impact</li> <li>- Extent of effect</li> <li>- Duration of the impact</li> <li>- Reversibility of condition/impacted area</li> <li>- Cumulative impact</li> </ul> </li> </ul> <p>The decisions taken on the basis of the above criterion will be as follows:</p> <ul style="list-style-type: none"> <li>- No impact</li> <li>- Significant impact</li> <li>- Insignificant impact</li> <li>- Unknown impact</li> <li>- Mitigable impact</li> </ul>
6.	Mitigation Measures	<p>For mitigating the environmental impact, practical, cheap and effective mitigation measures will have to recommended. All possible options will have to be evaluated and recommendation for the best solution will have to be provided, the cost of which will be affordable by the sponsors and will be reasonably acceptable for mitigating the negative impact of the project. The effectiveness of mitigation means will have to be measurable so that these can be validated through monitoring and auditing.</p> <p>Description of all /each mitigation measure will have to be provided. It needs to mentioned when and where these will be included in the detail project design. If possible estimated cost of all proposed mitigation measures will have to be provided.</p>
7.	Monitoring Programme	<p>Description of the following issues will have to be provided in the Monitoring Programme:</p> <ul style="list-style-type: none"> <li>• Monitoring of the implementation of mitigation measures:</li> <li>• A system /procedure will have to be set up for ensuring proper implementation of all the proposed mitigation measures. For this purpose, the following information will have to be provided:</li> </ul>

		<ul style="list-style-type: none"> <li>• A methodology to test /examine whether all the recommended implementation measures have been implemented properly;</li> <li>• Location of arrangements for mitigation measures and map indicating the site and photo of monitoring;</li> <li>• Number of site inspection during project period and schedule;</li> <li>• Submission of Report and Review of result/procedure for auditing and schedule</li> <li>• Monitoring of the environmental impact of the project: Under the monitoring programme the negative environmental changes will have to be observed and for this purpose the detail descriptions of the following issues will have to be included in the monitoring programme:</li> <li>• For major environmental issues, the environmental standards of the indicators and monitoring the process of their application, location and schedule and responsibility of the sponsor (necessary manpower for implementation of monitoring programme, budget and requirement of consultancy services) reporting of monitoring.</li> </ul>
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#### Environmental Management Plan

Serial No.	Subject	Description
1	2	3
1	Introduction	<ul style="list-style-type: none"> <li>• Purpose of the Report</li> </ul>
2	Project Description	<ul style="list-style-type: none"> <li>• Location, area and purpose of the project</li> <li>• Project layout and design</li> <li>• Project Implementation Plan Schedule</li> <li>• Other necessary information of the project</li> </ul>
3	Environmental Policy	<ul style="list-style-type: none"> <li>• Policy of the Company regarding environmental management and environmental preservation.</li> </ul>
4	Environmental Compliance Requirements	<ul style="list-style-type: none"> <li>• Legal standard for compliance</li> <li>• Environmental conditions stipulated by the Department of Environment or any other Agency</li> <li>• Purpose and the indicators which will be filled</li> <li>• Policies which cannot be changed</li> <li>• Best practices which will be applied</li> </ul>
5	Environmental Impacts and Mitigation Measures	<ul style="list-style-type: none"> <li>• Detailed list of project activities and important environmental impact;</li> <li>• Adoptable pollution control measures;</li> <li>• Natural resources, ecological condition, site, characteristic of the area or adoptable activities for preservation of the species;</li> <li>• Arrangements for addressing the social and public issues (Cultural Religious)</li> </ul>
6	Environmental Surveillance, Monitoring and Auditing	<ul style="list-style-type: none"> <li>• Outline of the adoptable surveillance and monitoring programme for ensuring proper implementation of the proposed mitigation measures;</li> </ul>

		<ul style="list-style-type: none"> <li>• Outline of the procedures and methods to be adopted for monitoring of environmental conditions;</li> <li>• Time line intervention for surveillance and monitoring;</li> <li>• Proposed Audit programme to check the conditions of compliance of the Environmental Clearance Certificate;</li> <li>• Collection of data preparation for submission of Report to the Department of Environment.</li> </ul>
7	Contingency Planning	<ul style="list-style-type: none"> <li>• Unusual and emergency situation (like: plan for facing /meeting break down of production process, emission of dangerous materials, breakdown of controlling equipment/machinery)</li> <li>• The following issues have to be included in the Contingency Planning: <ol style="list-style-type: none"> <li>1) Procedures and m measures to be adopted for Contingency Planning</li> <li>2) Safety measures for working staff common people</li> <li>3) Agencies which will have to be consulted during emergency situation and to be informed later</li> <li>4) Raising awareness regarding safety and educational activities</li> </ol> </li> </ul>
8	Organizational Structure	<ul style="list-style-type: none"> <li>• Organizational Structure for staff of implementation of EMP and supervision of related works</li> <li>• Responsibilities and Work Procedure the staff involved in the implementation EMP</li> <li>• Reporting hierarchy for both internal external agencies</li> <li>• Need for receiving services from external agencies or persons (e.g., Lab for environmental research and contractor for discharge of sludge)</li> <li>• Training Programme</li> </ul>
9	Budget and Implementation Programme	<ul style="list-style-type: none"> <li>• EMP Implementation Plan</li> <li>• Budget allocation for the following area /category: <ol style="list-style-type: none"> <li>1) Implementation mitigation measures</li> <li>2) Surveillance, monitoring and auditing</li> <li>3) Training and Emergency Response.</li> </ol> </li> </ul>

Source: Schedule 11 of Environmental Conservation Rules 2023

**Item 27. Specific linkage with (i) Bangladesh Delta Plan 2100, (ii) Perspective Plan 2021-2041, (iii) Five Year Plan, (iv) SDG targets and (v) Ministry/Sector Priority**

**Reference: DPP item**

27. Specific linkage with (i) Bangladesh Delta Plan 2100, (ii) Perspective Plan 2021-2041, (iii) Five Year Plan, (iv) SDG targets and (v) Ministry/Sector Priority (Mention the pages with clauses of respective document/ attach the relevant pages of those document)

**(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the key indicators of Goal and the Purpose/Objective of the proposed Project are consistent and relevant with development plans and programs stipulated by the Government sector with reference to the Delta Plan, Perspective Plan, Five Year Plan, Sector Strategy Paper (SSP)/Sector Action Plan (SAP), and Sustainable Development Goals (SDGs).

**(B) Answer(s) by Project Formulator**

The Project Formulator explains the linkage among the key development indicators. The Project Formulator provides the following information to answer the question(s) (A).

- Indicators of the proposed Project Purpose and Project Goal
- Relevant Indicators of the Delta Plan, Perspective Plan, Five Year Plan, Sector Strategy Paper (SSP) /Sector Action Plan (SAP) and Sustainable Development Goals (SDGs).
- Either mention the relevant page number with clauses of respective documents, or attach a copy of the relevant page of the said documents.

**(C) Reference**

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The Project Formulator picks up one of the most relevant development indicators from the Sector Strategy Paper (SSP) as the Purpose/ Objective level or Goal level - Objectively Verifiable Indicators (OVIs) in the Logical Framework (Item 10.).
- Suppose the Sector Strategy Paper (SSP) is not available. In that case, the Project Formulator conducts a similar exercise by referring to the indicators/ targets set in the Delta Plan, the Development Results Framework of the Five-Year Plan, Sector Action Plan (SAP), and Key Performance Indicators (KPI) of the Annual Performance Agreement (APA) and Ministry-Budget Framework (MBF) for Mid-Term Budgetary Framework (MTBF).
- The Project Formulator will provide the achievement of other projects, or expected outputs of other pipeline projects to show how much the proposed project contributes to achieving the indicators/ goals.
- If the new Circular/Notification is issued and requires it, the project formulator explains how the proposed project links to a policy or plan specified in the Circular/Notification.

**Source of Information:** The Project Formulator refers to the following documents to write/fill up this item and understand the project appraisal points.

Delta Plan, Theory of Change and Sector Results Framework in Sector Strategy Paper (SSP)/ Sector Action Plan (SAP); Development Results Framework of Five-Year Plan; Key Performance Indicators: KPIs in APA, and MBF/ MTBF; and Mapping of SDGs.

**Sample:** The current DPP does not have a template for this item, and the Handbook proposed the following table as a sample template.

	<b>Narrative summary of the indicators (A)</b>	<b>Relevant Indicators in FYP (B)</b>	<b>Rate (A/B)</b>	<b>Achievement of other ex and on-going projects</b>	<b>Pages in the policy documents</b>
<b>1</b>	XXX MW generate by 2015	XXX MW generate newly	XXX %	Project A: XXX MW Project B: XXX MW Project C: XXX MW .....	

### Auxiliary Guide

<b>Relevant items in DPP</b>
- 27. Specific linkage [item explain in this chapter] - 14. Background - 15. Project Description
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Study Section 3 Market Demand Analysis (b) Relevance of the Project Idea
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.5 Consistency with short, medium and long-term development plan, policy and strategy: (a) Consider Bangladesh Delta Plan 2100, the objectives, targets and strategy of the Five-Year Plan and the Perspective Plan; (b) Consider the National Sustainable Development Strategy, the Sustainable Development Goals (SDGs) declared by the United Nations and the Development Goals adopted by other International Organizations; (c) Selection of suitable/ appropriate Projects based on priority in terms of the Sectoral Policy and strategy of the concerned Ministry/ Division (d) Justification for taking the project in the context of the priority of the Government and the overall economic situation of the country.
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, <u>linkage of the proposed project with the national and sectoral priority</u> , capacity of the implementing agency in implementation of projects , pressure on the operating budget after project completion and the justification about the duration of the project. Processing of a project without confirmation of funding should be avoided
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part VII Evaluation Criteria, 1. Relevance, (1) Plans, Strategies and Programmes
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part II Relevance to the Sector Planning and Budgeting, 1. Relevance of the project with sector strategy (planning) - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance
Reference/ relevant documents
- Delta Plan - Perspective Plan - Five Year Plan - Sector Strategy Paper (SSP)/ Sector Action Plan (SAP) - Annual Performance Agreement - Medium Term Budget Framework - Mapping of Ministries/ Divisions by SDGs Targets

## Items 28.1 and 28.2 Vision and Mission, and Allocation of Business of the Sponsoring Ministry/Division and Implementing Agency

Reference: DPP item

**28.1** Contribution of the Project in achieving the Vision, Mission of the Ministry/Division and Implementing Agency.

**28.2** Relation of the Project with the Allocation of Business of the Sponsoring Ministry/Division.

### (A) Question(s) by Project Assessor/Appraiser

The Project Assessor/Appraiser examines these items from the following perspectives.

- Whether the scope of the project is within the Allocation of Business of the Sponsoring Ministry/Division.
- Whether the scope of the project is related to the Vision, Mission of the sponsoring Ministry/Division and Implementing Agency.
- Whether the implementation responsibility of the project can be borne solely by the proposed Implementing Agency.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A)..

- For Item 28.1, Mission and Vision of Sponsoring Ministry/ Division, and Implementing Agency
- For Item 28.2, Allocation of Business of Sponsoring Ministry/ Division.

In the DPP, the Project Formulator either mentions the relevant page number with clauses of respective documents or attaches a copy of the relevant pages of the said documents.

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The Ministries/Divisions will prepare /formulate projects within their jurisdiction as per the Allocation of Business.
- The sponsoring Ministry/Division will determine the Sector for the project according to its involvement/ bearing with the ADP.

**Source of Information:** The Project Formulator will refer to the following documents to write/fill up this item and to understand the project appraisal points.

- For Item 28.1, Medium Term Budget Framework, and Annual Performance Agreement; and
- For Item 28.2, Schedule 1 of the Rules of Business 1996 (revised 2017)

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 28. Vision and Mission, and Allocation of Business [item explained in this chapter]</li> <li>- 14. Background</li> <li>- 15. Project Description</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- Section 8: Institutional and Legal Analysis</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.1 Consistency with the Allocation of Business: The Allocation of Business by the Government must have to be taken into consideration at the time of preparation/formulation of the Project Proposal. The Ministry/Division will take up the project within its own jurisdiction as per the Allocation of Business. [skip the rest]</li> <li>- 21.1 The Ministries/Divisions will prepare /formulate projects within their jurisdiction as per the Allocation of Business. For the project proposals to be prepared in coordination with more than one Ministry/Division, the appropriate Ministry/Division will have to be identified as the Lead Ministry/Division. However, formulation of cluster/ umbrella projects in coordination with more than one Ministry/Division will be generally avoided.</li> <li>- 21.2 The sponsoring Ministry/Division will determine the Sector for the project according to its involvement/ bearing with the ADP and send the project proposal (DPP/TAPP) to the concerned Sector-Division of the Planning Commission. If more than 1 (one) Sector/Sub-sector is involved in any project, then the project will have to be processed in the Sector/sub-sector of the Planning Commission having comparatively more financial involvement.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part VII Evaluation Criteria, 1. Relevance, (1) Plans, Strategies and Programmes</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Readiness Check, B. Confirming Compliance Check, B-3: Compliance to the allocation of business and sector specific requirements, 1. Allocation of Business</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 1. Relevance</li> </ul>
<b>Reference/ Relevant documents</b>
<ul style="list-style-type: none"> <li>- Medium Term Budget Framework</li> <li>- Annual Performance Agreement</li> <li>- Schedule 1 of the Rules of Business 1996 (revised 2017)</li> </ul>

**Item 29. Whether private sector/local government or NGO's participation is considered? (If yes, describe how they will be involved)**

Reference: DPP item

29. Whether private sector/local government or NGO's participation is considered? (If yes, describe how they will be involved.)

**(A) Question(s) by Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspective:

- Whether the stakeholders of the proposed project are identified appropriately.

**(B) Answer(s) by the Project Formulator**

The Project Formulator provides the following information to answer the question(s) (A).

- Whether any potential technical and financial contribution of Private Sector, Local Government and/or NGO is required to implement the project.
- Whether any potential technical and financial contribution of Private Sector, Local Government and/or NGO is required to maintain the facilities to be developed under the project.

**(C) Reference**

**Tips:** While filling up this item, the Project Formulator considers the following points.

- If the Project Formulator conducts **Stakeholder Analysis** in the Project Design Stage, then the information/ result of Stakeholder Analysis can be used to write/fill up this item.

**Source of Information:** The Project Formulator refers to the following documents to write/fill up this item and to understand the project appraisal points.

- Feasibility study report (DPP Item 17.), Section 3: Market/ Demand Analysis, (d) stakeholder
- Feasibility study report (DPP Item 17.), Section 7 Human Resources and Administrative Support Analysis
- DPP of projects with similar nature.

**Samples:** The current DPP does not have a template for this item, and the Handbook proposes the following table as a sample template.

	<b>Stakeholder of the projects</b>	<b>How to involve them in the project</b>
<b>1</b>	Private Sector	
<b>2</b>	Local Government	
<b>3</b>	NGOs	
<b>4.</b>	Others	

## Auxiliary Guide

<b>Relevant items in DPP</b>
- 29. Private sector/local government or NGO's participation [item explained in this chapter] - 14. Background information - 15. Project Description
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 3 Market/ Demand Analysis, (d) Stakeholder - Section 7 Human Resources and Administrative Support Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.3 Stakeholder consultation: If necessary, the concerned Ministry/Division/Agency will have to obtain the comments/views of the stakeholders including the officials of field administration and relevant field level officials at the time of formulation of the Development Project.
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
- Part II, Clarity of Logical Framework, 4. Inputs - Part VII, Evaluation Criteria, 3. Efficiency
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
- Part I Basic Information, A. Review of the Logical Framework - Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria)

## Item 30. Major Terms and Conditions of Foreign Financing

**Reference: DPP item**

**30. Major Terms and Conditions of Foreign Financing:**

### (A) Question(s) by the Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the conditionality of taking Foreign Aid for the proposed project is stated clearly.
- Where applicable, whether the Loan Agreement is attached to the DPP.
- Whether the proposed terms and conditions of the loan are practical.

### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- The conditionality stated in the foreign financing documents, e.g., Feasibility/Appraisal Report, Loan Agreement, Grant Agreement, Memorandum of Understanding (MOU), etc.\*
- If the agreement had been signed before assessing the DPP, whether the contracted document such as Loan Agreement, Grant Agreement and/or MOU.\* is attached to the DPP.
- If the agreement had not been signed before assessing the DPP, whether the draft of the Loan Agreement, Grant Agreement and/or MOU.\* is attached to the DPP

\* The title of the document may vary from one party to another, e.g., “Foreign Financing Commitment Letter”.

### (C) Reference

**Source of Information:** The Project Formulator refers to the following foreign financing documents\* to write/fill in this item and understand the project appraisal points.

- Feasibility/Appraisal Report
- Loan Agreement
- Grant Agreement
- Memorandum of Understanding (MOU)

**Sample:** Next Table provides inadequate and adequate case examples. The Project Formulator in project formulation avoids the former case and follows the latter case.

Inadequate case <sup>(1)</sup>	Points to be revised	Adequate case
i) The maximum commitment charge /rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one per cent (1/2 of 1%) per annum. ii) The service charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one per cent (3/4 of 1%) per annum.	→ The source of information should be mentioned. → The (draft) agreement is attached.	<ul style="list-style-type: none"> <li>• The maximum commitment charge rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one per cent (1/2 of 1%) per annum. (Article XXX)</li> <li>• The service charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one per cent (3/4 of 1%) per annum. (Article XXX)</li> <li>• The (draft) Agreement is attached as Appendix XXX.</li> </ul>

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 30. Major Terms and Conditions of Foreign Financing [item explained in this chapter]</li> <li>- 6.1 Mode of Financing with Source</li> <li>- 6.2 Year wise Estimated Cost</li> <li>- 9. Estimated Cost Summary</li> <li>- 22. Annual phasing of cost (Annexure V)</li> <li>- [Attachment] Copy of Loan Agreement/ Grant Agreement/ Memorandum of Understanding</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>- No specific section</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 7.1 For securing foreign funding for Investment and Technical Assistance Projects, the sponsoring Ministry/Division will prepare a Preliminary Development Project Proposal (PDPP) (ANNEXURE- DA/সংযোজনী ড) and submit it simultaneously to the Economic Relations Division (ERD) and the Sector Division of the Planning Commission. Notwithstanding or irrespective of the size or cost of the proposed project, the Sector Division of the Planning Commission, after 10 (10) days of receipt of the PDPP from the Ministry/ Division, will finalize its comments regarding acceptability of the project and obtain the approval of the Minister/State Minister for Planning and communicate the views/ "in-principle" approval of the project simultaneously to ERD and inform the sponsoring Ministry/Division.</li> <li>- 7.3. ERD will negotiate with the development partners for foreign funding only for those projects /programmes which have been formally approved or approved in-principle. DPP /TAPP for the foreign funded project will be prepared only after receipt of positive indication from the development partners through the ERD. ERD will ensure the involvement of the sponsoring Ministry/ Division, the Sector/Division of the Planning Commission and the Agency in all stages of negotiations starting from initial discussions up to final negotiation with the development partner so as to keep all parties posted with latest developments on the status funding for the project. The concerned Ministry/Division /Agency will prepare the DPP/TAPP on the basis of information made available by the development partners during the stage of finalization of the funding documents (Feasibility/Appraisal Report, Loan/Grant Agreement/MOU etc.) for the project.</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Compliance A: A-3: Foreign Financing</li> <li>- Part VII Evaluation Criteria, 1. Relevance, (2) Financing Sources</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Readiness Check, B: Confirming Compliance Check, B-1 Compliance to the procedure, 3. Foreign Financing: Grant/Loan</li> <li>- Part II Relevance to the Sector Planning and Budgeting, 2. Relevance of the project with project with budgetary resources</li> </ul>
<b>Relevant Documents</b>
<ul style="list-style-type: none"> <li>- Economic Relation Division (ERD) Handbook</li> </ul>

## Item 31. Involvement of Compensation, Rehabilitation/Resettlement issues

**[NOTE] The Special Topic 2 [Social and Environmental Analysis] (Annex 2) of this Handbook explains the issue of resettlement further.**

Reference: DPP item

### **31.0 Involvement of Compensation, Rehabilitation/ Resettlement**

(Indicate the magnitude and cost, if applicable)

#### **(A) Question(s) by the Project Assessor/ Appraiser**

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the project requires land acquisition. If yes, are the availability, quantity and the category of the land to be acquisitioned stated clearly.
- For projects requiring land acquisition, whether the prevailing market price from the office of the concerned Deputy Commissioner is stated and attached to the DPP.
- Whether the photograph and/ video of the land before preparing the proposal is collected and preserved, to ascertain the previous condition /situation of the proposed land.
- Whether the project involves Resettlement/ Rehabilitation. If so, is the compensation estimated appropriately following the Acquisition and Requisition of Immovable Property Act, 2017.

#### **(B) Answer(s) by Project Formulator**

The Project Formulator provides the following information to answer the question(s) (A).

- When land acquisition is required,
  - The information of availability, location, category, size, and price of land to be acquired should be mentioned in the DPP;
  - A certification from DC office regarding the price of land is obtained and attached to the DPP; and
  - The volume of project-affected people (PAPs).
- The volume of rehabilitation, including the location, category, number and cost per unit
- The volume of compensation, taking into account the market value of the property, any standing crops or trees, structure, and earnings, and including a sum of fifty per cent of such market value in consideration of the compulsory nature of the acquisition
- The photograph and/ video of the land before preparing the proposal
- Land Acquisition Processing Plan/ Land Acquisition Management Plan
- Rehabilitation Plan/ Resettlement Action Plan

#### **(C) Reference**

**Source of Information:** The Project Formulator refers to the following documents to write/fill in this item and to understand the project appraisal points.

- Acquisition and Requisition of Immovable Property Act, 2017
- Acquisition and Requisition of Immovable Property Ordinance, 1982 (still applicable for acquisition cases undertaken before September 21, 2017.)

- Immovable Property Acquisition Manual 1997\*
- Land Management Manual, 1991
- Land Administration Manual, 2014
- Chittagong Hill Tracts (Land Acquisition) Regulation 1958
- Chittagong Hill Tracts (Land Acquisition) Regulation (Amendment) Act, 2019

**Sample:** Next Table provides inadequate and adequate case examples.

Inadequate case <sup>(1)</sup>	Points to be revised	Adequate case
Resettlement will be involved. About 800 households might be affected, and Taka 1705.00 lakh has been provided in the budget for resettlement.	<ul style="list-style-type: none"> <li>← Information on the land acquisition is missing.</li> <li>← Land price certificate should be attached.</li> <li>← Information of compensation is missing</li> <li>← Resettlement Action Plan should be attached.</li> </ul>	<ul style="list-style-type: none"> <li>• Land will be acquired.</li> <li>• The following table shows the location, category, size, and price, and total budget to acquire the land.</li> <li>• The price of land is certified by the Deputy Commissioner, (Attachment XXX).</li> <li>• Resettlement will be involved.</li> <li>• The following table shows the location, category, number, compensation and total budget for resettlement.</li> <li>• Land Acquisition Processing Plan/ Land Acquisition Management Plan is attached. (Attachment XXX)</li> <li>• Rehabilitation Plan/ Resettlement Action Plan is attached. (Attachment XXX)</li> </ul>

## Auxiliary Guide

<p><b>Relevant items in DPP</b></p> <ul style="list-style-type: none"> <li>- 31. Involvement of Compensation, Rehabilitation/Resettlement issues [item explained in this chapter]</li> <li>- 9. Estimated Cost Summary</li> <li>- 10. Logical Frame (INPUT)</li> <li>- 25. The effect/impact, adaptation, and specific mitigation measures, 25.2 environmental sustainability (EIA document)</li> </ul>
<ul style="list-style-type: none"> <li>- Attachment: Certificate from the concerned Deputy Commissioner</li> <li>- Attachment: Acquisition Processing Plan/ Land Acquisition Management Plan</li> <li>- Attachment: Rehabilitation Plan/ Resettlement Action Plan</li> </ul>
<p><b>Relevant sections in Feasibility Study [If applicable]</b></p> <ul style="list-style-type: none"> <li>- Section 4: Technical/ Technological &amp; Engineering Analysis, (a) Location</li> <li>- Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis, 5.1 Environmental, Climate Change and Disaster Risk Analysis (f) resettlement</li> </ul>
<p><b>Relevant paragraphs in Green Book 2022</b></p> <ul style="list-style-type: none"> <li>- 1.1.8.2: Justification for preparing the cost estimates: (e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants) and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project</li> <li>- 1.4 Generally, acquisition of land will have to be avoided for Development Projects. For projects requiring acquisition of land, information about quantity of the land to be acquisitioned, availability of land and prevailing market price along with the <u>Certificate from the concerned Deputy Commissioner</u> in this regard, will have to be obtained and attached with the DPP. For ascertaining the previous condition /situation of the proposed land, it will be necessary to collect and preserve the photograph and/ video of the land before preparing the proposal.</li> <li>- 21.8 Projects involving acquisition of more than 20 acres of land shall have to be submitted to the ENCEC meeting for consideration and approval, irrespective of their estimated cost estimate. But if it becomes necessary to transfer/lease land through inter-ministerial adjustment for the time being without acquisition of land, then it should be processed following the provisions of the "Immovable Property Acquisition Manual 1997".</li> </ul>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p> <ul style="list-style-type: none"> <li>- Compliance Check B, B-1: Land</li> <li>- Compliance Check B, B-2: Rehabilitation/Resettlement</li> <li>- Part III Land Acquisition, and Rehabilitation/ Resettlement</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p> <ul style="list-style-type: none"> <li>- Readiness Check, B. Confirming Compliance Check, B-2: Compliance to the relevant regulations, 1. Land Acquisition and Rehabilitation/ Resettlement</li> <li>- Part V Review of Evaluation Criteria, 4. Impact</li> </ul>
<p><b>Reference/ Relevant documents</b></p> <ul style="list-style-type: none"> <li>- World Bank (2022) Bangladesh Land Acquisition Diagnostic Review</li> <li>- Acquisition and Requisition of Immovable Property Act, 2017</li> <li>- Immovable Property Acquisition Manual, 1997</li> <li>- Chittagong Hill Tracts (Land Acquisition) Regulation (Amendment) Act, 2019</li> </ul>



## Item 32. Risks Analysis and Mitigation Measures

Reference: DPP item

### 32. Risk Analysis and Mitigation Measures (Identify risks during implementation & operation)

#### (A) Question(s) by the Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

[For both the project implementation stage and the operation stage]

- Whether the risks (internal conditions and external conditions) are identified;
- Whether the mitigation measurements of risks (internal conditions) are identified, and incorporated into the activities of the project; and,
- Whether the risks, which cannot be controlled by the project (external conditions), are explained in the column “*Important Assumptions*” of the Logical Framework (Item 10.0).

#### (B) Answer(s) by the Project Formulator

The Project Formulator provides the **Risks and Mitigation Measures** to answer the question(s) (A), in the following aspects: Institutional, Financial and Organizational/Technical, environmental and climate change, aspects of each stage.

The Formulator explains two conditions/situations under this item:

- Risks and mitigation measures thereof **in the project implementation stage**; and
- Risks and mitigation measures thereof **in the operation and maintenance stage**.
- **Institutional aspect:** the condition of policy & plan, law, rules, and guidelines
- **Financial aspect:** the cost and source, and financial capacity and management.
- **Organizational/ Technical aspect:** manpower and their required skills and qualifications.
- **Environmental and Climate change aspect:** the changes in natural environment climate change

**Memo:** The risks associated with climate change, disasters & environment are explained in the GED- DPP Manual, page 83.

#### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points. It is important to distinguish two risks: internal and external risks.

- Internal risks are the risks which the Project and Implementing Agency **can** manage.
- External risks are the risks which the Project and Implementing Agency **cannot** manage.
- The following table presents the basic steps for Risk Analysis:

	Step	Key elements
1	Identify the risk	Are we sure that this is a risk & not a constraint?
2	Assess the impact of the risk	Will the risk have a negative impact on the project (output/cost/time)?
3	Evaluate the probability of the risk occurring	Is the probability significant?
4	Prioritize and assess the value of the risk	Value = Probability x Impact
5	Develop the optimum	Risk Management Strategy
6	Evaluate the ownership of the risk	Who can effectively control/manage the risk?

Source: SPIMS (2017) Guidance for CBA trainers

**Source of Information:** The Project Formulator refers to the following documents to write/fill in this item and to understand the project appraisal points.

- Operation and Maintenance Plan/ Exit Plan is attached at DPP Item 13. “After project completion” and item 33.1 Sustainability of the Project Benefit with Exit Plan.
- The risks and mitigation measures could be found as the lessons learnt from completed projects of similar nature. So, the Project Formulator may refer to the IMED’s Annual Report on Completed Projects and Project Evaluation Reports.
- Chapter for Risk and Assumption in Sector Strategy Paper (if available).

**Sample:** The current DPP does not have a template for summarized information on Risk and Mitigation Measures, and the Handbook proposes the following table as a sample template.

**Summary of Risk Management Plan**

	Aspects for Risks	Condition	Project Implementation Stage		Operation and Maintenance Stage	
			Risks	Mitigation Measures	Risks	Mitigation Measures
1	Institutional Aspects	Internal				
		External				
2	Financial Aspects	Internal				
		External				
3	Organisational/ Technical Aspects	Internal				
		External				
4	Environmental and Climate change aspects	Internal				
		External				

## Auxiliary Guide

<b>Relevant items in DPP</b>
<ul style="list-style-type: none"> <li>- 32. Risk Analysis and Mitigation Measures [item explained in this chapter]</li> <li>- 10. Logical Frame (Important Assumptions)</li> <li>- 25. The effect/impact, adaptation and specific mitigation measures</li> </ul>
<b>Relevant sections in Feasibility Study [If applicable]</b>
<ul style="list-style-type: none"> <li>-Section 3: Market Demand Analysis (f) SWOT analysis</li> <li>-Section 5: Environmental Sustainability, Climate Resilience and Disaster Risk Analysis</li> <li>-Section 9: Risk (uncertainty) and Sensitivity Analysis</li> </ul>
<b>Relevant paragraphs in Green Book 2022</b>
<ul style="list-style-type: none"> <li>- 1.1.7 (a) Considering the results and experience of similar projects implemented earlier or under implementation at present to determine plan and strategy for mitigating the possible risks of the proposed project, (b) For taking up projects to be implemented in phases, considering the results and recommendations of the completed project, the recommendations of IMED Project Completion Report and providing a comparative picture of the possible results of the next phase of the proposed project;</li> <li>- 1.1.10 Making the project results sustainable: <ul style="list-style-type: none"> <li>(a) Furnish specific information /plan relating to maintenance and operation of the institutions /infrastructure created under the completed project and all necessary information for its institutionalization and sustainability (Exit Plan);</li> <li>(b)Detailed Plan for the use of the equipment, furniture and vehicles procured under the development project/programme after the completion of the project/programme should be stated in the DPP Check whether nominal /current or real/constant prices have been used to calculate the future O&amp;M funding needs</li> </ul> </li> <li>- 1.1.8.2 Justification for preparing the cost estimates: (d) Identification of possible risks during project implementation (economic, technical, environmental, the impact of climate change and disaster, etc.) and mitigation measures thereof</li> </ul>
<b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b>
<ul style="list-style-type: none"> <li>- Part VII Evaluation Criteria, 3 Efficiency (4) Risks during project implementation, (5) mitigation measures, and 6. Risks and Mitigation Measures during Operation after project completion</li> </ul>
<b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b>
<ul style="list-style-type: none"> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 3. Efficiency, 6. Risks</li> </ul>
<b>Reference/ relevant documents</b>
<ul style="list-style-type: none"> <li>- GED, GOB (2014) DPP Manual</li> </ul>



### Item 33. Other Important Issues

Reference: DPP item

#### 33. Other Important Issues (Technical or others):

33.1 Sustainability of the Project Benefit with Exit Plan

#### (A) Question(s) by Project Assessor/ Appraiser

The Project Assessor/Appraiser examines this item from the following perspectives.

- Whether the Operation and Maintenance (O&M) Plan/ Exit Plan is prepared.
- Whether the responsible organization/group of O&M is identified.
- Whether the organizational setup (organogram) for O&M is identified/developed.
- Whether the technical requirements for O&M are identified.
- Whether the implication of the recurrent budget for O&M is identified/determined.
- Whether the cost and manpower required for O&M are sufficient to provide the services adequately by comparing these with similar facilities presently under operation.
- Where the capacity for O&M is developed under the proposed project. If so, the budget for capacity development is proposed in the DPP.

#### (B) Answer(s) by Project Formulator

The Project Formulator provides the following information to answer the question(s) (A).

- Organizational arrangement (organogram and manpower for O&M)
- Technical capacity
- Financial capacity (Cost for O&M and financing plan)
- Schedule of maintenance

The table below shows possible sub-questions and corresponding answers.

	Topics	(A) Questions	(B) Answers
1	O&M Management Responsibility	- Whether the responsible group/organization for O&M already exists, or is expected to be newly formed.	- The identification of the organization for O&M
2	Organizational Structure a. If the organization for O&M already exists	- whether the existing group/organization is ready to cope with the O&M for the project - whether additional manpower is needed.	- organizational arrangement of organization for O&M - additional manpower needed for O&M
	b. If the organization for O&M is newly formed to specifically conduct O&M for the project	- Whether the formulation is part of the project scope and activities.	- The plan to formulate the organization for O&M during project implementation
3	Government involvement in O&M (When applicable)	- Whether specific responsibilities to be borne by the government are identified.	- Specific responsibilities to be borne by the government
4	Required Technical Aspects a. If the organization for O&M already	- Whether the existing organization for O&M have the readiness to cope with the technical requirements for conducting	- Technical capacity of an existing organization

	Topics	(A) Questions	(B) Answers
	exists	O&M?	
5	b. If the organization for O&M is newly formed to specifically conduct O&M for the project	- Whether technical training or manpower appointment activities are included as part of the project.	- The plan to develop the capacity of a newly proposed organization during project implementation
6	O&M Budget Source	- Where the O&M budget comes from. - Whether the budget is secured.	- Source of O&M budget

### (C) Reference

**Tips:** While filling up this item, the Project Formulator considers the following points.

- The Project Formulator explains the O&M plan briefly in item 13. and in detail in item 33.1.
- O&M Plan may be prepared as a part of Feasibility Study (DPP Item 17.0).
- When the project requires Direct Recruitment for project implementation, the Project Formulator provides the information on whether the newly recruited officers and employees under the project would be transferred to, or continue to work under the revenue budget.
- Currently, there is no specific guidance or formula to estimate the requirement of O&M manpower. Hence, the table in Annexure II of the DPP can be used to formulate the manpower required for O&M.

### Auxiliary Guide

<b>Relevant items in DPP</b>
- 33.1 Sustainability of the Project Benefit with Exit Plan [item explained in this chapter] - 13. After completion, whether the project needs to be transferred to the revenue budget - 18. Financial and Economic Analysis - [Attachment] Exit Plan/ Operation and Maintenance Plan
<b>Relevant sections in Feasibility Study [If applicable]</b>
- Section 7: Human Resources and Administration Support - Section 8: Institutional and Legal Analysis
<b>Relevant paragraphs in Green Book 2022</b>
- 1.1.10 Making the project results sustainable: (a) Furnish specific information /plan relating to maintenance and operation of the institutions /infrastructure created under the completed project and all necessary information for its institutionalization and sustainability (Exit Plan); (b)Detailed Plan for the use of the equipment, furniture and vehicles procured under the development project/programme after the completion of the project/programme should be stated in the DPP Check whether nominal /current or real/constant prices have been used to calculate the future O&M funding needs
- 3.1.1(2) The project proposal should not be considered on a stand-alone basis, rather should be examined /considered taking into account detailed and thorough review of the other on-going/proposed projects of the concerned Sector and the sponsoring Ministry/Division, the MTBF ceiling and overall condition etc. of the sponsoring Ministry/ Division, linkage of the proposed project with the national and sectoral priority, capacity of the implementing agency in implementation of projects, <u>pressure on the operating budget after project completion</u> and the justification about the duration of the project. Processing of a project

<p>without confirmation of funding should be avoided.</p> <ul style="list-style-type: none"> <li>- 3.1.1(3) Proposal for procurement of vehicles and equipment will have to be considered taking into account the overall present condition of the vehicles and equipment procured under the operating and development budget, <u>consistency with manpower and their use and the recommendation of the Committee for determination of manpower</u>. In addition, matters relating to the use, <u>maintenance and repair of the vehicles and equipment</u> after completion of the project will have to be reviewed and examined thoroughly.</li> <li>- 3.1.1(9) Maximum 8% of the estimated total cost of the project may be kept for price contingency and for physical contingency maximum 2% of the estimated cost of physical items can be provided (Details at paragraph 1.1.8.3) However, for providing allocations in these two categories, the PEC needs to take the decision considering the nature and scope of the project in the PEC meeting.</li> <li>- 3.1.4 At the time of examining the estimated cost and component wise cost of the project it has to be seen side by side if the specification, design, basis for cost estimation, the Public Procurement Act,2006 and the Public Procurement Regulations 2008 have been reflected properly in the project proposal.</li> </ul>
<p><b>Relevant parts in Ministry Assessment/ Ministry Assessment Format (MAF)</b></p> <ul style="list-style-type: none"> <li>- Part VI Cost Benefit Analysis</li> <li>- Part VII Evaluation Criteria, 5. Sustainability</li> </ul>
<p><b>Relevant parts in Sector Appraisal/ Sector Appraisal Format (SAF)</b></p> <ul style="list-style-type: none"> <li>- Part III Relevance to Manpower, 3 Manpower during operation and maintenance (O&amp;M)</li> <li>- Part IV Relevance to Costing, 4. Cost estimation for operation and maintenance</li> <li>- Part V Review of Assessment Results Conducted at Ministry/Division (Evaluation Criteria), 5. Sustainability, 6. Risks</li> </ul>
<p><b>Reference/ Relevant Documents</b></p> <ul style="list-style-type: none"> <li>- Operation and Maintenance Policy or Plan of the relevant Sector/ facilities</li> </ul>



**Item 34. Others, If any**

## Annex 1

### Special Topic 1: Logical Framework

This note explains the basic concepts of 1) a project, 2) a Logical Framework (named “Logical Frame” in the DPP), and 3) how the Project Formulator uses the Logical Framework to formulate the project, and 4) how the project assessor uses the Logical Framework to evaluate the project. This note also briefly touches on the contents and functions of the Sector Strategy Paper.

DPP item 10 specifies the format for Logical Framework for DPP as follows.

10. Logical Frame:

(i) Planned date of project commencement :

(ii) Planned date of project completion :

Narrative Summary	Objectively Verifiable Indicators (OVI)	Means of Verifications (MOV)	Important Assumptions (IA)
Goal			
Objective/ Purpose			
Output			
Input			

# 1. What is a project: a conceptual framework of a project

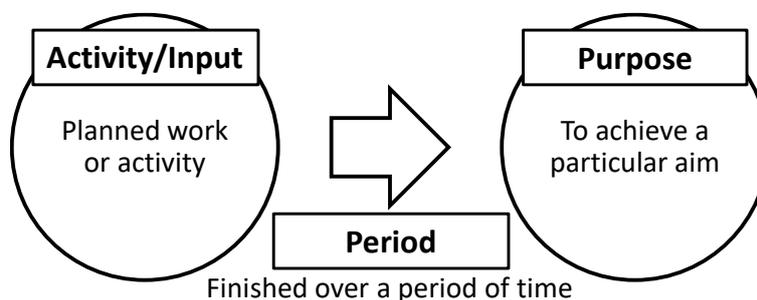
## 1.1 Definition of a Project

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

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

From this definition, the key elements of the project are identified as below (Figure A1-1):

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



**Figure A1-1: Concept of the Project in General**

The implementation stage of a project has a **“planned”** causal relationship starting from input to Project Purpose. The result of the project can reach further outcomes. The causal relationship can be illustrated in the next phases: 1) Inputs, 2) Activities, 3) Outputs, 4) Project Purpose, and 5) Project Goal. Figure A1-2 shows the causal relationship of the project and the explanation of each phase.

Project Period	Start			End	After completion				
Phases	Inputs	→	Activities	→	Outputs	→	Project Purpose	→	Project Goal
Description	Resources required to materialize the <b>Activities</b> of the project		Interventions aiming to produce the <b>Outputs</b> of the project.		Components to achieve the <b>Project Purpose</b> .		Results of the project, expected to be achieved at the time of project completion*		Results of the project, expected to be reached, 2 to 3 years after the <b>Project Purpose</b> is achieved**

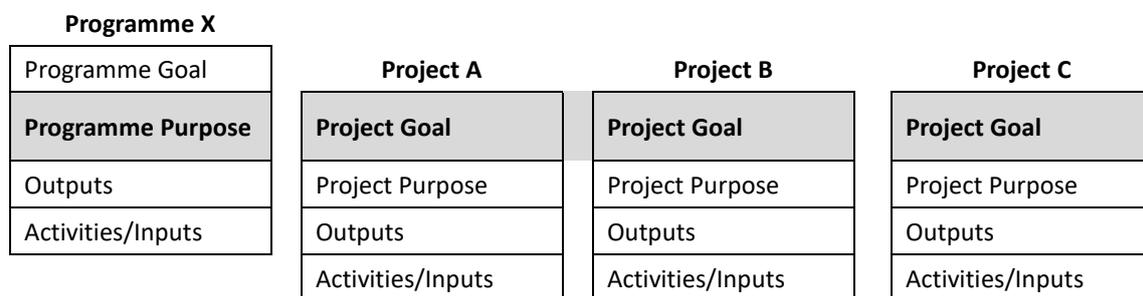
\* Outcome of the project: The short-term effects that the beneficiaries obtain using the Outputs should be captured as a project purpose.

\*\* Impact of the project: The longer development effects aligned with the short-term and medium-term effects can be captured as a goal.

**Figure A1-2: Causal Sequence of the Project**

## 1.2 Context of Project within Programme

Conceptually, **the level of the Project Goal can be consistent with the level of the Programme Purpose.** Public investment is generally managed under three levels of hierarchy: 1) development policy and/or plan; 2) development programme; and 3) project. Figure A1-3 and Figure A1-4 explain the linkage between a development programme and public investment projects in the **causal relationship**, and the vertical logic among development policy, programme and public investment project, respectively. It is noted that the project should always be a part of an overall framework under development policies and programmes, and one of the necessary elements to contribute to the goals or targets for the policy or programme. To achieve a certain development programme goal, other elements may include recurrent activities by the government, private investments, joint investment (such as Public-Private-Partnership) and people's contributions.



**Figure A1-3: Linkage between Programme and Project in Causal Relationship**



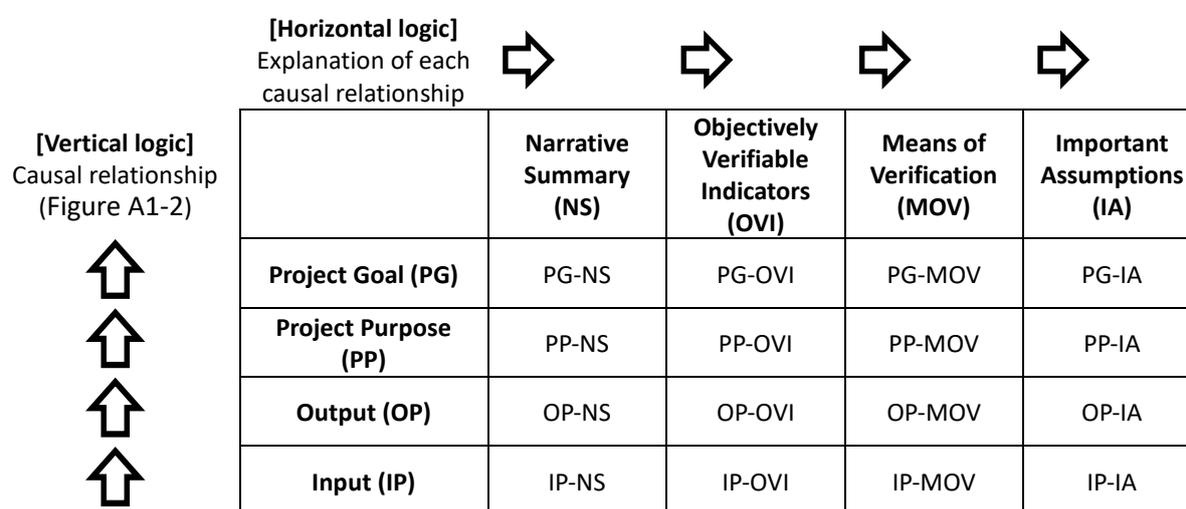
**Figure A1-4: a rough image of vertical logic among policy, programme and project**

Note: The Programme X and Project A, B, and C in Figure A1-3 and Figure A1-4 are related to each other.

## 2. What the Logical Framework of the project is: conceptual framework and logic of Logical Framework

### 2.1 Conceptual framework

“Logical Framework” shows the project’s “Causal relationship” (6) with targets in a four-by-four matrix. The vertical logic is the phases of causal relationships: 1) Project Goal (PG); 2) Project Purpose (PP); 3) Outputs (OP); and 4) Inputs/Activities (IP). The horizontal logic is the explanation of each phase: 1) Narrative Summary (NS); 2) Objectively Verifiable Indicators (OVIs); 3) Means of Verification (MOV); and 4) Important Assumptions (IA). Thus, the vertical logic should show the causal relationship and maintain the intervention logic from the project inputs/activities to Project Goals. The information in the horizontal logic supports the understanding of vertical logic by providing their respective description, clear indicators, means to obtain the indicators, and possible key factors that may negatively impact the project. Figure A1-5 illustrates the overview of Logical Framework.



Source: Item 10. of the DPP

Figure A1-5: Structure of Logical Framework

Table A1-1 and Table A1-2 show the definition and checkpoints of each stage in the vertical logic. Project Formulator, Assessor and Appraiser use the same checkpoints to review the statement of each component.

Table A1-1: Definitions of each component of the vertical logic in Logical Framework

Components	Definition/Description	Checkpoints
1 Project Goal	Results of the project, expected to be reached, 2 to 3 years after the Project Purpose is achieved	<ul style="list-style-type: none"> <li>✓ Are they achievable after project completion as its outcomes?</li> <li>✓ Are they too ambitious? Too much to say it is contributed from the project?</li> </ul>
2 Project Purpose	of the project, expected to be achieved at the time of project	<ul style="list-style-type: none"> <li>✓ Is it the achievable point at the completion of the project?</li> </ul>

Components	Definition/Description	Checkpoints
	completion	
3 Outputs	Components to achieve the Project Purpose.	<ul style="list-style-type: none"> <li>✓ Are they divided into critical components?</li> <li>✓ Are they not duplicated with each other?</li> </ul>
4 Inputs	<p>[Activities] Interventions aiming to produce the Outputs of the project.</p> <p>[Inputs] Resources required to materialize the Activities of the project</p> <p>[Cost] Estimation of costs/ financial requirements by input and/or activity</p>	<p>[Activities]</p> <ul style="list-style-type: none"> <li>✓ Alignment of activities and work</li> <li>✓ Technical aspects of conducting activities</li> <li>✓ Timing of inputs required</li> </ul> <p>[inputs]</p> <ul style="list-style-type: none"> <li>✓ Manpower formulation</li> <li>✓ Adequate material, equipment, machinery</li> <li>✓ Technical expertise</li> </ul> <p>[Cost]</p> <ul style="list-style-type: none"> <li>✓ Consistency with the various cost estimations attached in the DPP</li> </ul>

**Table A1-2: Definitions of each component of the horizontal logic in Logical Framework**

Components	Description	Checkpoints
1 Narrative summary (NS)	A concise statement of the achievement in each element of vertical logic of the Logical Framework: The narrative summary identifies the hierarchy of results in the project hypothesis, from the lowest level result to the highest-level result, as well as the activities and other resources applied to achieve them.	<ul style="list-style-type: none"> <li>✓ Is it expressed in a plain sentence, without logical relations within itself?</li> </ul>
2 Objectively Verifiable Indicator (OVIs)	The indicator to measure the results of achievement: Indicators measure a particular dimension or characteristic of a result in the Logical Framework. They are the basis for observing progress toward that result. The indicators are explained with SMART value ( <i>Specific, Achievable, Measurable, Relevant, and Time-bond</i> ).	<ul style="list-style-type: none"> <li>✓ Are they quantified?</li> <li>✓ Are they measurable?</li> <li>✓ Do they measure what the Narrative Summary aims?</li> <li>✓ Do they cover all aspects of the Narrative Summary?</li> </ul>
3 Means of Verification (MV)	A data source that specifies where the data for the proposed indicator comes from Data sources which specify precisely where the indicator data will come from and when it will be collected.	(For Purpose & Outputs) Are they verifiable within the project scope?

Components	Description	Checkpoints
4 Important Assumptions (IA)	The critical factors uncontrollable by the project that could affect the achievement of the project's planned result: The project's hypothesis statement is reflected in the narrative summary. It is supported by Assumptions, which are the most critical factors <b>uncontrollable by the project</b> that could affect the achievement of the project's planned results and have implications for the project's hypothesis.	<ul style="list-style-type: none"> <li>✓ As specific as possible</li> <li>✓ To what extent the project will be affected?</li> </ul>
	[Precondition] Important assumptions that have to be considered <b><i>before the project starts its implementation</i></b>	[Precondition] <ul style="list-style-type: none"> <li>✓ As specific as possible</li> <li>✓ Uncontrollable factor</li> </ul>

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

## 2.2 Logic within Logical Framework

**The Logical Framework explains the intervention logic of the project.** Important Assumptions of the Input/ Activities, Outputs, and Project Purpose are critical factors to realize the next respective level of achievement. For example, the description of important assumptions at the output level justifies the conditions to realize the Project Purpose. They are not the conditions to implement and complete the outputs. Figure A1-6 provides the linkage between intervention levels and their important assumptions. Figure A1-7 illustrates the same linkage within the Logical Framework format. Figure A1-6 and Figure A1-7 use the same colour, showing the relationship between both figures.

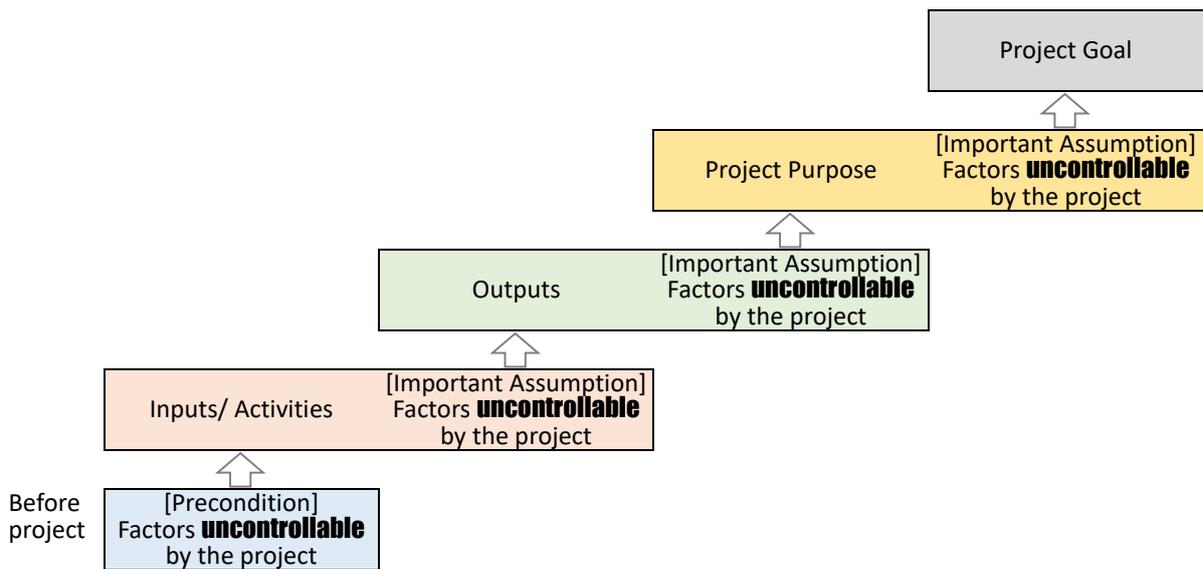


Figure A1-6: Intervention level and important assumptions

[Vertical logic]  
Causal relationship  
(Figure A1-2)

↑  
↑  
↑  
↑

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

Figure A1-7: Intervention level and important assumptions in Logical Framework Format

### 3. How Project Formulator uses the Logical Framework to formulate the project

**This chapter explains how the Project Formulator will draft the Logical Framework step by step.** It is recommended that the Project Formulator reads this chapter and the next chapter (Chapter 4) simultaneously. While this chapter explains how to write the Logical Framework, the next chapter describes how the Project Assessor/ Appraiser examines the Logical Framework. By reading both chapters and understanding the intention and aspects of the Project Assessor/ Appraiser, the Project Formulator will better understand the Logical Framework in alignment with what the Project Assessor/ Appraiser wants to get.

#### 3.1. Setting the Project Purpose and Project Goal

To find out the appropriate level of Project Purpose, the Project Formulator needs to understand the context of the concerned sector. As explained in 1.2, a public investment project does not exist independently but coexists, linking with other projects under the development budget and activities under the revenue budget.

To understand the context of the concerned sector, the Project Formulator generally reads various policy documents: Delta Plan, Five-Year Plan, Sector Policy, Master Plan, National Programme and other related documents. Suppose the concerned Sector formulated the Sector Strategy Paper (SSP). In that case, the Project Formulator is recommended to first refer to SSP, as SSP is the synthesis report of the abovementioned policy documents. Chapter 5 of this note gives a summary of SSP.

From the SSP and other policy documents, the Project Formulator has to identify the Project Purpose and the Project Goal by considering the theory of change of the concerned sector: how and to what extent the proposed project contributes to the sector development. In the case of SPP utilization, the theory of change in SSP facilitates the understanding of sector causal relationship as a whole, and the position of the project within the theory of change.

At the same time, the Project Formulator should identify the characteristics of the project beneficiaries and their benefits: demand, number, and location of the beneficiary group(s). In this regard, the stakeholder analysis is a helpful tool for the Project Formulator to identify the stakeholders, and to what extent the benefit of the project, as well as its adverse impact.

#### **[Practical Tips]**

##### For Project Purpose setting:

- Refer to the SSP document and find out where the project will contribute, starting from the sector goal and streaming down to sector outcomes and sector intermediate outcomes. It is possible to identify one or more intermediate outcomes that are strongly related to the project. If any intermediate outcomes that correspond cannot be found, the project would not be relevant for the development requirements of the Sector for Bangladesh, or the set-up of the Project Purpose may not be correct.
- References for the OVIs of the Project Purpose can also be seen from the designated sector intermediate outcomes. Intermediate outcome indicators will be strong references.

#### For Project Goal setting

- Refer to the Sector Goal and Sector Outcomes related to the Sector Intermediate Outcomes of the SSP.
- Careful consideration of the timeframe and coverage of the Project Goal in relation to the SSP is needed.
- References for the OVIs of the Project Goal can also be seen from the designated sector outcomes. Intermediate outcome indicators will be strong references.

#### For Intervention logic between Project Purpose and Project Goal

- The causal relationship between the Project Purpose and the (direct) Project Goal should be similar to the causal relationship of sector outcomes and sector intermediate outcomes.

### **3.2 Setting the Indicators, and Checking the Means of Verification for the Project Purpose and the Project Goal**

**Once the Project Purpose and Project Goal are identified, the Project Formulator sets the indicators of Project Purpose and Project Goal.** By setting the indicators, the Project Formulator reviews whether the narrative summary of the Project Purpose and the Project Goal are adequate, and modify if required.

**The Project Formulator refers to the SSP and other policy documents and finds the relevant indicators that directly explain the narrative summary of Project Purpose and goal numerically.** At the same time, the Project Formulator considers what should be a sound indicator representing the narrative summary of the Project Purpose and the Project Goal. Regarding SSP utilization, the Sector Results Framework shows the indicators linked to the description of the Theory of Change. The Project Formulator is expected to pick up the indicators from the Sector Results Framework of the right level.

**The Project Formulator considers the indicators from the beneficiaries' perspective: What difference does the project bring to the beneficiaries.** At the same time, it is necessary to remember to what extent the project has responsibility for the behavior change of the beneficiaries.

To identify and express the indicators clearly, the indicators should be composed of five **SMART** elements: 1) Specific, 2) Measurable, 3) Achievable, 4) Relevant, and 5) Time-bound.

**Before finalizing the indicators, the Project Formulator should consider how the project can obtain those indicators,** and explain in the cell “Means of Verification”. Project Formulators should consider the conditions of obtaining the indicators. If the indicators are difficult to obtain (including financial difficulties<sup>4</sup>), it may be required to re-identify the indicators. Some of the conditions to be considered are given below.

- Whether those indicators, although they seem ideal to represent the narrative summary, may not be feasible to obtain in any way. In this case, the Project Formulator should consider alternative indicators.
- If those indicators are not easy to obtain in regular activities of the proposed project,

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<sup>4</sup> Some indicators may require surveys to collect adequate information, which requires a substantial cost to conduct the survey, depending on its scale. In these cases, alternative indicators that can be collected with less cost (or even no cost) have to be considered.

additional activities may be required.

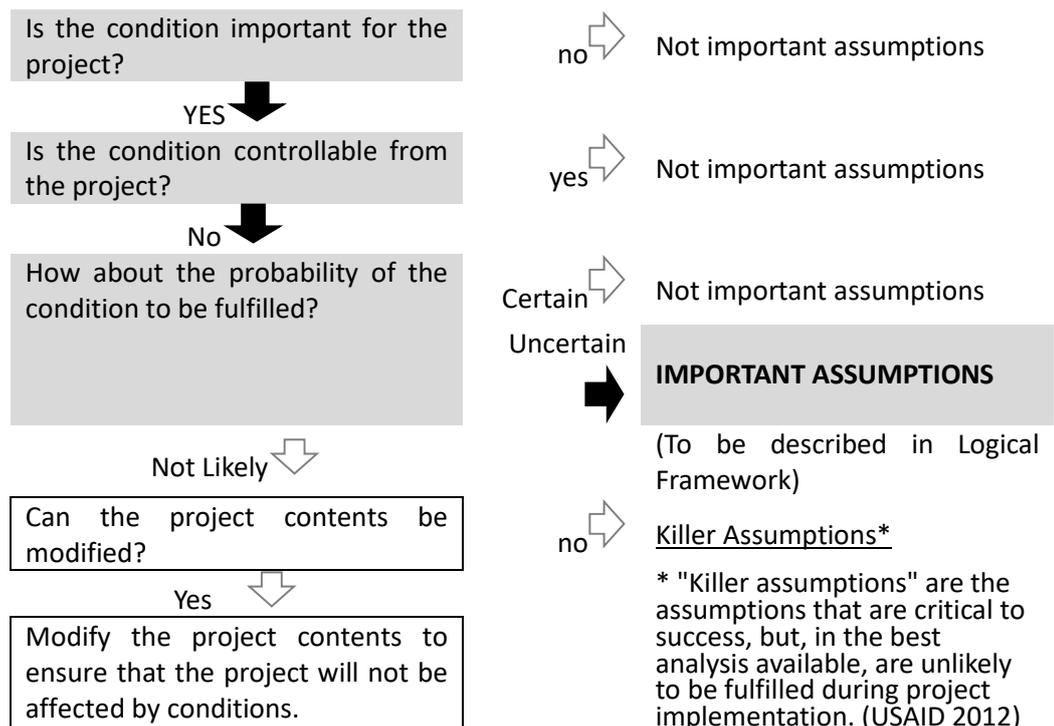
- If the project implementer needs to obtain the indicators from other institutions or projects, the Project Formulator has to know the certainty to obtain them.

### 3.3 Setting the Important Assumptions for Project Purpose and Project Goal

To complete the logic from Project Purpose to Project Goal, the project formulator examines the important assumptions at the Project Purpose level.

**The Project Formulator needs to grasp other interventions, facilities, and regular activities that may be conditioned to achieve the Project Goal.** The source of information will be the policy documents, including the SSP. In the case of the SSP, the theory of change, matrix with other projects and activities, and assumption and risk chapters assist the Project Formulator's comprehension of the said linkage.

**The Project Formulator needs to apprehend and consider important assumptions from the perspective of sustainability.** The perspective of sustainability includes the legal, organizational, human and financial capacity to operate the facilities that the project has created. The quality of the project will be evaluated from those aspects, as explained below, 4.2 of this note.



Source: Edited based on JICA 2010 Project Evaluation, USAID 2012 Technical Note: The Logical Framework

**Figure A1-8: How to identify the Important Assumptions**

In theory, the important assumptions in the level of the Project Goal level can be left blank.

#### [Practical Tips]

##### From Project Purpose to Project Goal

- Some on-going/planned projects may be assumptions to achieving the Project Goal. If so, ensure that these projects are mentioned. SSP (and MYPIP) are of solid reference, since SSP (and MYPIP) overview the achievement levels of other projects, including their target timeframe.

#### From Outputs to Project Purpose

- Depending on the logic between the Project Purpose and Outputs, other projects related to the Project Purpose achievement may be identified. In this case, observe both the other projects in a subject (DPP, if it is approved or implemented) and SSP, whether they are related to the proposed project, and it is an important assumption to achieving your Project Purpose.

### **3.4 Setting the Outputs to achieve Project Purpose, and Inputs to process the Outputs**

After completing the 3.1 to 3.3: finalizing the logic from Project Purpose to Project Goal, the Project Formulator will draft the logic from Outputs to achieve the Project Purpose, and Inputs to be processed to Outputs by following the same sequence.

Although the format of the Logical Framework does not request the description of Activities, the Project Formulator needs to consider the activities (or plan of operation) when the Logical Framework is designed. By considering the steps of activities and the time framework of steps, the Project Formulator can carefully design the timeframe of the project implementation as a whole.

In the cell of Important Assumptions of INPUT level, it is essential to keep the space to write Preconditions of the project at the bottom part.

#### **[Practical Tips]**

##### From Precondition, Inputs to Outputs

- Preconditions are uncontrollable aspects that should be considered before starting the project. “Starting the project” is after its approval.
- Practically, if we strictly follow the Logical Framework starting point. “DPP process is cleared” will not be a precondition.

### **3.5 Checking the Intervention Logic**

**The Project Formulator will check the logic, as explained in 2.2 of this note.** The logic of the Logical Framework starts at the Preconditions and ends at the narrative summary, OVIs, and Means of Verification for the Project Goal. Important assumptions link each level in the causal relationship.

The Project Formulator will take into account and write the “Preconditions” of the project. Preconditions are critical factors uncontrollable by the project that have to be considered before the project starts its implementation.

It is important among the key stakeholders: the project implementation unit, implementation agency, sponsoring Ministry/ Division, and concerned Sector Division, to understand who and to what extent each one has to take responsibility on preconditions.

#### **[Practical Tips]**

The causal relationship between the Project Purpose and the (direct) Project Goal should be similar to the causal relationship between sector outcomes and sector intermediate outcomes (If an SSP exists for that specific sector).

[NOTE]

**The elements of the projects are interdependent, and the change of one part affects other parts.** As seen in 1.1, the project comprises three elements: 1) Inputs, 2) Purpose, and 3) Period. For example, if the project is required to reduce the inputs or its cost incurred, the scope of the Project Purpose may be scaled down. If the scope of the project is enlarged, more input/costs and/or more time framework/ implementation period are required.

**Thus, the Project Formulator should consider this interdependency of the project elements.** When the Project Formulator wants or needs to change the scope, volume, amount of “an” element, the Project Formulator should comprehend the effect of this change on other elements. When necessary, the Project Formulator should review and recast the Log Frame based on the set of revised elements.

## 4. How the Project Assessor/ Appraiser uses the Logical Framework to evaluate the project.

This chapter explains how the Project Assessor/ Appraiser will evaluate the project based on the information in the Logical Framework. This information helps the Project Formulator understand how the Project Formulator’s proposed Logical Framework will be evaluated. Then, the Project Formulator can organize the Logical Framework based on the project appraisal/ assessment criteria.

The following sessions explain the contents and intentions of project assessment at the Ministry level. The project assessment at the Ministry level is conducted by using the Ministry Assessment Format. As the Ministry Assessment Format provides the common and standardized criteria on how to evaluate the project at the Ministry /Division level, the quality of the project and its DPP will be ensured. The Ministry Assessment Format has two parts directly related to the Logical Framework: Part 2, Clarity of the Logical Framework, and Part 7, Evaluation Criteria. The following paragraphs explain the contents and intentions of project assessment of these Parts, respectively. The Project Formulator is also recommended to refer to the *Manual for Project Assessment, Ministry/Division*, for further understanding.

### 4.1 Clarity of the Logical Framework (Part 2 of Ministry Assessment Format)

The main objective of Part II: Clarity of the Logical Framework is to assess the quality of information in the Logical Framework, and whether the structure of the project is correctly designed. Part II has four sub-parts and 12 assessment questions in total. Table A1-3 summarises the sub-parts and assessment questions in Part 2 of MAF.

**Table A1-3: Summary of sub-parts and assessment questions for Part II of MAF**

Sub-parts	Assessment Questions
II-1. Project Purpose	1) Is the Project Purpose in the Narrative Summary stated clearly? 2) Are the Objectively Verifiable Indicators (OVIs) for the Project Purpose set up clearly? Is the corresponding Means of Verification (MOV) set up clearly?
II-2. Project Goal	1) Is the Project Goal in the Narrative Summary stated clearly? 2) Are the OVIs for the Project Goal set up clearly? Is the corresponding Means of Verification (MOV) set up clearly? 3) Are important assumptions (external assumptions) of Project Purpose level indicated appropriately as conditions of Project Goal achievement?
II-3. Outputs	1) Are the Outputs in the Narrative Summary stated clearly? Are they properly aligned so that they are not duplicating one another? 2) Are the OVIs for each of the Outputs set up clearly? Is the corresponding Means of Verification (MOV) set up clearly? 3) Are important assumptions (external assumptions) of this level indicated appropriately as conditions of Project Purpose achievement?
II-4. Input	1) Are Project Inputs aligned clearly to achieve their Outputs? 2) Is Procurement Plan prepared adequately? 3) Manpower formulation of the project implementation [refer to DPP items 11, 12, Annexure II, Annexure III (c)] State the posts and consultants required for the project and their status within the Agency. 4) Are important assumptions and preconditions indicated appropriately as conditions for the achievement of each Output?

## 4.2 Evaluation Criteria (Part 7 of Ministry Assessment Format & Part 5 of Sector Appraisal Format)

In Part 7 of the Ministry Assessment Format, the value of the project is assessed by using the five evaluation criteria. The five criteria are as below:

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

As the Logical Framework tells the design of the project, the information of the Logical Framework is the key source of information to be evaluated. Figure A1-9 explains how the information from the Logical Framework provides references for evaluation.

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

Source: JICA Note for Project Evaluation

**Figure A1-9: Coverage of Five Evaluation Criteria in the Logical Framework**

Besides the information in the Logical Framework, project assessment refers to other information described in the DPP. Each element in the Logical Framework should be linked to other information in the DPP. In other words, the Project Formulators should be consistent with the information described in the DPP as a whole to its Logical Framework.

## 5. What the Sector Strategy Paper is, and how the government will use it.

This part explains the concept, contents and functions of the Sector Strategy Paper (SSP) by picking up the topics from “Guidelines for preparing and using Sector Strategy Papers”. \* It is recommendable to read the said guidelines for further apprehension of SSP.

\* “Guidelines for preparing and using Sector Strategy Papers” is a part of Guidelines for Strategic ADP (forthcoming).

### 5.1 Concept of Sector Strategy Paper

**The purpose of Sector Strategy Papers (SSPs)** is to reinforce FYP macro goal realization through strengthened Sector level planning, programming, budgeting and M&E, including better coordination between MDAs and introducing a sectoral dimension to project and programme selection. (Source: Guidelines for preparing and using Sector Strategy Papers)

### 5.2 Utilization of Sector Strategy Paper

SSP will offer benefits in the following areas.

- **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 Sector Results Framework (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 MDAs 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 Sector Results Framework (SRF) will provide GED, the concerned Sector Division of the PC, and MDAs 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, standardization 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 on-going Public Financial Management (PFM) reform initiatives as well as aiding resource mobilization, 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/Project Scrutiny Committee, PEC and ECNEC), and project implementation (e.g., Project Steering Committee) 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.

(Source: Guidelines for preparing and using Sector Strategy Papers)

### 5.3 Key contents of Sector Strategy Paper related to project formulation and approval

#### (1) Theory of Change

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

(Source: Guidelines for Preparing and Using Sector Strategy Papers)

#### (2) Sector Result Framework

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

(Source: Guidelines for Preparing and Using Sector Strategy Papers)

#### (3) Multi-year Public Investment Programme

Multi-Year Public Investment Programme (MYPIP) 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 the accuracy of the 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.

(Source: Guidelines for Preparing and Using Sector Strategy Papers)

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

(Source: Guidelines for Preparing and Using Sector Strategy Papers)

**[Reference]**

The next documents are the reference for Logical Framework:

- ADB (2022) Guidelines for Preparing a Design and Monitoring Framework
- JICA (2000) Guidelines for Project Evaluation
- World Bank (2005) The Log frame Handbook, a Logical framework approach to project cycle management



## Annex 2

### Special Topic 2: Social and Environmental Considerations

#### 1. Background of Social and Environmental Analysis

##### 1.1 Why is the Social and Environmental Analysis required?

The results of the Social and Environmental Analysis will support the Project Assessor/ Appraiser's understanding of the impact <sup>(1)</sup> of the project concerning **Social and Environmental Development**. The Project Assessor/ Appraiser examines the project's impacts on Social and Environmental Development. The Social and Environmental Analysis is to examine the quality of the proposed project: whether the proposed project can serve the Social and Environmental Development of Bangladesh. The results of the analysis show how this project has a positive and negative impact on society, and how the project mitigates the negative impact, if any.

Note 1: Definition of Impact: "Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended". (OECD-DAC 2002 Glossary of Key Terms in Evaluation and Results-Based Management)

##### 1.2 What is Social and Environmental Development in Bangladesh?

The National Social Protection Strategy (2015) \* presents the Social Development Framework, including Environmental issues. However, the Government of Bangladesh does not have a specific policy document for "Social Development including Environmental issues" or "Social and Environmental Development". It is said that the purpose of the Social Development Framework in the National Social Protection Strategy will be achieved through the following policies and programmes. Then, it can be assumed that the development issues stated in those policies and programmes are "Social and Environmental Development" in Bangladesh.

- The strategy for poverty reduction
- The strategy for education
- The strategy for health, nutrition and population
- The strategy for sanitation and water supply
- The strategy for inclusive finance
- The strategy for women and gender empowerment
- The strategy for social inclusion of ethnic and religious minorities
- The strategy for environmental protection and climate change management
- The strategy for disaster management
- The strategy for social security

\* Source: GED (2015) National Social Protection Strategy

It can be considered that Sustainable Development Goals (SDGs) give the globally agreed overall framework of social development. The list of SDGs is show in the box below.

- Goal 1. End poverty in all its forms everywhere
- Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3. Ensure healthy lives and promote well-being for all at all ages
- Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5. Achieve gender equality and empower all women and girls
- Goal 6. Ensure availability and sustainable management of water and sanitation for all
- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10. Reduce inequality within and among countries
- Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 12. Ensure sustainable consumption and production patterns
- Goal 13. Take urgent action to combat climate change and its impacts
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

(Source: UN 2015 A/RES/70/1)

## 2. Social and Environmental Analysis in the DPP

Items 25.0 to 31. of the DPP explain the results/findings of each Social and Environmental Analysis. The following table shows the purpose of each analysis with reference to which document the user of this handbook will refer to find more instruction and information. The page number in parentheses is the reference page in the DPP Manual 2014 prepared by the GED.

Item Number and Description		Purpose of each analysis	Reference/ Tools
25. The effect/ impact and specific mitigation measures	(i) Other projects/ existing installations	To identify overlap and complementarity between the proposed project and others.	<ul style="list-style-type: none"> <li>• DPP Manual (page 59)</li> <li>• Upazila Development Plan</li> <li>• City Cooperation, and/or Paurashava Development Plan/ Master Plan</li> </ul>
	(ii) Environmental sustainability like land, water, air, bio-diversity, ecosystem service	To identify the environmental impact and comply with environmental safeguard	<ul style="list-style-type: none"> <li>• DPP Manual (pages 60- 69)</li> <li>• IEE report and EIA report (if applicable*)</li> <li>• Relevant Legal documents</li> </ul> <p><u>*If the project is "Red Category", the EIA report is attached to the DPP.</u></p>
	(iii) Disaster management, climate change	To identify the impact of climate change to the project and the impact of the project on climate change adaptation and mitigation	<ul style="list-style-type: none"> <li>• DPP Manual (pages 69-72)</li> <li>• Risks Associated with Climate Change in Bangladesh (Table 11, page 70)</li> <li>• Planning Commission (Forthcoming) DIA Framework</li> </ul>
	(iv) Gender, women, children, person with special needs, excluded groups, etc.	To identify the vulnerability of gender, women, children, person with special needs, excluded groups	<ul style="list-style-type: none"> <li>• DPP Manual (pages 73- 75)</li> <li>• Gender Responsive Guidelines for Development Projects (appendix)</li> <li>• Child Equity Atlas</li> </ul>
	(v) Employments	To identify the impact on existing and new employment To identify the vulnerability of project workers <sup>5</sup>	<ul style="list-style-type: none"> <li>• DPP Manual (pages 74-75)</li> <li>• BBS: Household Income and Expenditure Survey Report</li> <li>• ILO: Decent Work Country Profile<sup>6</sup></li> </ul>
	(vi) Poverty situation	To identify the impact on poverty situation in the location of the proposed project	<ul style="list-style-type: none"> <li>• DPP Manual (pages 76)</li> <li>• BBS: Household Income and Expenditure Survey Report</li> <li>• Poverty Mapping</li> </ul>
	(vii) Organizational arrangement/ setup	To identify the impact of the proposed project on the organizational arrangement/ setup	<ul style="list-style-type: none"> <li>• DPP Manual (p. 76-77)</li> <li>• Report on Institutional Analysis</li> <li>• Report on Stakeholder Analysis</li> </ul>

<sup>5</sup> This aspect is out of the scope in the DPP Manual. Work Bank's Environmental and Social Standard 2. Labour and Working Conditions.

<sup>6</sup> This aspect is out of the scope in the DPP Manual. [http://www.ilo.org/wcmsp5/groups/public/---deports/---integration/documents/publication/wcms\\_216901.pdf](http://www.ilo.org/wcmsp5/groups/public/---deports/---integration/documents/publication/wcms_216901.pdf)

Item Number and Description		Purpose of each analysis	Reference/ Tools
			<ul style="list-style-type: none"> <li>• Plan for Capacity Development</li> </ul>
	(viii) Institutional productivity <b>(Capacity of Stakeholders)</b>	To identify the institutional productivity of project implementation and the impact of the project on the institutional productivity	<ul style="list-style-type: none"> <li>• DPP Manual (p. 77)</li> <li>• Report on Institutional Analysis</li> <li>• Report on Stakeholder Analysis</li> <li>• Plan for Capacity Development</li> </ul>
	(ix) Regional disparity	To identify the spatial distribution of investment for regional development in the relevant sector	<ul style="list-style-type: none"> <li>• DPP Manual (p.77)</li> <li>• Five Year Plan</li> <li>• Sector Master Plan</li> <li>• Sector Strategy Paper</li> </ul>
	(x) Populations	To identify the impact of the proposed project on the volume and magnitude of population mobility	<ul style="list-style-type: none"> <li>• Resettlement Action Plan</li> </ul>
26.	Environmental Clearance	To identify the environmental impact-wise project category. To identify if the Environmental Clearance is obtained or not.	<ul style="list-style-type: none"> <li>• DPP Manual (p.77)</li> <li>• Environment Conservation Act (ECA) (Article 12, Revised 2010)</li> <li>• Environment Conservation Rules, 2023*</li> </ul> <p>[Note] <i>No project shall be undertaken, or no industry/factory will be set up in any area without obtaining, in the manner prescribed by rules/regulations, an Environmental Clearance Certificate from the DG of the Department of Environment. Article 12 - 1, ECA 2010</i></p>
27.	Specific Linkage with Delta Plan, PP, FYP, SDGs, Ministry/ Sector Priority	To identify the contribution to “Social Development” Goals.	<ul style="list-style-type: none"> <li>• DPP Manual (p.78)</li> <li>• Five-Year Plan (Result Framework)</li> <li>• GED’s SDGs mapping</li> </ul>
28.1	Contribution of the project in achieving the Vision, Mission of the Ministry/ Division and Implementing Agency (MDA)	To understand the Mission/ Vision of MDA and identify to what extent the project contributes	<ul style="list-style-type: none"> <li>• DPP Manual (p.79)</li> <li>• Mid-Term Budget Framework (MTBF)</li> </ul>
28.2	Relation of the project with the allocation of business of the Sponsoring Ministry/ Division	To understand the allocation of business, and identify whether the project is allocated within its jurisdiction	<ul style="list-style-type: none"> <li>• NOT in the DPP Manual</li> <li>• Schedule 1 of Rules of Business 1996 (Revised 2017)</li> </ul>
29.	Whether private sector/local govt. or NGO's participation was considered?	To identify the stakeholders and impact on, and influence by them	<ul style="list-style-type: none"> <li>• DPP Manual (p.81)</li> <li>• Report on Stakeholder Analysis</li> </ul>
30.	major terms and conditions of Foreign Financing	To identify the financial conditionality in case of foreign aided project <b>To Identify the gap</b>	<ul style="list-style-type: none"> <li>• DPP Manual (p.81)</li> <li>• Loan Agreement</li> <li>• Development Partners’ Project Appraisal Document</li> </ul>

Item Number and Description	Purpose of each analysis	Reference/ Tools
	<i>between GoB's and DPs' policy for social safeguards</i>	
<b>31.</b> Involvement of Compensation, Rehabilitation/ Resettlement	To identify if the project involves involuntary resettlement, how to deal with it, and comply with safeguards.	<ul style="list-style-type: none"> <li>• DPP Manual (P.81)</li> <li>• Real Property Acquisition and Reacquisition Act, 2017</li> <li>• Immovable Property Acquisition Manual 1997</li> <li>• Land Administration Manual 2014</li> </ul>

Source: SPIMS JET

\* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and approved Environmental Conservation Rules, 2023

### 3. Key Social and Environmental Safeguards

Two key Social and Environmental Safeguards will be explained in the next two sub-chapters, 3.1 and 3.2, separately, as the violation of those two safeguards causes a major impact on social and environmental development and delay of project implementation.

- 1) Safeguards for Involuntary Resettlement related to Land Acquisition; and
- 2) Safeguards for Environmental Impact.

The following table illustrates the summary of the legal framework, reference, and deliverables and contents for both safeguards.

	<b>Safeguards</b>	<b>Legal Framework</b>	<b>Reference</b>	<b>Deliverables and Contents</b>
<b>1</b>	Safeguards for Involuntary Resettlement related to Land Acquisition	<ul style="list-style-type: none"> <li>• Immovable Property Acquisition and Reacquisition Act, 2017</li> <li>• Chittagong Hill Tracts (Land Acquisition) Regulation (Amendment) Act 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Immovable Property Acquisition Manual 1997</li> <li>• Land Management Manual 1991</li> </ul>	Land Acquisition and Involuntary Resettlement Plan: <ul style="list-style-type: none"> <li>• The type and volume of land required to be acquired</li> <li>• The number of Project Affected Persons</li> <li>• The cost estimation for land acquisition</li> <li>• The cost estimation for compensation</li> <li>• Livelihood restoration activities</li> </ul>
<b>2</b>	Safeguards for Environment	<ul style="list-style-type: none"> <li>• Environment Conservation Act, 1995 (revised 2010)</li> <li>• Environment Conservation Rules, 2023</li> </ul>	A Guide to Environmental Clearance Procedure, 2010  EIA Guidelines for Industries 1997	Application for Environmental Clearance Certificate <ul style="list-style-type: none"> <li>• No Objection Certificate (NOC) from the local authority</li> <li>• Initial Environmental Examination (IEE) Report</li> <li>• Environmental Impact Assessment (EIA) Report</li> <li>• Environmental Management Plan (EMP)</li> </ul>

Source: SPIMS

#### 6. Obligation to Obtain Site Clearance and Environmental Clearance-

- (1) Before setting up new industries of yellow, orange and red categories and taking up the project, first of all, site clearance and later period environmental clearance will have to be obtained. In the case of green category, direct environmental clearance has to be taken. Also, for the industries in public or private export processing zone, economic zones or in BSCIC, environmental clearance will have to be obtained from the department.
- (2) No land development or any kind of infrastructure of any industrial establishment or project (other than green category) can be constructed without obtaining a site clearance from the Department.
- (3) Gas, electricity, water, and other necessary services cannot be taken up or received without obtaining a site clearance, and without obtaining environmental clearance, it cannot start projects in experimental production and other areas in the case of industrial establishments:
- (4) Experimental production or projects shall not be started in green, yellow, orange and red new industrial establishments without obtaining environmental clearance.

Source : Article 6, Environmental Conservation Rule 2023

### 3.1 Safeguard for Involuntary Resettlement related to Land Acquisition

This section provides the instructions, what kind of information the desk officer should write down in relevant items of DPP for land acquisition and involuntary resettlement. The DPP manual briefly explains this topic for Item 30. of the DPP on the page. 81 (Volume 1).

Principally, the Desk officer will follow Immovable Property Acquisition and Reacquisition Act, 2017 and “Immovable Property Acquisition Manual 1997”.

**In Item 31 of DPP, the Desk officer should provide the following information as a Summary of Land Acquisition and Involuntary Resettlement/ Rehabilitation Plan.** The said plan itself should be attached to the DPP as an appendix.

**Proposed contents in Item 31. as a Summary of Land Acquisition and Involuntary Resettlement/ Rehabilitation Plan,** based on information from the Immovable Property Acquisition Manual 1997, are as below:

- 1) Date of site selection
- 2) Date of public consultation
- 3) The type and volume of land required to be acquired
- 4) The number of Project Affected Persons
- 5) The cost estimation for land acquisition
- 6) The cost estimation for compensation
- 7) Livelihood Restoration activities
- 8) The information of the cost estimations, if the project obtained the cost estimations of the land acquisition (predetermined estimations) from the officer of Deputy Commissioner

**When the proposed project involves land acquisition and/or resettlement, the Agency is expected to prepare an Acquisition Processing Plan/ Land Acquisition Management Plan and Rehabilitation Plan/ Resettlement Action Plan.** The Green Book and DPP manual do not stipulate the required contents of those plans: the Land Acquisition Plan (LAP) and Resettlement Action Plan (RAP). The said plan can include the following items based on the ADB's instruction.<sup>7</sup>.

Proposed contents of the Land Acquisition Plan (LAP) and Resettlement Action Plan (RAP):

- Project Description
- Scope of land acquisition and resettlement
- Socioeconomic information and profile
- Information Disclosure, Consultation, and Participation
- Grievance Redress Mechanisms
- Legal Framework
- Entitlements, Assistance and Benefits
- Relocation of Housing and Settlements
- Income Restoration and Rehabilitation
- Resettlement Budget and Financing Plan

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<sup>7</sup> ADB 2009 Safeguard Policy Statement, Annex to Appendix 2, outlines of Resettlement Plan

- Institutional Arrangements
- Implementation Schedule
- Monitoring and Reporting

### **Background**

Green Book 2022 stipulates the following paragraphs for land acquisition and involuntary resettlement issues.

- 1.1.8.2: Justification for preparing the cost estimates: (e) information regarding the present market price of land from the appropriate authority, the existing resources (infrastructure, trees, and plants) and preparation of estimation of cost for land acquisition considering the possible time frame after approval of the project
- 1.4 Generally, land acquisition will have to be avoided for Development Projects. For projects requiring the acquisition of land, information about the quantity of the land to be acquisitioned, availability of land and prevailing market price, along with the Certificate from the concerned Deputy Commissioner in this regard, will have to be obtained and attached with the DPP. For ascertaining the previous condition /situation of the proposed land, it will be necessary to collect and preserve the photograph and/or video of the land before preparing the proposal.
- 21.8 Projects involving the acquisition of more than 20 acres of land shall have to be submitted to the ENCEC meeting for consideration and approval, irrespective of their estimated cost estimate. But if it becomes necessary to transfer/lease land through inter-ministerial adjustment for the time being without land acquisition, then it should be processed following the provisions of the "Immovable Property Acquisition Manual 1997".

To acquire land and provide compensation for involuntary resettlement, the Government officer should follow **“The Acquisition and Requisition of Immovable Property Act, 2017).”** The **Immovable Property Acquisition Manual 1997** provides detailed instructions for land acquisition. The Project Formulator needs to obtain updated land and commodity price information.

**Immovable Property Acquisition Manual 1997** contains the various forms/templates required to acquire land. Immovable Property Acquisition Manual 1997 does not explain the actions in the project formulation stage. Forms Ka and Kha of Immovable Property Acquisition Manual 1997 are the templates to estimate land and compensation, respectively, in the project implementation stage. Those formats can be utilized (actually being used) for getting the information from the local office in the project formulation process. The following figures illustrate forms Ka and Kha.

Serial No	Dag No (Note: No in RS or CS Map)	Class	Quantity of acquired land	Owner / occupier's name	No of Houses / buildings (if any)	Description of the dag*	Description of the plants (if any)	Description of the crops	Name and address of the share cropper**	Others info.	comment
1	2	3	4	5	6	7	8	9	10	11	12

\* (if the class of the dag is pond)

\*\* (if the standing crops cultivated by sharecroppers)

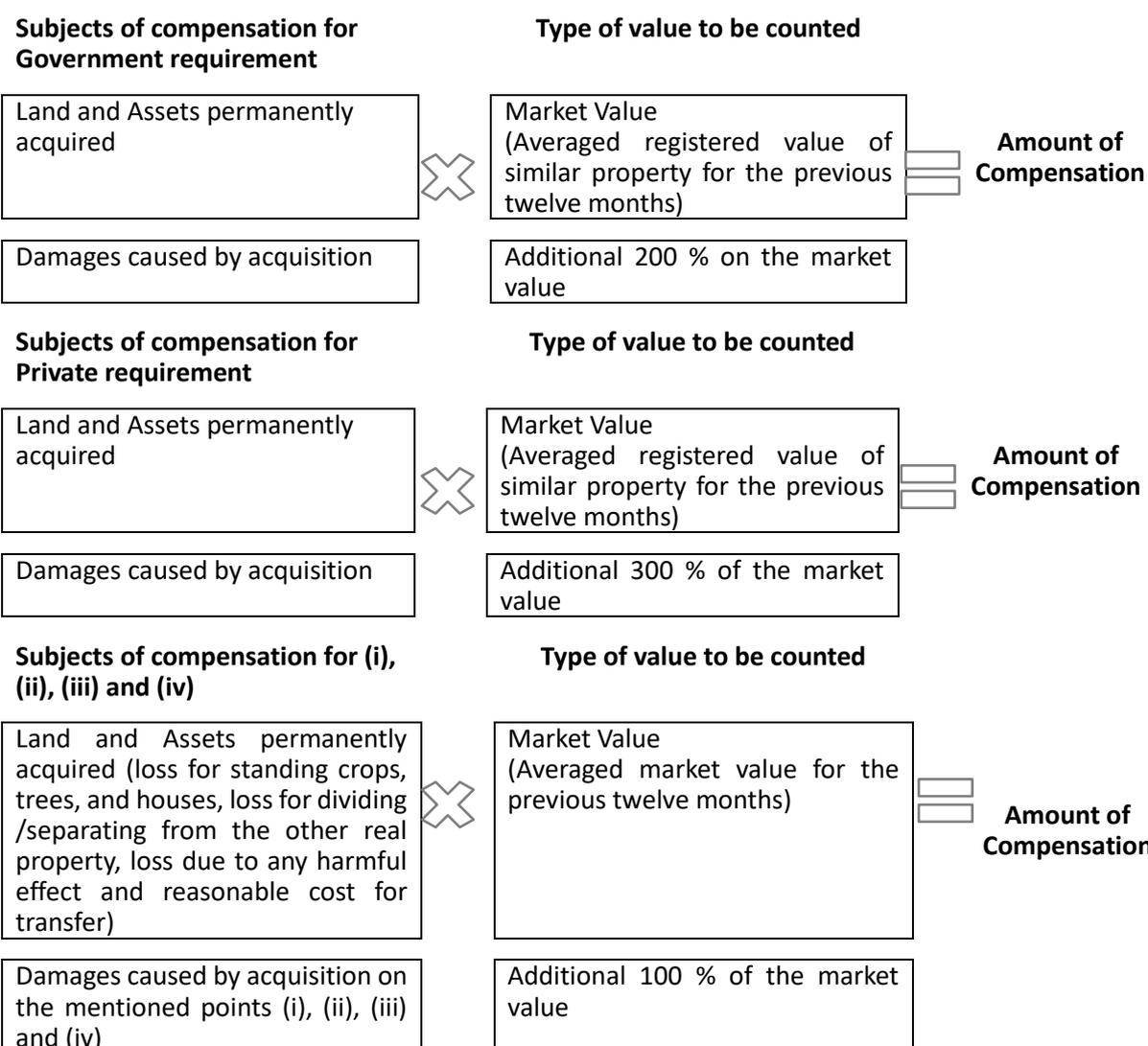
Description of Land											
Class	Quantity	Land Price	Home / building price	Plant Price	Others price (if any)	Total market price	Additional 50% price on market price	Total	Incidental expenses	Grand Total	Comments
1	2	3	4	5	6	7	8	9	10	11	12

**Figure: Form Ka and Kha in Immovable Property Acquisition Manual 1997**

**Note:** The Green Book 2022 does not refer to Land Administration Manual, and the Manual prepared by the Ministry of Land in 2014. However, those manuals contain updated information related to land acquisition and useful references for project formulation and implementation.

## ***Compensation***

The Act 2017 stipulates the procedure and calculation of compensation. The Act 2017 counts the value of (i) During the preparation of the joint list, the loss of any person or stakeholder for any crop or tree standing on the immoveable property; (ii) the loss due to the acquisition of the immovable property divided from the other real property of a person belonging to the interest due to the acquisition; (iii) the loss due to any harmful effect on the other immoveable or immovable property or income of the person involved with the acquisition; and (iv) reasonable cost for such transfer, if a person belonging to the interest is forced to transfer his residence or business centre due to the acquisition. Two factors determine the value of assets for compensation: 1) market value, and 2) premium. The market value is prepared based on the averaged registered value of similar property for the twelve months preceding the date of publication of the notice under section 4 of the Act 2017. 1) In case of acquisition of land for any government requirement, a person belonging to the interest shall be paid an additional 200% (two hundred) compensation on the market price; 2) In case of acquisition of land for a private company, the amount of compensation will be 300% (three hundred) on the market price; and 3) in case of damage in the above-mentioned clause (i), (ii), (iii) and (iv), an additional 100% (one hundred) compensation will be provided on the market value. In addition to the compensation mentioned in this section, necessary action may be taken to rehabilitate the displaced family due to the acquisition. The figure below shows the calculation method for compensation.



### ***Difference between GOB and major Development Partners***

**When the Agency follows the Development Partners' safeguard policy, this point has to be spelt out in Item 31 of the DPP.** The difference between GoB's and Development Partners' safeguard policies should be identified clearly, and the explanation of why the project follows the Development Partners' safeguard policy is given in Item 31. For Foreign-funded projects, the Agency may have to incorporate Development Partner(s) policies to make safeguard measures for the proposed project. The following documents would become references:

- Jamuna Multipurpose Bridge Project (Land Acquisition) Act, 1995 (packed in Immovable Property Acquisition Manual 1997); and
- Padma Multipurpose Bridge Project (Land Acquisition) Act 2009 (packed in Land Administration Manual Volume 3).

The latter is prepared based on the best practices under the former. In addition to these documents, the Desk officer can refer to Development Partners' Project Appraisal Documents, to learn the background of these two acts: e.g., ADB (2010) Involuntary Resettlement Assessment and Measures, Padma Bridge Project<sup>8</sup>.

<sup>8</sup> <https://www.adb.org/sites/default/files/linked-documents/35049-01-ban-rfab.pdf> (As of 18 October 2016)

### 3.2 Safeguards for Environment

This section provides instructions as to what kind of information the desk officer should write down in relevant items of DPP for environmental safeguard. In principle, the Desk officer will follow the "Environment Conservation Act, 1995 (revised 2010)" (ECA 1995) and the "Environment Conservation Rules, 2023". The following explanation follows "Environment Conservation Rules, 2023" (ECR 2023).

**According to the ECA 1995, it is clear that in Bangladesh, all "industrial" Projects must obtain an Environmental Clearance Certificate (ECC).** Article 12 of ECA 1995 says, "No industrial unit or project shall be established or undertaken without obtaining an Environmental Clearance Certificate from the Director-General of the Department of Environment".

However, Rule 6 of ECR 2023 says, "No land development or any kind of infrastructure of any industrial establishment or project (other than green category) can be constructed without obtaining a site clearance from the Department."

Reference: The DPP manual of GED explains Environmental Assessment on pages 59 to 72 of Volume 1, and pages 201 to 229 of Volume 2, Appendix 23.

#### **Category of public investment projects**

Environmental Conservation Rules 2023 (Rule 5) group the Industrial units or projects into four categories based on the volume of environmental impact. The following figure shows the relations between impact and four categories. Schedule 1 of the same rules gives the classification of industrial units or projects based on location and environmental impact.



Category	Description
Green	(a) Industries or projects in the green category have relatively little impact on the environment; However, this class of industries or projects has the opportunity to take mitigation measures.
Yellow	(b) There is a moderate impact on the environment of the industries or projects in the yellow category. To avoid this environmental impact, it is necessary to take mitigation measures for this class of industries or projects.
Orange	(c) Orange-class industries or projects have a considerable impact on the environment, which needs to be avoided to conserve the environment. The environmental impact of this class of industries or projects can be mitigated by taking appropriate mitigation measures; and
Red	(d) Industries or projects in the red category have a severe impact on the environment, which needs to be avoided to preserve the environment to an appropriate extent. Significant mitigation measures are required to reduce the environmental impact of this class of industries or projects.

Source: Rule 5 of Environmental Conservation Rules 2023

### **Procedure & Required time frame to obtain the SCC/LCC and ECC**

Rule 6 of ECR 2023, "**Obligation to Obtain Site Clearance and Environmental Clearance**", says, "Before setting up new industries of yellow, orange and red categories and taking up the project, first of all, site clearance and later period environmental clearance will have to be obtained. In the case of green category, direct environmental clearance has to be taken."

The following rules of ECR 2023 explain the procedure how to obtain the Local/ Site Clearance Certificate and Environmental Clearance Certificate (ECC).

- Rule 5. Classification of industrial establishments and projects for the purpose of granting site and environmental clearances.
- Rule 6. Obligation to obtain site and environmental clearances
- Rule 7. Application procedure for site clearance and environmental clearance.
- Rule 8. Considerations in Grant of Site Clearance.
- Rule 9. Procedure for granting environmental clearance to green-class industrial establishments and projects.
- Rule 10. Procedure for granting site clearance to yellow-class industrial establishments and projects
- Rule 11. Procedure for granting environmental clearance to yellow-class industrial establishments and projects
- Rule 12. Procedure for granting site clearance to orange-class industrial establishments and projects
- Rule 13. Procedure for granting environmental clearance to orange-class industrial establishments and projects
- Rule 14. Procedure for granting site clearance to red-class industrial establishments and projects
- Rule 15. Environmental Impact Assessment Survey.
- Rule 16. Verification of public opinion for environmental impact assessment.
- Rule 17. Evaluation of environmental impact assessment reports.
- Rule 18. Approval of Environmental Clearance Report
- Rule 19. Procedure for granting environmental clearance to red-class industrial establishments and projects

Category	Location/Site Clearance Certificate	Environment Clearance Certificate
1 Green	Not applicable	7 working days [Rule 9]
2 Yellow	15 working days [Rule 10]	7 working days [Rule 11]
3 Orange	21 working days [Rule 12]	20 working days [Rule 13]
4 Red	30 working days [Rule 14]	30 working days (EIA) [Rule 18] Then, 20 working days (ECC) [Rule 19]

According to Rule 20, SCC/LCC and ECC are required to be renewed periodically. The following table shows the effective period of each certificate by environmental category of the project.

#### **Effective period of each certificate**

	Env. Category	Site/ Location Clearance Certificate	Env. Clearance Certificate
1	Green	Not applicable	5 years
2	Yellow	2 years	2 years
3	Orange	1 year	1 year
4	Red	1 year	1 year

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## Annex 3

### DPP Preparation at a Glance

[MEMO] User will fulfil the blank of DPP's each item by providing the "information to be provided in Project Formulation" and in other words, preparing answers for project appraisal in the context of "Question to be answered in Project Appraisal" shown in the table below. When User would like to know more detailed instruction, please refer to the page(s) of handbook in the last column of the next tables

#### PART A: PROJECT SUMMARY

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
1.	Project Title	<ul style="list-style-type: none"> <li>• Whether the project title explains the key concept of the project explicitly.</li> <li>• Whether the meaning of the project title in English and Bangla is the same.</li> <li>• Whether the project name is not confused with other projects of similar nature.</li> </ul>	<ul style="list-style-type: none"> <li>• Project name should be the same as what is indicated in the DPP and its related documents.</li> <li>• The project title should refer to the project purpose: direct results of the project with the name of the location where applicable.</li> </ul>	7
2.1-2.3	Ministry/Division, and Agency	<ul style="list-style-type: none"> <li>• Whether the scope of the project is within the jurisdiction of the proposed Sponsoring Ministry/Division's responsibilities.</li> <li>• Whether the scope of the project is within the jurisdiction of the proposed Implementing Agency's responsibilities.</li> <li>• Whether the scope of the project is within the jurisdiction of the concerned Sector Division of the Planning Commission.</li> </ul>	<ul style="list-style-type: none"> <li>• Specific name of the Sponsoring Ministry/ Division, and Implementing Agency</li> <li>• Description of ADP sector and sub-sector</li> </ul>	8
3.	Objectives and Targets of the	<ul style="list-style-type: none"> <li>• Whether the "DIRECT" project purpose is specified and explained clearly.</li> </ul>	<ul style="list-style-type: none"> <li>• Whether the "DIRECT" project purpose is specified and explained clearly.</li> </ul>	10

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
	Project	<ul style="list-style-type: none"> <li>• Whether the QUANTITATIVE INDICATORS of the “DIRECT” project purpose are explained; and</li> <li>• (If applicable) If the “indirect” project purpose is specified and explained clearly.</li> </ul>	<ul style="list-style-type: none"> <li>• Whether the QUANTITATIVE INDICATORS of the “DIRECT” project purpose are explained; and</li> <li>• (If applicable) If the “indirect” project purpose is specified and explained clearly.</li> </ul>	
4.	Project Implementation Period	<ul style="list-style-type: none"> <li>• Whether the proposed project period is appropriate compared to other similar completed/on-going projects.</li> <li>• Whether the proposed project period is practical in consideration of the following issues. <ul style="list-style-type: none"> <li>- procurement schedule</li> <li>- seasonal fluctuation</li> <li>- appraisal procedure</li> <li>- availability of fund</li> </ul> </li> <li>• Whether the completion time of the project is appropriate considering the expected achievement status of the project purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• Starting month, year and ending month, year</li> <li>• Total months</li> </ul>	12
5.1-5.2	Estimated Cost of the Project (Taka in lac)	<ul style="list-style-type: none"> <li>• Whether the total project cost, and the breakdown in GOB, PA, Own Fund, and Others are identified.</li> <li>• When Project Aid (PA) is involved, whether the exchange rate with a date is referred correctly.</li> </ul>	<p>The total project cost</p> <p>The breakdown in GOB, PA, Own Fund, and Others</p> <p>Exchange rate(s) as of the date of submission of the DPP should be mentioned, with the date it procured from Bangladesh Bank (suggested in GED’s Manual for DPP, page. 16)</p>	14
6.	Mode of Financing	<ul style="list-style-type: none"> <li>• The sources of financing are adopted: GOB, DPs, Implementing Agency and others.</li> <li>• The mode(s) of financing is/are adopted.</li> <li>• Whether the proposed budget allocation is consistent with sector programme budget allocation, Medium Term Budgetary Framework (MTBF) and Multi-Year Public Investment Programme (MYPIP).</li> </ul>	<ul style="list-style-type: none"> <li>• Source-wise budget allocation, including Own Funding</li> <li>• Financing mode-wise budget allocation including investment, loan/credit, equity, grant</li> <li>• The budget type includes budget allocation from the Foreign Exchange Account of GOB (FE) and Budget allocation from Reimbursable Project Aid (RPA).</li> <li>• Fiscal Space (financial capacity) of the Ministry/Division (Annexure- VII)</li> </ul>	16

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>• Whether necessary attachments/ appendices, explained in the table below, are attached to the DPP.</li> </ul>	<ul style="list-style-type: none"> <li>• When the fiscal space/ financial capacity of the Ministry/Division is negative, the way of financing the proposed project should be explained.</li> <li>• When the proposed Project involves Project Aid (PA), the Green Book 2022 requires the Agency to prepare the Preliminary Development Project Proposal (PDPP). The copy of approved PDPP/ “in-principal approval” becomes one of the attachments of the proposed DPP. (para 7.1, Green Book 2022).</li> <li>• When the funding from the GoB is necessary for the projects of the State-owned/Autonomous Institutions, prior consent from the Finance Division will have to be obtained for determining the nature/type (grant/equity) of funding. (para 1.7.1, Green Book 2022)</li> <li>• When Autonomous, Semi-autonomous Agencies, Public Sector Corporations and State-owned Companies invest their surplus funds in development projects, a 'No Objection Certificate' from the Finance Division will have to be obtained. (para 11.1.1, Green Book 2022)</li> </ul>	
7.1-7.2	Location of the Project and Justification of Selecting the Project Area	<ul style="list-style-type: none"> <li>• Whether the DPP has information about City Corporation/Paurashava/ Upazila wise location.</li> <li>• The information in Item 7.1 has similarity to the information in Annexure-I (Location-wise Cost Breakdown).</li> <li>• The information in Item 7.1 has a similarity to the location map of the project, where applicable (Appendix 1.).</li> <li>• Whether the selected project location is strategically, technically, environmentally, and</li> </ul>	<ul style="list-style-type: none"> <li>• The specific information of the project location up to City Corporation/Paurashava/ Upazila level.</li> <li>• The specific information on how the selected project site is a prioritized geographical area considering government policies, including poverty alleviation and removal of regional disparity, and existing, on-going and pipelined projects, institutions, and facilities.</li> </ul>	20

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<p>socially adequate, including disaster and climate change risks.</p> <ul style="list-style-type: none"> <li>• Whether necessary attachments/ appendices, namely MAP</li> </ul>	<ul style="list-style-type: none"> <li>• The specific information on how the selected project site is suitable for technology adopted for the proposed project.</li> <li>• A map (Appendix 1) will be appended with the DPP, showing linkage with other existing, on-going, and pipeline projects, institutions, and facilities.</li> <li>• The selected project site is NOT within or near the environmentally protected area.</li> <li>• A hazard map will be attached to the DPP, showing the climate change risks and disaster management. (Section 4: Technical/ Technological &amp; Engineering analysis, (a) Location)</li> <li>• Suppose the location of sub-projects is planned to be selected during the project implementation stage. In that case, the selection criteria of the sub-project site should be explained.</li> </ul>	
8.	Location-Wise Cost Breakdown of the Project (Annexure-I)	<ul style="list-style-type: none"> <li>• Whether the location-wise cost and location-wise outputs are consistent with the Regional Development Plan/ Master Plan of Local Government Institutions.</li> <li>• Whether the location-wise cost is correctly estimated.</li> </ul>	<ul style="list-style-type: none"> <li>• The location-wise cost with location-wise major components, outputs and OVIs</li> </ul>	22
9.	Estimated Cost Summary	<ul style="list-style-type: none"> <li>• Whether the process of cost estimation is adequate, e.g., estimation of contingency.</li> <li>• Whether the ratio between revenue and capital components is reasonable with respect to the nature of the proposed project.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Code-wise Estimated Cost.</li> <li>• Revenue Component (A- Taka): including procurement of services</li> <li>• Capital Component (B -Taka): including procurement of goods and works</li> <li>• Physical Contingency (C- %): currently stipulated as up to 2% of the total capital cost of (B); and</li> <li>• Price Contingency (D- %): currently stipulated as up to 8% of the total cost of (A+B).</li> </ul>	24

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
			Note:	
10.	Logical Frame	<ul style="list-style-type: none"> <li>• Whether the narrative summary of each level: Goal, Purpose/ Objective, Outputs and Inputs are logically set up, including the Important Assumptions (IA).</li> <li>• Whether the Objectively Verifiable Indicators (OVIs) have correctly explained the achievement of narrative summary.</li> <li>• Whether the Means of Verification (MOV) is identified and practical.</li> <li>• Whether the Important Assumption (IA) is identified and practical.</li> </ul>	<ul style="list-style-type: none"> <li>• Narrative Summary <ul style="list-style-type: none"> <li>- Goal: <b>Impact and medium/long term Outcome</b> of the project, expected to be reached 2 to 3 years after the Project Purpose is achieved</li> <li>- Purpose/Objective: <b>Immediate outcome</b> of the project, expected to be achieved at the time of completion or immediately after the project completion</li> <li>- Outputs: Important divided components to achieve the Project Purpose</li> <li>- Inputs: Resources required to materialize/achieve the Outputs of the project</li> </ul> </li> <li>• OVIs and MOV: Measuring what the Narrative Summary aims</li> <li>- Showing in the <u>SMART</u> way: <u>S</u>pecific, <u>M</u>easurable, <u>A</u>chievable, <u>R</u>elevant and <u>T</u>ime-bound</li> <li>• Important Assumption/s and Preconditions: <ul style="list-style-type: none"> <li>- Critical factors uncontrollable by the project that could affect the achievement of the planned results</li> </ul> </li> </ul>	26
11. 11.1	Project Management Proposed Project Management Setup (As per Annexure-II)	<ul style="list-style-type: none"> <li>• Whether the manpower required for the project implementation is sufficient to conduct activities and to realize the outputs by comparing them with similar completed/on-going projects.</li> <li>• Whether Organogram of the proposed project is attached.</li> </ul>	<ul style="list-style-type: none"> <li>• The Project Formulator prepares the table considering the mode of recruitment carefully: (1) Deputation, (2) Direct Recruitment, and (3) Outsourcing.</li> <li>• Organogram of the proposed project.</li> <li>• When Manpower Fixation Committee's recommendation is required, the following documents are attached to the DPP.</li> </ul>	28

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>• Whether the manpower setup is formulated along with the recommendations of the Manpower Fixation Committee* of Finance Division.</li> <li>• Whether necessary attachments/ appendices, explained in (B), are attached to the DPP.</li> </ul>	<ul style="list-style-type: none"> <li>- Minutes of the meeting of the Manpower Fixation Committee, and checklist of compliance with the Manpower Fixation Committee's recommendation</li> <li>- Working Paper/ Situation Analysis Report/ comparison table of the manpower setup of similar projects</li> </ul>	
<b>11.2</b>	Implementation Arrangement	<ul style="list-style-type: none"> <li>• Whether the structure matches the size, location(s), managerial and technical requirements of the project during its implementation.</li> <li>• Whether the status of personnel and its balance is adequate/appropriate for the project with respect to i) Deputation, ii) Direct recruitment, and iii) outsourcing.</li> <li>• Whether the total costs incurred for manpower is rational.</li> <li>• Whether the target date or period of manpower recruitment within the project implementation plan is clear/ appropriate.</li> <li>• Whether there is a reasonable balance of manpower placements at central (in Agencies, Ministries/Divisions) and local (close to project sites) levels.</li> <li>• Whether the duties/functions amongst the manpower are balanced to ensure efficient project implementation.</li> <li>• Whether the technical requirements within the manpower formulation are reasonable to ensure the quality of implementation of the project.</li> </ul>	<ul style="list-style-type: none"> <li>• The Project Formulator explains the structure with respect to size, etc., by comparing it with other projects having similar nature/characteristics.</li> <li>• The Project Formulator explains the balance of posts by comparing them with other projects having similar nature/characteristics.</li> <li>• The Project Formulator explains the cost of manpower by comparing them with other projects having similar nature/characteristics.</li> <li>• The Project Formulator explains the recruitment/appointment plan for manpower.</li> <li>• The Project Formulator provides information with respect to location-wise manpower, and explains the necessity and rationality of such manpower distribution.</li> <li>• The Project Formulator explains the allocation of duties/responsibilities among each officer/staff.</li> <li>• The Project Formulator explains the necessity of technical requirements and selects/proposes technical personnel accordingly.</li> </ul>	29

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
12. 12.1	Financial and Procurement Plan Procurement Plan (Annexure-III)	<ul style="list-style-type: none"> <li>• Whether the Procurement Plan fits into the project period as a whole as well as the output-wise timeline, considering seasonal and functional fluctuations.</li> <li>• Whether the Procurement Plan adequately and appropriately addresses all necessary procurement requirements of the project in Goods, Works, and Services.</li> <li>• Whether the capacity of the Implementing Agency is appropriate to execute the Procurement Plan efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>• Step 1: Identify all necessary procurement requirements for the whole project period and categorize them into the following three groups: 1) Goods, 2) Works, and 3) Services.</li> <li>• Step 2: Select the size and number of each package and/or lot. *</li> <li>• Step 3: Prepare the tentative broad specification of each package and/or lot.</li> <li>• Step 4: Estimate the cost of each package and/or lot.</li> <li>• Step 5: Select the procurement method of each package and/or lot.</li> <li>• Step 6: Prepare the Total Procurement Plan, separately for 1) Goods, 2) Works, and 3) Services, considering the project's schedule of activities.</li> </ul> <p>* Information of step 2 can be used for DPP Item 20. "Basis of Cost Estimation" and DPP Item 23. "Technical Specification/ Design of Major Items".</p>	32
12.2	Year-Wise Financial and Physical Target Plan (Annexure-IV)	<ul style="list-style-type: none"> <li>• Whether activities and the project period are reasonable, considering seasonal and functional fluctuations.</li> <li>• Whether the sequence of activities and inputs (cost) are consistent with the procurement plan, Item 12.1 and Annexure III (a), (b) and (c); and</li> <li>• Whether the annual phasing of the project cost is reasonable considering the fiscal space in the Multi-Year Public Investment Programme (MYPIP).</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Targets: the figure is the same as DPP Item 22. "Detailed Annual Phase of Cost" and Annex V (b) "Detailed Annual Phase of Estimated Cost".</li> <li>• Physical Targets in two forms: 1) Physical Percentage (%) of Each Item, and 2) Physical Percentage (%) of Each Item in Total Project Cost; and</li> <li>• The formula is given in the Green Book 2016*.</li> </ul>	36

	Item in DPP	Questions to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
13.	After completion, Whether the Output of the Project Needs to be Transferred to the Revenue Budget	<ul style="list-style-type: none"> <li>• Whether the Operation and Maintenance (O&amp;M) Plan/ Exit Plan is prepared.</li> <li>• Whether the responsible organization/group of O&amp;M is identified.</li> <li>• Whether the organizational setup for O&amp;M is identified/developed.</li> <li>• Whether the technical requirements for O&amp;M are identified.</li> <li>• Whether the implication of the recurrent budget for O&amp;M is identified/determined</li> <li>• Whether the cost and manpower required for O&amp;M are sufficient to provide the services adequately by comparing these with similar facilities presently under operation.</li> <li>• Whether the capacity for O&amp;M is developed under the proposed project. If so, the budget for capacity development is proposed in the DPP.</li> </ul>	<ul style="list-style-type: none"> <li>• Operation and Maintenance Plan including the information below. <ul style="list-style-type: none"> <li>- Organizational/ Management Structure</li> <li>- Budget for Operations and Maintenance</li> <li>- Government Involvement in Operation and Maintenance</li> <li>- Operation and Maintenance Management Responsibility</li> <li>- Required Technical Aspects</li> </ul> </li> </ul>	38

**PART –B PROJECT DETAILS**

	<b>Item in DPP</b>	<b>Question to be answered in Project Appraisal</b>	<b>Information to be provided in Project Formulation</b>	<b>Page No. of Handbook</b>
<b>14.</b>	Background with Problem Statement	<ul style="list-style-type: none"> <li>• Whether the problems, the causes of the problems, and the possible sequences of the problem are identified.</li> <li>• Whether the beneficiaries of this project are appropriately identified.</li> <li>• Whether the current and future demands of beneficiaries are appropriately identified.</li> <li>• Whether the Project Purpose can be achieved under conditions of the location(s) where the project will be implemented</li> <li>• Whether the development problems to be addressed under the proposed project are consistent with the macro development objectives stipulated in the Five Year/ Perspective Plans and Programs and/or Sector Strategy Paper (SSP)/ Sector Action Plan (SAP).</li> <li>• Whether the linkages shown with other projects/ institutions are appropriate and relevant.</li> <li>• Whether there is no overlap between the proposed project and other development projects/programmes outside the ADP, on-going projects/programmes under the Climate Change Trust Fund (CCTF) or other funds, and on-going activities under the operational budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries/ Population data should be consistent with DPP item 16.</li> <li>• Demand information should be consistent with Financial and Economic Analysis in DPD item 18.</li> <li>• A detailed explanation on the justification for selecting the project area should be given in DPP item 7.2.</li> <li>• The effect of that linkage should be explained in DPP item 25.1.</li> <li>• A detailed explanation on linkage should be given in DPP item 27.</li> <li>• Beneficiaries/ Population data should be consistent with DPP item 16.</li> </ul>	41
<b>15.</b>	Project Description			45

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
15.1	Objectives	<ul style="list-style-type: none"> <li>Whether the actual effect of the Project Purpose at the time of project completion is explained adequately. It should not be just achieving the targets of the Outputs.</li> </ul>	<ul style="list-style-type: none"> <li>DIRECT RESULTS of the project, expected to be achieved at the time of completion or immediately after project completion.</li> </ul>	
15.2	Outcomes	<ul style="list-style-type: none"> <li>Whether the Short-term and medium-term effects (Short-term and medium-term outcomes), and longer development effects (longer-term outcome/ impact) of the project are explained.</li> </ul>	<ul style="list-style-type: none"> <li>Short-term and medium-term effects that the beneficiaries obtain by using the Outputs, and longer development effects aligned with the short-term and medium-term effects</li> </ul>	
15.3	Outputs	<ul style="list-style-type: none"> <li>Whether Outputs are clearly divided, so that each output can be self-concluded (It does not mean that the set of activities and inputs have to be self-concluded).</li> </ul>	<ul style="list-style-type: none"> <li>Role of divided components to achieve the Project Purpose.</li> <li>Products and services generated by using the Inputs via Activities and delivered to the beneficiaries</li> </ul>	
15.4	Activities	<ul style="list-style-type: none"> <li>Whether activities are adequate as a set of process that achieves each output.</li> <li>Whether the Gantt Chart of project activities is attached to the DPP.</li> <li>Whether project activities are scheduled taking into account the work breakdown and critical path.</li> </ul>	<ul style="list-style-type: none"> <li>Groups of tasks to be carried out by using Inputs to produce the Outputs.</li> </ul>	
16.	Population Statistics			47
16.1	Population Coverage	<ul style="list-style-type: none"> <li>Whether the overall and location-wise beneficiaries of the proposed project are identified and estimated correctly.</li> </ul>	<ul style="list-style-type: none"> <li>Overall and location-wise number of beneficiaries of the project.</li> </ul>	
16.2	Population disaggregated data	<ul style="list-style-type: none"> <li>Whether the project brings potential opportunities to women, senior citizens, children, physically &amp; mentally challenged etc.: If yes, who they are</li> </ul>	<ul style="list-style-type: none"> <li>Disaggregated target group information: who they are, how many, where they live, their employment, income, etc.</li> </ul>	

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
17.	Whether any pre-appraisal/feasibility study/pre-investment study was done before formulation of this project? If so, attach summary of findings & recommendations . (If not, mention the causes)	<ul style="list-style-type: none"> <li>• Whether pre-feasibility study and/or feasibility study has been conducted before formulating the proposed project: <ul style="list-style-type: none"> <li>- If yes, whether the findings and recommendations of the study have been attached with the proposal.</li> <li>- If not, whether the reason(s) for not conducting a pre-feasibility study and/or feasibility study has been mentioned clearly.</li> </ul> </li> <li>• Whether recommendations of the study were incorporated into the project design properly. <ul style="list-style-type: none"> <li>- If not, whether the reasons for not incorporating the recommendations of the study into the project design have been mentioned correctly.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• If a Feasibility study was conducted, attach its findings and recommendations with the DPP.</li> <li>• If a Feasibility study was not conducted, provide the reasons for not doing it.</li> <li>• Explanation of the actions taken on the findings and recommendations of the Feasibility study with justifications where applicable.</li> </ul>	49
18.	Financial and Economic Analysis	<ul style="list-style-type: none"> <li>• Is the proposed project revenue-generating or non-revenue-generating? (See Box 6 for further explanation)</li> <li>• Is Incremental analysis adopted correctly?</li> <li>• Are the source of information and the costing data reliable?</li> <li>• Are inputs/costs, and benefits/outcomes/impact identified adequately?</li> <li>• Are constant prices used for the BCR, IRR and NPV calculations?</li> <li>• Are assumptions about demand for the project services explained?</li> </ul>	<ul style="list-style-type: none"> <li>• When Financial and Economic Analysis apply to the proposed project, the Project Formulator will provide not only the results of the Financial and Economic Analysis and calculation sheet, but also information listed in the table below.</li> </ul>	55

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>• Are other key assumptions spelt out?</li> <li>• Are discounted cash flow (DCF) calculations correctly done?</li> <li>• Are economic prices and conversion factors used for the economic analysis?</li> <li>• Are all significant impacts included in the Economic analysis (land, resettlement, environment, and greenhouse gas emissions)?</li> <li>• Are Financing needs and justification given for the mix of financing sources explained?</li> <li>• Is Sensitivity Analysis conducted? Are the results of the Sensitivity Analysis adequate?</li> </ul>		
19.	Lessons Learnt from Similar Nature of Project (s)	<ul style="list-style-type: none"> <li>• Whether the lessons learnt and good practices from projects with a similar nature are adopted. <ul style="list-style-type: none"> <li>- If yes, what lessons learnt and good practices are adopted, and how relevant are they to the proposed project.</li> <li>- If not, why the lessons learnt and good practices are not adopted in the proposed project.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• If the lessons learnt and good practices are adopted, the key lessons learnt and good practices.</li> <li>• If not adopted, the reasons for not adopting.</li> </ul>	59
20.	Basis of Item wise Cost Estimate and Date	<ul style="list-style-type: none"> <li>• Whether the cost estimation conforms to the latest standards/ rate schedule/ pay scale.</li> <li>• In the case of non-scheduled items, e.g., medical, ICT, and other specialized equipment/ materials/ commodities, whether the cost estimation conforms to unit price considering the market price.</li> </ul>	<ul style="list-style-type: none"> <li>• The information of major item-wise unit cost with source (basis)* as the evidence of cost estimation.</li> </ul> <p>* Basis are latest standards/ rate schedule/ pay scale, or in case of non-scheduled items, market price</p>	61

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>If the cost estimation of the project is appropriate and reliable at the item level (standards and prevailing market price).</li> </ul>		
21.	Comparative Cost of Major Items of Similar Other Projects	<ul style="list-style-type: none"> <li>Whether the major items and units are comparable.</li> <li>Whether the unit costs of the main components of the proposed project are reasonable compared to other similar projects.</li> <li>Whether the reason(s) of differences is/are provided and justifiable.</li> <li>Whether the unit cost reflects the prevailing market prices.</li> </ul>	<ul style="list-style-type: none"> <li>Item-wise unit cost comparison among/between the proposed project and two or more similar on-going and completed projects.</li> <li>The name(s) of the project (s) used for comparison is/are specified and referred to in the table.</li> </ul>	63
22.	Detailed Annual Phasing of Cost (As per Annexure –[V(a) & V(b)])	<ul style="list-style-type: none"> <li>Is the cost estimation consistent with the approved architectural design?</li> <li>Is the Annual Phasing of Cost reasonable considering activities and the project period?</li> </ul>	<ul style="list-style-type: none"> <li>Detailed estimated cost covers all the necessary costs.</li> <li>The Annual Phasing of cost, which is consistent with the activities/ Gantt chart and procurement plan</li> </ul>	65
23.	Technical Specification/Design of Major Items (To be attached)	<ul style="list-style-type: none"> <li>Whether prevailing norms, and technical standards are applied while preparing specification/design.</li> <li>Whether the technical specification/design is sufficient to meet the objective of each component/item.</li> <li>Whether the proposed facilities are designed considering the negative social and environmental impacts and mitigation measures.</li> <li>Whether the proposed facilities are institutionally, technically, and financially sustainable.</li> </ul>	<ul style="list-style-type: none"> <li>Specification/design of major items applying prevailing norms, and technical standards.</li> <li>Specification/design of major items considering the social and environmental impacts, disaster management, climate change, and sustainability.</li> <li>Merits &amp; demerits of alternative specification/design, where applicable</li> <li>The information through which the Project Assessor/ Appraiser can understand the effectiveness of major components to the project purpose.</li> </ul>	67

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>Whether the proposed facilities are climate and disaster resilient.</li> </ul>		
24.	Amortization Schedule for repayment of loan taken from Government (Annexure VI)	<ul style="list-style-type: none"> <li>Whether a loan agreement (loan from the Government) is made and attached to the DPP.</li> <li>Whether the amortization schedule is appropriate to the loan agreement.</li> <li>Whether the schedule of the project is reasonable.</li> <li>Whether the financial capacity of the Implementing Agency is reasonable to make repayment on the proposed schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Total Investment amount (Taka in Lakh)</li> <li>Condition of loan, including period and interest rate</li> <li>Financial condition and capacity of the proposed implementing agency</li> <li>Copy of loan agreement, to be attached to DPP</li> </ul>	71
25.	The effect/impact, adaptation and specific mitigation measures thereof, if any, on			73
25.1	Other projects/ existing installations	<ul style="list-style-type: none"> <li>Whether there are any possibilities of the project and its activities causing <b>social and environmental positive and negative effects/ impacts</b></li> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>Overlap and complementarity between the proposed project and other projects, as well as existing installations</li> <li>Mitigation measures for negative impacts</li> </ul>	
25.2	Environmental sustainability	<ul style="list-style-type: none"> <li>Whether there are any possibilities of the project and its activities causing <b>social and environmental positive and negative effects/ impacts</b></li> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the proposed project on land, water, air, bio-diversity, and ecosystem</li> <li>If the project is environmentally “Red category”, the Environmental Impact Assessment document</li> <li>Mitigation measures for negative impacts</li> </ul>	

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
25.3	Disaster management and Climate change	<ul style="list-style-type: none"> <li>• Whether there are any possibilities of the project and its activities causing <b><u>social and environmental positive and negative effects/ impacts</u></b></li> <li>• Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>• The impact of disaster and climate change on the proposed project</li> <li>• The impact of the proposed project on climate change adaptation and mitigation</li> <li>• Alignment with the concept of "Green and Climate Resilient Development (GCRD)"</li> <li>• Mitigation measures for negative impacts</li> </ul>	
25.4	Gender, etc.	<ul style="list-style-type: none"> <li>• Whether there are any possibilities of the project and its activities causing <b><u>social and environmental positive and negative effects/ impacts</u></b></li> <li>• Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>• The impact of the proposed project on the vulnerability of gender, women, children, person with special needs, excluded groups under the project</li> <li>• Mitigation measures for negative impacts</li> </ul>	
25.5	Employment	<ul style="list-style-type: none"> <li>• Whether there are any possibilities of the project and its activities causing <b><u>social and environmental positive and negative effects/ impacts</u></b></li> <li>• Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>• The impact of the proposed project on existing and new employment, and the vulnerability of project workers (e.g., The proposed project will result in the loss of existing jobs, but will create new opportunities).</li> <li>• Vulnerability of project workers</li> <li>• Mitigation measures for negative impacts</li> </ul>	
25.6	Poverty situation	<ul style="list-style-type: none"> <li>• Whether there are any possibilities of the project and its activities causing <b><u>social and environmental positive and negative effects/ impacts</u></b></li> <li>• Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>• The impact on poverty situation in the location(s) of the proposed project</li> <li>• Mitigation measures for negative impacts</li> </ul>	
25.7	Organizational arrangement/ setup	<ul style="list-style-type: none"> <li>• Whether there are any possibilities of the project and its activities causing <b><u>social and environmental positive and negative effects/ impacts</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• The impact of the proposed project on the organizational arrangement/ setup (e.g., to sustain</li> </ul>	

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<p>the project benefits, the existing organization arrangement needs to be modified)</p> <ul style="list-style-type: none"> <li>Mitigation measures for negative impacts</li> </ul>	
25.8	Institutional productivity	<ul style="list-style-type: none"> <li>Whether there are any possibilities of the project and its activities causing <b>social and environmental positive and negative effects/ impacts</b></li> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the project on the institutional productivity</li> <li>Mitigation measures for negative impacts</li> </ul>	
25.9	Regional disparity	<ul style="list-style-type: none"> <li>Whether there are any possibilities of the project and its activities causing <b>social and environmental positive and negative effects/ impacts</b></li> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the proposed project on regional disparity</li> <li>The spatial distribution of investment in the relevant sector</li> <li>Mitigation measures for negative impacts</li> </ul>	
25.10	Population	<ul style="list-style-type: none"> <li>Whether there are any possibilities of the project and its activities causing <b>social and environmental positive and negative effects/ impacts</b></li> <li>Whether the mitigation measures are considered and incorporated into the project design</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the proposed project on the volume and magnitude of population mobility (e.g., The proposed project will increase the population of the project area in the future).</li> <li>Mitigation measures for negative impacts</li> </ul>	
26.	Environmental Clearance	<ul style="list-style-type: none"> <li>The environmental category for this project.</li> <li>Whether the project obtained the Environmental Clearance Certificate (ECC).</li> </ul>	<ul style="list-style-type: none"> <li>Environmental category of the project, by checking <u>the list in Environmental Conservation Rules 1997*</u></li> <li>Status of obtaining ECC; where ECC is issued already, the copy of the ECC is attached as an appendix of the DPP</li> <li>If the ECC is not yet obtained, whether the reasons for not obtaining it and the next course of action are explained</li> </ul>	77

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
			<ul style="list-style-type: none"> <li>Where the IEE report is issued already, if the summary of the IEE report is attached as an appendix of the DPP</li> <li>* The Government of Bangladesh repealed Environmental Conservation Rules, 1997 and approved Environmental Conservation Rules, 2023.</li> </ul>	
27.	Specific linkage with (i) Bangladesh Delta Plan 2100, (ii) Perspective Plan 2021-2041, (iii) Five Year Plan, (iv) SDG targets and (v) Ministry/ Sector Priority	<ul style="list-style-type: none"> <li>Whether the key indicators of Goal and the Purpose/Objective of the proposed Project are consistent and relevant with development plans and programs stipulated by the Government sector with reference to the Delta Plan, Perspective Plan, Five Year Plan, Sector Strategy Paper (SSP)/ Sector Action Plan (SAP), and Sustainable Development Goals (SDGs).</li> </ul>	<ul style="list-style-type: none"> <li>Indicators of the proposed Project Purpose and Project Goal</li> <li>Relevant Indicators of the Delta Plan, Perspective Plan, Five Year Plan, Sector Strategy Paper (SSP) / Sector Action Plan (SAP) and Sustainable Development Goals (SDGs).</li> <li>Either mention the relevant page number with clauses of respective documents, or attach a copy of the relevant page of the said documents.</li> </ul>	84
28.1-28.2	Vision and Mission, and Allocation of Business of the Sponsoring Ministry/Division and Implementing Agency	<ul style="list-style-type: none"> <li>Whether the scope of the project is within the Allocation of Business of the Sponsoring Ministry/Division.</li> <li>Whether the scope of the project is related to the Vision, Mission of the sponsoring Ministry/Division and Implementing Agency.</li> <li>Whether the implementation responsibility of the project can be borne solely by the proposed Implementing Agency.</li> </ul>	<ul style="list-style-type: none"> <li>For Item 28.1, Mission and Vision of Sponsoring Ministry/ Division, and Implementing Agency</li> <li>For Item 28.2, Allocation of Business of Sponsoring Ministry/ Division.</li> <li>In the DPP, the Project Formulator either mentions the relevant page number with clauses of respective documents or attaches a copy of the relevant pages of the said documents.</li> </ul>	86
29.	Whether private sector/local government or NGO's	<ul style="list-style-type: none"> <li>Whether the stakeholders of the proposed project are identified appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>Whether any potential technical and financial contribution of Private Sector, Local Government and/or NGO is required to implement the project.</li> </ul>	88

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
	participation is considered? (If yes, describe how they will be involved)		<ul style="list-style-type: none"> <li>Whether any potential technical and financial contribution of Private Sector, Local Government and/or NGO is required to maintain the facilities to be developed under the project.</li> </ul>	
30.	Major Terms and Conditions of Foreign Financing	<ul style="list-style-type: none"> <li>Whether the conditionality of taking Foreign Aid for the proposed project is stated clearly.</li> <li>Where applicable, whether the Loan Agreement is attached to the DPP.</li> <li>Whether the proposed terms and conditions of the loan are practical.</li> </ul>	<ul style="list-style-type: none"> <li>The conditionality stated in the agreement, e.g., Loan Agreement, Grant Agreement, Memorandum of Understanding (MOU), etc.</li> <li>If the agreement had been signed before assessing the DPP, whether the contracted document such as Loan Agreement, Grant Agreement and/or MOU is attached to the DPP.</li> <li>If the agreement had not been signed before assessing the DPP, whether the draft of the Loan Agreement, Grant Agreement and/or MOU is attached to the DPP</li> </ul>	90
31.	Involvement of Compensation, Rehabilitation/Resettlement issues	<ul style="list-style-type: none"> <li>Whether the project requires land acquisition. If yes, are the quantity and the category of the land to be acquisitioned stated clearly.</li> <li>For projects requiring land acquisition, whether the prevailing market price from the office of the concerned Deputy Commissioner is stated and attached to the DPP.</li> <li>Whether the project involves Resettlement/ Rehabilitation. If so, is the compensation estimated appropriately following the Acquisition and Requisition of Immovable Property Act, 2017.</li> </ul>	<ul style="list-style-type: none"> <li>When land acquisition is required, <ul style="list-style-type: none"> <li>The information of location, category, size, and price of land to be acquired should be mentioned in the DPP;</li> <li>A certification from DC office regarding the price of land is obtained and attached to the DPP; and</li> <li>The volume of project-affected people (PAPs).</li> </ul> </li> <li>The volume of rehabilitation, including the location, category, number and cost per unit</li> <li>The volume of compensation, taking into account the market value of the property, any standing crops or trees, structure, and earnings, and including a sum of</li> </ul>	92

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
			<p>fifty per cent of such market value in consideration of the compulsory nature of the acquisition</p> <ul style="list-style-type: none"> <li>• Land Acquisition Processing Plan/ Land Acquisition Management Plan</li> <li>• Rehabilitation Plan/ Resettlement Action Plan</li> </ul>	
32.	Risks Analysis and Mitigation Measures	<ul style="list-style-type: none"> <li>• Whether the risks (internal conditions and external conditions) are identified;</li> <li>• Whether the mitigation measurements of risks (internal conditions) are identified, and incorporated into the activities of the project; and,</li> <li>• Whether the risks, which cannot be controlled by the project (external conditions), are explained in the column “Important Assumptions” of the Logical Framework (Item 10.0).</li> </ul>	<p>The Formulator explains two conditions/ situations under this item:</p> <ul style="list-style-type: none"> <li>• Risks and mitigation measures thereof <b><u>in the project implementation stage</u></b>; and</li> <li>• Risks and mitigation measures thereof <b><u>in the operation and maintenance stage</u></b>. <ul style="list-style-type: none"> <li>- <b>Institutional aspect:</b> the condition of policy &amp; plan, law, rules, and guidelines</li> <li>- <b>Financial aspect:</b> the cost and source, and financial capacity and management.</li> <li>- <b>Organizational/ Technical aspect:</b> manpower and their required skills and qualifications.</li> <li>- <b>Environmental and Climate change aspect:</b> the changes in natural environment climate change</li> </ul> </li> </ul>	94
33.	Other Important Issues	<ul style="list-style-type: none"> <li>• Whether the Operation and Maintenance (O&amp;M) Plan/ Exit Plan is prepared.</li> <li>• Whether the responsible organization/group of O&amp;M is identified.</li> <li>• Whether the organizational setup for O&amp;M is identified/developed.</li> <li>• Whether the technical requirements for O&amp;M are identified.</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational arrangement</li> <li>• Technical capacity</li> <li>• Financial capacity (Cost for O&amp;M and financing plan)</li> <li>• Schedule of maintenance</li> </ul>	96

	Item in DPP	Question to be answered in Project Appraisal	Information to be provided in Project Formulation	Page No. of Handbook
		<ul style="list-style-type: none"> <li>• Whether the implication of the recurrent budget for O&amp;M is identified/determined.</li> <li>• Whether the cost and manpower required for O&amp;M are sufficient to provide the services adequately by comparing these with similar facilities presently under operation.</li> <li>• Where the capacity for O&amp;M is developed under the proposed project. If so, the budget for capacity development is proposed in the DPP.</li> </ul>		
34.	Others, If any			98

## Annex 4 List of check points before DPP submission to the Ministry/Division

	Items to be checked	Checked
1	Whether the DPP contains the signature of the Head of the Agency	
2	Whether all 33 items stipulated in the DPP Format of the Green Book have been completed sequentially.	
3	Whether all stipulated Annexes <sup>(1)</sup> as below have been attached:	
	• Annexure-I: Location wise cost breakdown	
	• Annexure-II: Project management setup (including Organogram of the proposed setup)	
	• Annexure-III: Total Procurement Plan for development project/programme (Goods, Works, and Services)	
	• Annexure-IV: Year wise financial and physical target plan	
	• Annexure-V: Detailed annual phasing of cost	
	• Annexure-VI: Amortization schedule (only for Government loan funded projects)	
	• Annexure-VII: Financing Plan of the proposed project	
4	Whether all stipulated Appendices <sup>(2)</sup> as below have been attached:	
	• Appendix 1: Location of the project (map), including Hazard Map	
	• Appendix 2: Summary of findings & recommendations of pre-appraisal/ pre-investment study (if applicable)	
	• Appendix 3: Calculation sheet for financial and economic analysis, Including the summary of assumptions and parameters, and results of sensitivity analysis	
	• Appendix 4: Specification/design of major components	
	• Appendix 5: Environmental Impact Assessment (EIA) Report (If the proposed project is "Red" category project)	
	• Appendix 6: Environmental Clearance Certificate	
	• Appendix 7: Copy of relevant pages of Perspective Plan, Five Year Plan, SDGs, Ministry/ Sector Priority	
5	Meeting Minute/ Working Paper of the committee, comprising technical experts and chaired by the head of Agency formulated to examine the DPP, is attached.	
6	In the case of the project with an estimate cost of above Tk. 50 crore	Whether the feasibility study is conducted, endorsed, and attached.
7	In the case of Development Partners' supported project	7.1 Whether the Preliminary DPP (PDPP) is prepared, endorsed, and attached. 7.2 Whether the loan agreement/ MoU/ Appraisal Report are attached to the DPP.
8	In case of projects of State-Owned/ autonomous institutions	8.1 If funding from the GOB is necessary, whether prior-consent of Finance Division is obtained and attached to the DPP. 8.2 If concerned institutions invest their surplus funds in the project, whether No Objection Certificate" from the Finance Division is obtained and attached to the DPP.
9	When the land acquisition is needed	Whether Certificate from the Deputy Commissioner is obtained and attached.
10	When the resettlement is needed.	Whether the Resettlement Action Plan is attached
11	When the Disaster Impact Assessment is needed.	Whether the Disaster Impact Assessment Report is attached, including Contingency Plan for Emergency Disaster Management.
12	Sustainability	O&M Plan/ Exit Plan
13	Other	10.1 Whether necessary reports of technical tests (soil test, DIA and others) are attached. 10.2 Technical specification and certification, if any. E.g., No-Objection/ Clearance Certificate form WARPO (for projects related to Water Resources)



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

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