

**People's Republic of Bangladesh
Programming Division,
Planning Commission**

**People's Republic of Bangladesh
Strengthening Public Investment
Management System Project**

Project Completion Report

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Japan International Cooperation Agency (JICA)

**IC Net Limited
Minerva's Owl**

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List of Abbreviations and Acronyms

ADP	Annual Development Programme
ADP-MIS	ADP Management Information System
BCS	Bangladesh Civil Service
BPATC	Bangladesh Public Administration Training Centre
BPDB	Bangladesh Power Development Board
BRDB	Bangladesh Rural Development Board
CBA	Cost Benefit Analysis
CDP	Counterpart Dialogue Programme
DESCO	Dhaka Electric Supply Company
DPDC	Dhaka Power Distribution Company
DPP	Development Project Proposal
DPs	Development Partners
DRF	Development Results Framework
DWASA	Dhaka Water Supply & Sewage Authority
ECNEC	Executive Committee of National Economic Council
EFA	Economic and Financial Analysis
EMRD	Energy and Mineral Resources Division
ERD	Economic Relations Division
FBEs	Forward Baseline Estimates
FRD	Functional Requirement Document
FYP	Five Year Plan
GED	General Economics Division
GoB	Government of Bangladesh
iBAS	Integrated Budgeting and Accounting System
IMED	Implementation Monitoring and Evaluation Division
INTAN	National Institute of Public Administration
JCC	Joint Coordination Committee
JET	JICA Expert Team

JICA	Japan International Cooperation Agency
JTC	Joint Technical Committee
JWG	Joint Working Group
LFA	Logical Framework Analysis
LGRD	Local Government and Rural Development
M&E	Monitoring and Evaluation
MAF	Ministry Assessment Format
MDAs	Ministries, Divisions and Agencies
MoPA	Ministry of Public Administration
MTBF	Medium-Term Budget Framework
MYPIP	Multi-Year Public Investment Programme
NAPD	National Academy for Planning and Development
NCC	National Coordination Committee
NEC	National Economic Council
O&M	Operation and Maintenance
OVI	Objectively Verifiable Indicators
PDM	Project Design Matrix
PE	Power and Energy
PEC	Project Evaluation Committee
PFM	Public Finance Management
PGCB	Power Grid Company of Bangladesh
PIC	Project Implementation Committee
PIM	Public Investment Management
PIU	Project Implementation Unit
PSC	Project Steering Committee
PSC	Project Scrutinizing Committee
PSMP	Power Systems Master Plan
R/D	Record of Discussions
RDCD	Rural Development and Co-operatives Division
SAF	Sector Appraisal Format
SAP	Sector Action Plan
SBPB	Strengthening Budget Preparation in Bangladesh
SDG	Sustainable Development Goal
SMECI	Strengthening Monitoring and Evaluation Capacities of IMED
SPIMS	Strengthening Public Investment Management System project
SRF	Sector Results Framework
SRM	Sector Results Matrix
SRMM	Sector Results Monitoring Matrix
SSIP	Support to Sustainable and Inclusive Planning

SSP	Sector Strategy Paper
SWG	Sector Working Group
TA	Technical Assistance
ToC	Theory of Change
ToR	Terms of Reference
ToT	Training of Trainers
TPP/ TAPP	Technical Assistance Project Proposal
UNDP	United Nations Development Program
WB-PIM	World Bank PIM Project

Executive Summary

Overview

The Strengthening Public Investment Management System (SPIMS) project is seeking to improve Public Investment Management (PIM) capacity, with strengthened linkages among public investment projects, national development policies and fiscal frameworks. The project's duration is five years (July 2014–June 2019), during which the Japan International Co-operation Agency (JICA) provided support for four years and five months, from February 2014 to June 2018. The counterpart is the Project Implementation Unit (PIU) established under the Programming Division of the Planning Commission, with a range of other institutions – spread across the Planning Commission, Ministry of Planning, Ministry of Finance as well as Ministries, Divisions and Agencies (MDAs) in the two pilot sectors -- (1) Power and Energy (PE), and (2) Local Government and Rural Development (LGRD).

Activities

Project Management: The project took a five-step approach to strengthen the PIM system -- (1) analysis, (2) development, (3) validation, (4) dissemination, and (5) formalisation. The project completed nearly all activities as planned, although the project period had to be extended for a year due to political unrest and associated security concerns from late 2014 to May 2015 and after a terrorist incident on 1st July 2016. The project has engaged a wide range of PIM stakeholders in project activities. The key events involving key PIM stakeholders include: the SPIMS Launching Seminar, with the Honourable Minister of Planning as Chief Guest in late 2014; three meetings of the Project Steering Committee (PSC), chaired by Honourable Secretary of Planning in December 2015, May 2016, and January 2018; three meetings of the Project Implementation Committee (PIC); and ten meetings of Sector Working Groups (SWGs) for two pilot sectors. The National Coordination Committee (NCC) of the SPIMS project, chaired by the Honourable Minister of Planning in January 2018, approved the new PIM tools developed under the SPIMS project and their use in the two pilot sectors as described below.

Output 1 (PIM Unit): The JICA Expert Team (JET) conducted a comprehensive review of previous PIM-related studies and documents to inform the development of new PIM tools under Outputs 2-4. The project also provided PIM-related inputs into the 7th Five Year Plan (7th FYP) in 2015, the *Public Financial Management (PFM) Reform Strategy 2016-2021* in 2016, and the *PFM Reform Strategy Action Plan 2018-2023* in 2018. The project implemented three overseas training programmes to learn from the PIM systems in other countries – (1) Counterpart Dialogue Programme (CDP) visit to Japan in November 2015, (2) Training programme in Malaysia in June 2017, and (2) Second CDP visit to Japan in December 2017. The project also developed and implemented in-country training programmes on the new PIM tools developed under the SPIMS project, which also served as validation of those PIM tools in the Bangladesh context. The PIU initiated the establishment of the PIM Unit under Programming Division by sending an official proposal to the Honourable Secretary of Planning in May 2016. This was followed by an official request for its establishment from the Ministry of Planning to the Ministry of Public Administration (MoPA) in 2017. The MoPA is considering this request as of May 2018.

Output 2 (Project formulation and appraisal): The JET conducted a diagnostic study of the Development Project Proposal (DPP)/Technical Assistance Project Proposal (TAPP)¹ process and identified key issues that caused delay in the process and affected the quality of project design. This study led to a proposal of the following solutions: (1) standardise appraisal of DPP/TAPP by introducing the Ministry Assessment Format (MAF) for ministry-level project assessment and the

¹ It was named as TPP.

Sector Appraisal Format (SAF) for project appraisal by Planning Commission Sector Divisions; (2) improve project formulation capacity of Agencies through a Handbook for DPP Preparation; and (3) develop and conduct training programmes on SAF, MAF, Handbook for DPP Preparation, Logical Framework Analysis (LFA), and Cost Benefit Analysis (CBA). The JET developed the MAF, SAF and associated Manuals, completed two rounds of validation through training programmes, and conducted Training of Trainers (ToT) on LFA and CBA for officers at Planning Commission and pilot MDAs, through which a dozen officers received official certificates from the project confirming them as trainers.

Output 3 (Strategic Annual Development Program (ADP)): The JET conducted a review of the roles and process of ADP and identified key issues to strengthen ADP's linkage with Five Year Plan (FYP) and Medium-Term Budget Framework (MTBF). Based on this review, the JET proposed the concept of a 'Strategic ADP' as a solution to address those issues. The Strategic ADP consists of: (1) Sector Strategy Paper (SSP) that clarifies sector- and sub-sector goals and outcomes, and thereby giving clear policy guidance to project formulation and appraisal; (2) Multi-Year Public Investment Programme (MYPIP) that can estimate 'fiscal space' for new projects over the upcoming budget year and two outer years, thereby strengthening linkages with the MTBF; and (3) improved sectoral policy guidance in the ADP call circular and ADP sector write-up sections using the information from SSP and MYPIP. The JET consulted this concept of Strategic ADP with stakeholders to forge a consensus, which was followed by development and validation of SSPs and MYPIPs in the two pilot sectors. In addition, Guidelines on SSP and MYPIP were developed and validated in close consultation with Sector Divisions and pilot MDAs, and training programmes on the above subjects were developed and delivered for concerned officers.

Output 4 (Monitoring and Evaluation): The JET conducted a diagnostic study of Monitoring and Evaluation (M&E) in the development planning and budgeting system and identified an unmet need for M&E at the sector level and limited M&E capacity of pilot MDAs. Based on this study, Output 4's activities focussed on developing the Sector Results Framework (SRF), an M&E framework within the SSP, to fill the gap of sector level M&E. This decision has led the JET to implement activities under Outputs 3 and 4 in an integrated manner.

For a summary of the new PIM tools under the SPIMS project, see Figure A and Table A at the end of this Executive Summary.

Achievements

A terminal evaluation was conducted in September 2017 to assess the achievements of project objectives of the SPIMS. The results of the terminal evaluation are summarised in the following table:

Objectives	Narrative Summary of Project Design Matrix (PDM)	Observation results
Project Purpose	PIM capacity is structurally improved with strengthened linkages between outcome of public investment projects and national development policies / fiscal frameworks.	To be partially achieved
Output 1:	PIM Unit is formally established and operational as the anchor organization for the PIM reform program	To be mostly achieved
Output 2:	Capacity for public investment formulation and approval is enhanced.	To be partially achieved
Output 3:	Strategic ADP is utilized with incorporating development plans and MTBF/annual budget.	To be partially achieved
Output 4:	Monitoring and Evaluation (M&E) capacity for public investment projects is strengthened.	To be partially achieved

The terminal evaluation also made a set of recommendations to be undertaken by the end of the project period. The following table summarises the status of these recommendations as of May 2018.

Recommendations		Results as of May 2018
A)	Measures to be taken by the end of the project period	
	<ul style="list-style-type: none"> Official approval of the PIM Unit 	Underway. Awaiting approval from MoPA.
	<ul style="list-style-type: none"> Approval of the PIM Tools and issuance of circulars 	Nearly completed. Awaiting issuance of a circular that announces the use of PIM tools in two pilot sectors
	<ul style="list-style-type: none"> Dissemination of the PIM tools for the two pilot sectors 	Completed.
	<ul style="list-style-type: none"> Alignment with the PFM Reform Strategy and necessary coordination 	Completed.
	<ul style="list-style-type: none"> Consultation with Finance Division 	Completed.

Key innovations and lessons learned

Three key innovations can be highlighted:

- (1) ***Taking a “Kaizen” approach to strengthening the PIM system in Bangladesh.*** Key institutions and processes for the PIM system in Bangladesh are largely in place, and there are a group of professional civil servants (called “Economic Cadre”) providing dedicated inputs for PIM throughout their career. Therefore, the task of the SPIMS project was not to create ‘new’ PIM institutions and processes, but rather to adjust and strengthen the ‘existing’ ones. Under the circumstances, an effective approach to capacity development was a kind of “Kaizen”, in which small steps of continuous improvement are sought collectively with a broad range of PIM stakeholders.
Based on thorough diagnostic studies, the JET held intensive dialogues with PIM stakeholders to identify and agree on the key areas for improvement. The JET subsequently developed a set of new PIM tools, and validated them through workshops, consultation meetings, and training programs. Although the whole process took long time and required patience on the part of both the GoB and JICA, the effort was rewarded with active participation of PIM stakeholders in the development, validation, and official adoption of the new PIM tools developed under the SPIMS project.
- (2) ***Using training programs as a means validating new PIM tools.*** The training programs under the SPIMS project were conducted most intensively in MAF, SAF, LFA and CBA under Output 2. In these training programs, the effectiveness of MAF and SAF were also validated as part of the training programs. In short, the JET used the training programs for both skills development of officials as well as for validation of new PIM tools. The training programs also involved ToT through which a dozen capable officials were awarded certificates as official trainers on those subjects. Therefore, using training programs as a means of validation of new PIM tools turned out to be highly effective in enhancing relevance and usefulness of MAF and SAF in assessment and appraisal of DPPs, promoting support for eventual adoption of MAF and SAF by the GoB, and enhancing sustainability of capacity development through ToT.
- (3) ***Responding flexibly to new policy developments and projects in the PIM domain.*** The SPIMS responded flexibly to new developments in the PIM policy sphere during the project period. Key recent developments included: (1) capitalising on the impetus for PIM reform provided by the 7th FYP; (2) Effective co-operation with other PIM-related projects, including the Strengthening Budget Preparation in Bangladesh (SBPB) project of the Finance Division with support of the World Bank, and the Support to Sustainable and Inclusive Planning (SSIP) project of General Economics Division (GED) with support of the United Nations Development Program (UNDP); and (3) Cooperation with Finance Division in developing PIM components of *PFM Reform Strategy in 2016-2021*, and subsequent *PFM Reform Strategy Action Plan 2018-2023*.

Two lessons can be learned from the implementation of the SPIMS project:

- (1) ***Enhancing ‘buy-in’ of key PIM stakeholders.*** The JET made concerted effort to ensure that all relevant stakeholders across the Planning Commission, pilot sectors and other bodies (e.g. Finance Division, Implementation Monitoring and Evaluation Division (IMED) and Economic Relations Division (ERD)) are aware of SPIMS’ work and support the notion of PIM reform. The two CDP visits to Japan and the Malaysia training program were highly helpful in this respect – fostering a dialogue on key topics that has continued back in Dhaka. A key challenge in 2016-2017 was to co-opt new MDAs into SPIMS implementation structures to align it with the 14-sector classification of the 7th FYP. This was successfully accomplished with representatives of new MDAs participating fully in project activities in 2016.
- (2) ***Building consensus on key SPIMS activities.*** The baseline studies in July-December 2014 revealed that there was an urgent need to build consensus on some key SPIMS activities among PIM stakeholders. For instance, the earlier World Bank PIM project offered several recommendations to reform PIM in Bangladesh, and yet they remained to be widely consulted and discussed among PIM stakeholders within the GoB. The SPIMS assisted PIM stakeholders, through numerous workshops, consultation meetings and training programs, to reach consensus on some aspects of improvements in PIM.

Recommendations for next steps

Recommendations for GoB:

- (1) ***Establishing the PIM Unit under the Programming Division of the Planning Commission.*** The Planning Commission officially requested the MoPA to establish a PIM Unit under the Programming Division in 2017. The PIM Unit is envisaged to serve as the anchor for PIM reforms in Bangladesh, and the principal implementor of donor-funded projects such as SPIMS. It is hoped that the PIM Unit would be established soon to ensure that the achievements of the SPIMS project would be sustained, and other PIM reform initiatives would be developed and implemented by the PIM Unit.
- (2) ***Establishing the Joint Technical Committee (JTC) for the coordination of PFM and PIM reforms.*** The Programming Division and the Finance Division started informal discussions on the establishment of the Joint Technical Committee (JTC) for PFM and PIM reforms in early 2018. The SPIMS proposed a draft Terms of Reference (ToR) for the JTC both Divisions’ consideration. The indicative scope of work for the JTC includes: (1) introduction of Forward Baseline Estimates (FBEs) for Development Budget and Non-Development Budget; (2) alignment of the MYPIP with the MTBF; (3) standardisation of sector classifications among Planning Commission, Finance Division, and GED; and (4) addressing operation and maintenance (O&M) costs.
The JTC will be resourced by two Secretariats – PFM Reform Wing and PIM Unit – that are under discussion to be established within the Ministry of Finance and Programming Division, respectively. The establishment of the JTC is timely since the Finance Division is to complete and start implementation of the PFM Reform Strategy Action Plan at the beginning of the next Financial Year, whereas the Planning Commission has been implementing PIM reform initiatives such as the SPIMS project. It is hoped that the Programming Division and the Finance Division would further discuss and agree on the ToR for the JTC and would take necessary steps to establish and operationalize the PFM Reform Wing and the PIM Unit soon.

Recommendation for JICA:

- (3) ***Launching the second phase of SPIMS as soon as possible.*** The NCC chaired by the Honourable Minister of Planning officially approved the new PIM tools in January 2018. It is expected that the Ministry of Planning would soon issue a Circular for the use of the new PIM tools in the Planning Commission and two pilot MDAs. After issuance of the Circular, the new PIM tools need be utilized in the actual formulation, assessment, and appraisal of new DPPs in

the pilot sectors if the benefits of investment in SPIMS are to be materialized.

There are several convincing reasons to launch SPIMS Phase 2 as soon as possible.

First, consultation with high-level officials such as Secretary, Managing Director, and Director General of the pilot MDAs will be essential to secure widespread acceptance and utilisation of the PIM tools at those ministries. Widespread acceptance will be possible only after the issuance of the circular and further meetings and seminars with those officials (so far, the consultation under the SPIMS has been limited mainly to the Planning Commission and desk-level officials at the Planning Wing of those ministries).

Second, speeding up the assessment, appraisal, and approval process of DPPs has been a critical issue to be addressed and many development partners share the same concerns. The utilisation of the MAF and SAF will standardise the assessment, appraisal, and approval process of DPPs, thereby enhancing the speed of the process as well as the quality of DPPs.

Third, launching SPIMS Phase 2 as soon as possible is called for because other development partners led by the World Bank is taking up a new project on PFM Reform Strategy Action Plan this year. As PIM reforms are integrated as part of the PFM reforms, the possible activities of this project would include the review of the PIM tools by Budget Scrutiny Committee of the Finance Division. The presence of SPIMS Phase 2 on the ground will ensure timely communication with the Finance Division and necessary interventions in the PIM reforms under the PFM Reform Strategy Action Plan.

Finally, the new PIM tools should be rolled out to other sectors to expand the benefits of the new PIM tools.

It is therefore recommended that the JICA and GoB would design and launch SPIMS Phase 2 as soon as possible and continue support for the utilisation of the PIM tools developed so far. It would be most desirable if the PIM Unit would be established and serve as the counterpart of SPIMS Phase 2 at its time of launching.

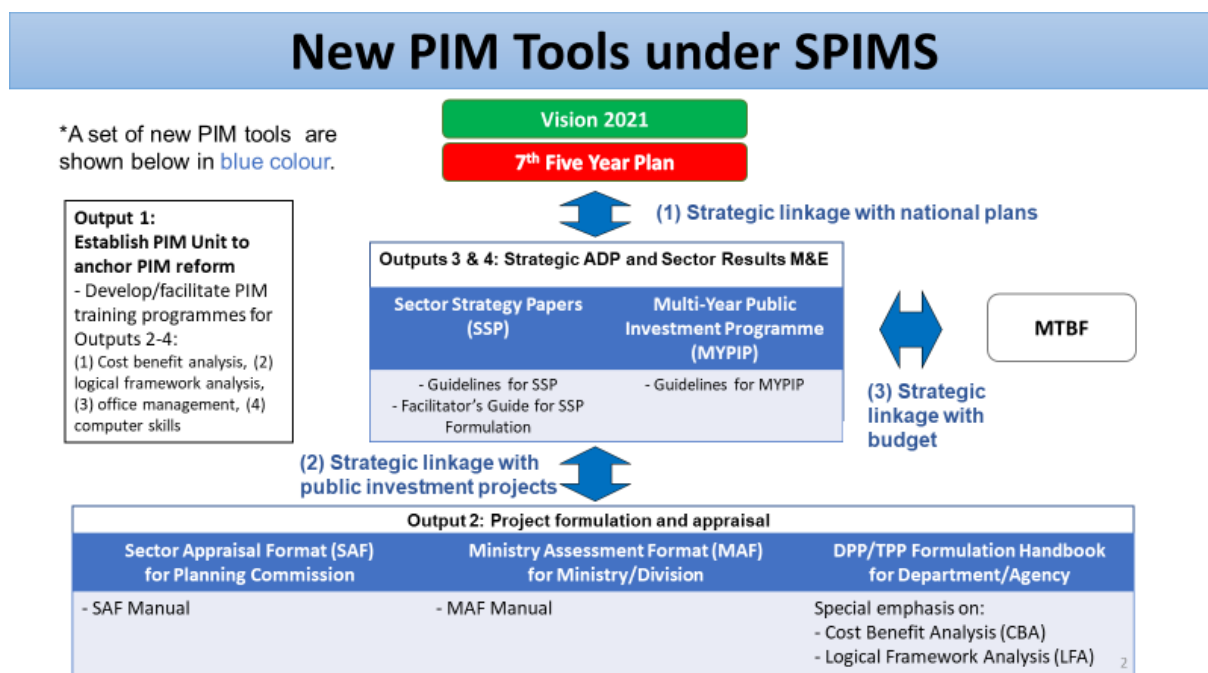


Figure A. New PIM Tools under the SPIMS project

Table A. List of Deliverables of the SPIMS project

Output	Deliverables, supporting documents, and training materials
1	Training materials <ul style="list-style-type: none"> Logical Framework Analysis (LFA) Cost Benefit Analysis (CBA)
2	Deliverables <ul style="list-style-type: none"> Ministry Assessment Format (MAF) Sector Appraisal Format (SAF) Supporting documents <ul style="list-style-type: none"> Manual for Ministry Assessment Format (MAF Manual) Manual for Sector Appraisal (SAF Manual) Handbook for DPP Preparation
3 and 4	Deliverables <ul style="list-style-type: none"> Power and Energy Sector Strategy Paper (PE-SSP) Local Government and Rural Development Sector Strategy Paper (LGRD-SSP) Power and Energy Sector Multi-Year Public Investment Programme (PE-MYPIP) Local Government and Rural Development Sector Multi-Year Public Investment Programme (LGRD-MYPIP) Supporting documents <ul style="list-style-type: none"> Guidelines for Formulating and Using Sector Strategy Paper (SSP Guidelines) Facilitator's Guide for Sector Strategy Formulation (SSP Formulation Guide) Guidelines for Formulating and Using Multi-Year Public Investment Programme (MYPIP Guidelines)

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The team owes a great deal to numerous officials who served as the members of Project Steering Committee, Project Implementation Committee, and Sector Working Groups of the SPIMS project, from the Planning Commission, Ministry of Planning, Ministry of Finance, Ministry of Power, Energy and Mineral Resources, Ministry of Local Government, Rural Development and Cooperatives, Ministry of Chittagong Hill Tract Affairs, and the Departments and Agencies subordinating to those ministries. While it would not be possible to name all officials here, the team would like to thank them for generously sparing time and providing critical inputs to the development and validation of the PIM tools under the SPIMS project.

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The achievements of the SPIMS project would not have materialised without strong support and contributions from all the persons acknowledged here.

On behalf of the JICA expert team,

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[Legend] PIM: Public Investment Management

1 Overview of the Project

1.1 Background

When the SPIMS project commenced in 2014, Bangladesh aimed to become a middle-income country by 2021, building on steady economic growth since 2000. Public investment was expected to play a critical role in achieving the development goals of Bangladesh through the provision of public services and an enabling environment for the private sector. However, available data at that time demonstrated that the performance of PIM was far from satisfactory, pointing to the urgent need for action by the GoB. For example, public investment as percentage of GDP declined in FY2006–FY2009, although it slightly recovered in FY2010 and FY2011. The annual disbursement rate of the ADP was 73% on average, the average ADP project cost overrun was 42%, and the average ADP project time overrun was 2.9 years.

Reflecting the above concerns, several diagnostic studies on PIM were undertaken in Bangladesh from 2010 to 2014, culminating in the publication by the World Bank in June 2014 of a *Public Investment Management Review and Reform Roadmap for Bangladesh*. The Roadmap and earlier diagnostic studies, including a basic PIM study by the JICA in 2012 and the PIM project supported by the World Bank in 2013-14, identified several key issues to be addressed, if Bangladesh is to improve PIM performance and achieve national goals in the 6th FYP. Those issues were categorized into four broad groups: (1) institutional arrangements for PIM reforms; (2) the procedures to formulate and appraise public investment projects; (3) strategic linkages between the FYP, ADP and MTBF; and (4) M&E of development plans and projects.

1.2 Process

Against this background, the GoB and JICA signed the *Record of Discussions (R/D) for the Strengthening Public Investment Management System Project* in November 2013. Following the signing of the R/D, JICA fielded JET to Bangladesh in February 2014. After the inception period from February to June 2014, the GoB launched the SPIMS project in July 2014 with a total duration of five years (July 2014 – June 2019).² The JICA supported the SPIMS project over four years and five months and completed its support in June 2018.

The Project Implementation Unit (PIU) for SPIMS was established under the Programming Division of the Planning Commission as the counterpart for the JET. Besides the Planning Commission, the project involved a diverse range of other institutions – spread across the Ministry of Planning, Ministry of Finance, as well as key MDAs in the two pilot sectors for the SPIMS project: (i) local government and rural development; and (ii) power and energy.³

1.3 Project Objectives

The SPIMS project aimed to address the four groups of above-mentioned key issues by delivering corresponding Outputs in which institutional frameworks and practices for PIM are strengthened, human resources are developed through training, and coordination mechanisms among key organizations such as the Planning Commission, Ministry of Planning, Ministry of Finance, and MDAs are reinforced.

The SPIMS project aimed to achieve the following objectives.

² The total project duration of five years is based on the Technical Assistance Project Proposal (TPP) for the SPIMS project approved by the GoB in September 2014.

³ The SPIMS started with two pilot sectors: (1) local government, and (2) power. In Year 2 both pilot sectors were expanded to be in line with the new sector classification in the 7th FYP, i.e., (1) local government and rural development, and (2) power and energy.

1.3.1 Overall goal

Public investment contributes more effectively to targets of macroeconomic policies in medium to long-term development plans.

1.3.2 Project purpose

Public investment management capacity is structurally improved with strengthened linkages between the outcome of public investment projects and national development policies and fiscal frameworks.

1.3.3 Outputs

Output 1: PIM Unit

PIM Unit is formally established and operational as the anchor organization for the PIM reform.

Output 2: Project formulation and appraisal

Capacity for public investment formulation and approval is enhanced.

Output 3: Strategic ADP

Strategic ADP is utilised with incorporating development plans and MTBF/annual budget.

Output 4: Monitoring and Evaluation

M&E capacity for public investment projects is strengthened.

1.3 Project Activities

To achieve the objectives above, the SPIMS project implemented a set of activities under the respective Outputs described in Chapter 2. However, it is important to make a few remarks about those activities.

First, the TAPP for the SPIMS project approved by the Planning Minister on 3rd September 2014 allocated a substantive amount (1267 lakh BDT) of GoB budget for the project, primarily to set up and operationalize a PIM Unit under Output 1, and conduct follow-up activities of the earlier World Bank Public Investment Management (WB-PIM) project. This contrasts with typical Technical Assistance (TA) projects supported by Development Partners (DPs) in which most, if not all, GoB contributions are made in-kind. The funding for the project from GoB and JICA were utilized in a complementary manner to maximize the impact of the project.

Second, the PIM Unit, which was aimed to be established under Output 1, was envisaged to lead implementation of all activities under Outputs 1-4. The primary role of the JET was to support the PIM Unit in building its organisational and human resource capacity, with a view to enhancing sustainability of the PIM Unit and strengthening overall PIM systems in Bangladesh.

Third, some activities under the project clearly fall under the authority of the GoB. Those activities included the review, preparation or adoption of GoB strategic documents (activities 1.1, 1.2, 1.3, 1.4, 1.8, 1.9), and the drafting and adoption of administrative measures (activities 2.6, 3.6, and 4.6). The SPIMS PIU took final responsibility for the delivery of those activities, though when requested, JET provided technical advice to the GoB on these Outputs. Nevertheless, JET focused its support primarily on the rest of the activities, namely activities 1.5-1.7 under Output 1, activities 2.1-2.5 under Output 2, activities 3.1-3.5 under Output 3, and activities 4.1-4.5 under Output 4. In the presentation below, the main activities which JET focused upon are indicated with an asterisk (*).

Finally, further diagnostic work undertaken within both the inception period (February-June 2014) and Year 1 (July 2014-June 2015) of SPIMS has led to the reformulation of the titles of certain activities to align them with emerging institutional needs, priorities, and reform initiatives during those periods. Where activities have been reformulated, they are shown in *italics* below. The GoB and JICA amended the R/D to reflect those changes in January 2018.

Output 1: PIM Unit

PIM Unit is formally established and operational as the anchor organization for PIM reform.

- Activity 1.1 Review implementation of the work-plan for support to Planning Commission under SPEMP and its relevance.
- Activity 1.2 Review feasibility of recommendations of the WB-executed PIM project.
- Activity 1.3 Prepare a detailed action plan for implementation of the PIM vision and strategy.
- Activity 1.4 Functionalize PIM Unit as the anchor of the overall PIM reform agenda for enhancing coordination within Planning Commission and with the key PIM stakeholders across the GOB.
- *Activity 1.5 Develop training modules and materials for training courses regarding DPP/TPP, ADP-fiscal linkage, and M&E.
- *Activity 1.6 Develop manuals and/or guidelines for DPP/TPP, ADP-fiscal linkage, and M&E.
- *Activity 1.7 Implement training for officials in Planning Commission, Ministry of Finance, planning wings of ministries/divisions, executing agencies and others on DPP/TPP, ADP-fiscal linkage, and M&E.
- Activity 1.8 Develop a PIM communication strategy for awareness raising on PIM issues amongst key stakeholders and citizens.
- Activity 1.9 Develop a detailed action plan for enhancing IT capacity in the PIM domain based on concerned sections of the PIM roadmap.

Output 2: Project formulation and appraisal

Capacity for public investment formulation and approval is enhanced.

- *Activity 2.1 Review: (1) bottlenecks/problems of current initial screening, formulation and approval process of public investment projects; (2) division of responsibilities among concerned organizations; (3) assessment criteria in DPP/TPP approval process; (4) DPs' project formulation/approval process and formats; and (5) DPP/TPP related sections of the PIM Roadmap.
- *Activity 2.2 Develop a detailed action plan for the improvement of project design and appraisal procedures
- *Activity 2.3 *Propose new assessment criteria and formats, and revise DPP/TPP formats in line with them, ensuring their consistency with DP's project formulation/approval process and formats, and the PIM Roadmap*
- *Activity 2.4 Validate the new process of formulation/approval and new DPP/TPP by applying them for selected development projects in pilot sectors
- *Activity 2.5 Further improve the new process of formulation/approval and new DPP/TPP based on the initial validation, and apply them for other selected development projects in pilot sectors
- Activity 2.6 Formalize the new process of formulation/approval and new DPP/TPP by appropriate administrative measures such as rules, orders and regulations

Output 3: Strategic ADP

Strategic ADP is utilised with incorporating development plans and MTBF/annual budget.

- *Activity 3.1 *Review: (1) current system of strategic linkages of ADP with FYP; (2) major differences (process, sector classification, budget mechanism etc.) between ADP and*

MTBF/Budget; (3) MYPIP and SSP proposed by the WB-PIM project; and (4) the ADP related sections of the PIM Roadmap.

- *Activity 3.2 *Develop a detailed action plan (short and medium term) for the improvement of strategic orientation of ADP guided by Activity 3.1 and the PIM Roadmap.*
- *Activity 3.3 *Develop a strategic ADP model that would improve strategic orientation of ADP.*
- *Activity 3.4 *Validate the strategic ADP model by applying it for selected public investment projects in pilot sectors.*
- *Activity 3.5 *Further improve the strategic ADP model based on the initial validation in 3.4, and apply it for other selected public investment projects in pilot sectors.*
- Activity 3.6 *Formalize the validated strategic ADP model by appropriate administrative measures such as rules, orders and regulations.*

Output 4: Monitoring and evaluation

Monitoring and Evaluation (M&E) capacity for public investment projects is strengthened.

- *Activity 4.1 *Review current M&E systems, practices, capacities and needs at: (1) the central-level (including IMED, Planning Commission and Finance Division); and (2) the Sector-level (i.e. in the two Pilot Sectors of Power and Local Government). Particular attention should be paid to the M&E requirements for more effective programming and implementation of public investments.*
- *Activity 4.2 *Develop a detailed action plan (short and medium term) for the strengthening of M&E systems, practices and capacities at both the central and sector levels.*
- *Activity 4.3 *Develop new M&E frameworks, formats and co-ordination mechanisms to strengthen Public Investment Management (PIM) at the project, programme, sector and national (including 7th FYP) levels.*
- *Activity 4.4 *Validate and assist with implementation of the new M&E approaches and frameworks.*
- *Activity 4.5 *Improve the new M&E frameworks, formats and coordination mechanisms based on the initial validation in 4.4, and apply them for other selected projects in pilot sectors.*
- Activity 4.6 *Formalize the validated M&E frameworks, formats and coordination mechanisms by appropriate administrative measures such as rules, orders and regulations.*

1.4 Implementation Structure

A high-level NCC, chaired by the Honourable Minister for Planning, for guidance and oversight of PIM reforms was established in the project period of SPIMS. The Honourable State Minister for Planning and Finance served as the Deputy Chair, while all Members of the Planning Commission, all Secretaries of the Ministry of Planning, all Secretaries of the Ministry of Finance (Finance Division, ERD) and Secretaries of concerned LMs of the pilot sectors were members of the NCC. The PIU provided secretariat services to the NCC with support of the JET. The SPIMS launching seminar was held in September 2014 with the participation of the NCC members. Toward the completion of the project, the NCC met on 17th January 2018, and reviewed and approved the PIM tools developed under the SPIMS project.

A PSC steered all activities as the supreme body for the project throughout the project period. The PSC was equivalent to the Joint Coordination Committee (JCC) in typical JICA-supported projects, consisting of senior GoB and JICA representatives. On the Bangladesh side, senior officials of the Planning Commission, Ministry of Planning, Ministry of Finance, and concerned MDAs participated in the PSC as representatives of the respective institutions. The Chairperson of the PSC was the Secretary, Planning Division of the Ministry of Planning, and Member, Programming Division of the Planning Commission. SPIMS' inaugural PSC meeting took place on 10th December 2015 and the second PSC meeting was held on 30th May 2016, and the third on 10th January 2018.

A PIC was formed to ensure smooth project implementation through reviewing the progress and achievements, assessing outputs and reports, examining major issues arising, and recommending and requesting necessary actions to concerned organizations. The inaugural PIC meeting was held on 11th June 2015, which was followed by the second meeting on 21st October 2015, the third meeting on 18th April 2016, and the fourth on 3rd December 2017.

Two SWGs were established for two pilot sectors of the SPIMS -- (1) local government and rural development, and (2) power and energy -- to support the PIM Unit in implementing project activities. The members of the WGs consisted of representatives at administrative levels of concerned MDAs in respective pilot sectors. The Project Director with support of the Deputy Project Director and the Assistant Project Director led all Working Groups to coordinate horizontally across concerned organizations. The SWG meetings were held ten times during the project period – (1) 26th November 2014, (2) 12th March 2015, (3) 31st August 2015, (4) 19th October 2015, (5) 13th April 2016, (6) 29th January 2017, (7) 19th April 2017, (8) 24th May 2017, (9) 29th September 2017, and (10) 29th November 2017.

The PIU under the Programming Division of the Planning Commission took responsibility for implementation of the project in coordination with JICA. The PIU coordinated with other relevant organizations and ensured that the operation of the SPIMS project was effectively sustained and aligned with other reform initiatives during the project period. The PIU was headed by Project Director of the SPIMS project (Chief of the Programming Division), with support from Deputy Project Director (Joint Chief of the Programming Division), and Assistant Project Director (Deputy Chief of the Programming Division).

1.5 Basic Principles for Project Implementation

The SPIMS project started with the six basic principles described below. Those principles were maintained throughout the project period of JICA support.

(1) Build on previous and ongoing work in PIM, PFM and other related areas

The PIU and JET paid special attention to continuation of previous projects in PIM and PFM, and ensured that the SPIMS project would build on the achievements already made. They conducted a thorough review of diagnostics and recommendations made under the World Bank PIM project. The Team also coordinated with other relevant TA projects by GoB and DPs. These included the Digital Executive Committee of the National Economic Council (ECNEC) project (Output 2); SBPB project of Finance Division and SSIP project of GED (Output 3); and Strengthening M&E Capacities of IMED (SMECI) project and future Result-Based M&E support for IMED (both Output 4).

(2) Develop PIM capacity at institutional, organizational and human resource levels

Capacity development is much broader in scope than training of personnel. To be effective, it should encompass the development of *institutions* (i.e., laws, regulations, rules, orders, and practices), *organizations* (functional units to enforce and implement policies and practices), and *human resources* (staff of organizations). The SPIMS project sought to develop capacity in the PIM domain at all three of these levels. More concretely, the project supported strengthening concerned PIM organisations by developing a set of new PIM tools for their use, developed training programs on the new PIM tools for human resources development, and supported institutionalising them through issuance of a circular.

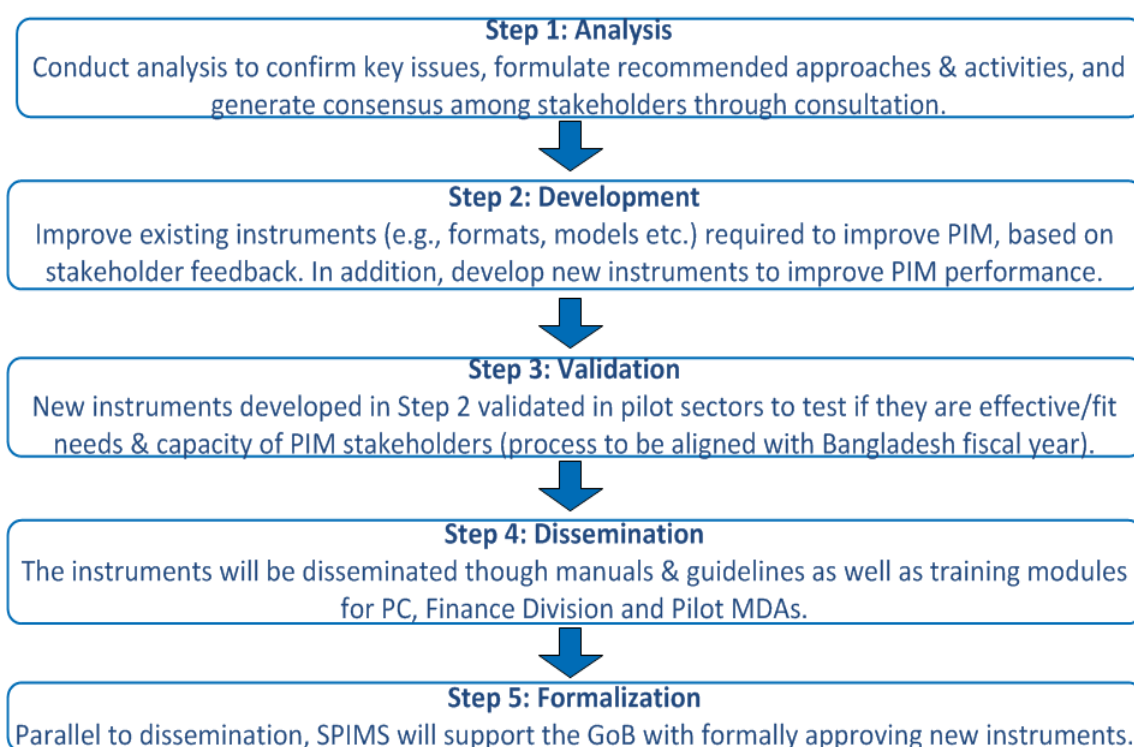
(3) Seek to ‘sell’ the benefits of PIM reform at a high level

Public investment decision-making is an inherently political issue. The SPIMS project therefore took every opportunity to seek support from the Honourable Planning Minister, Honourable State Minister

for Finance and Planning, Secretary of Planning, and Members of the Planning Commission to build a consensus for the PIM reform agenda. This was undertaken through formal SPIMS events such as NCC and PSCs, seminars and workshops as well as dialogue programmes in overseas.

(4) Adopt step-by-step processes to validate effectiveness of new PIM instruments

PIM reform is a long and complex process, and whether the reform succeeds depends critically on the presence of sustained commitment and participation in the reform by all levels of public officials involved in the PIM process as well as the presence of ‘reform champions.’ To enhance sustainability of PIM reform, the SPIMS project articulated step-by-step processes in which new ideas and instruments were tested and validated with the participation of all stakeholders in the PIM process. To do so, the SPIMS project took five steps to deliver the desired outcomes of the SPIMS project as shown below.



(5) Draw useful insights from PIM experiences in other countries

The JET brought useful insights from PIM experiences in other countries through dialogue Programmes in Japan and Malaysia. They designed and implemented those programmes, in which selected key officials from concerned organisations visited those countries to learn about their systems and practices of PIM. The first of these took place in November 2015, with a visit of ten mainly Planning Commission officials to Japan, which was followed by Malaysia in May 2016, and Japan in December 2017 (see Section 3.2).

(6) Provide support through a programmatic approach

The JET implemented SPIMS project with special attention to creating cooperation with other JICA-supported projects in Bangladesh. For instance, they invited experts from other technical cooperation projects under the JICA Governance Assistance Programme for key meetings under the SPIMS project, and reflected their comments and advice in developing the PIM tools. They also utilised resources made available from other JICA-supported projects such as Power System Master Plans.

2 Project Activities

The SPIMS project was implemented over four years and five months, and the project activities were undertaken over four consecutive Years 1 to 4:

Inception period (February – June 2014)

Year 1 First Semester (July – December 2014)

Year 1 Second Semester (January – June 2015)

Year 2 First Semester (July – December 2015)

Year 2 Second Semester (January – June 2016)

Year 3 First Semester (July – December 2016)

Year 3 Second Semester (January – June 2017)

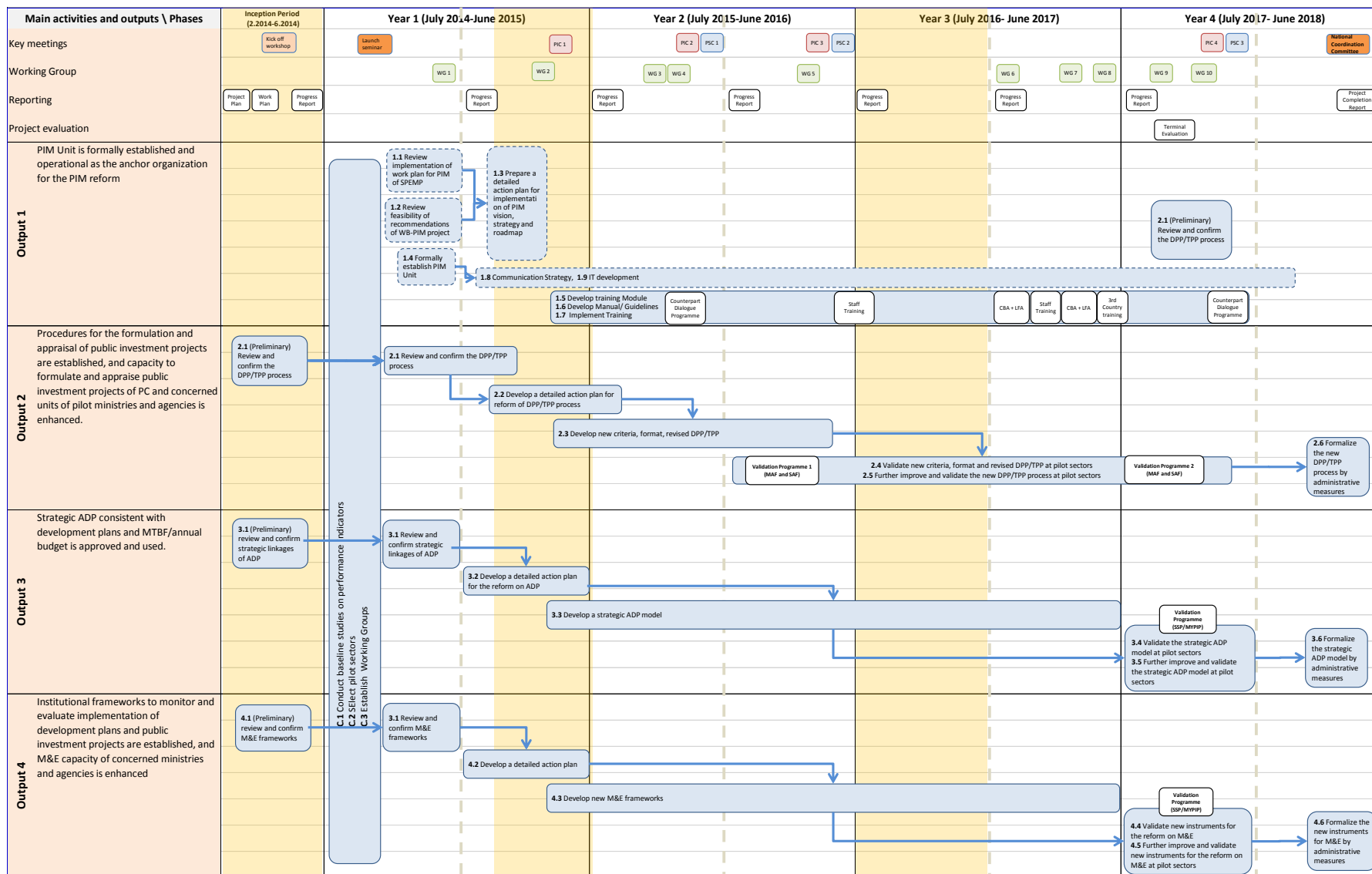
Year 4 First Semester (July – December 2017)

Year 4 Second Semester (January – June 2018)

The workflow of the activities of the SPIMS is presented overleaf.

Project Completion Report

Workflow of SPIMS project



2.1 Overall Management

Year 1 First Semester (July–December 2014)

After the approval of the TAPP, the JET started its planned activities in September 2014, and expanded its pace and breadth of activities from October 2014 onwards.⁴

First, the SPIMS Launching Seminar was held to disseminate an overview of the SPIMS project to a broad range of PIM Stakeholders on 17th September 2014. This Seminar was graced with the Honourable Minister of Planning, Mr. AHM Mostafa Kamal MP, as the Chief Guest, the Planning Secretary as the chairperson, and Mr. Mikio Hataeda, Chief Representative of JICA Bangladesh as the Special Guest.

Second, the implementation structure of the SPIMS was established. The PIU was formally established, and the Project Director, Deputy Project Director and two Assistant Project Directors were successively appointed over the period from late October until December 2014. At the request of the PIU, the GoB established two SWGs -- one for the Power Sector and another for the Local Government Sector -- and held the first Joint SWG meeting on 26th November 2014.

At the same time, the JET also conducted baseline studies from October 2014 onwards. These studies aimed to: 1) review the previous PIM diagnostics and conduct complementary studies to expand the analysis to encompass the two new pilot sectors; 2) review existing recommendations for PIM reform, and formulate SPIMS' response to those recommendations; and 3) review the Project Design Matrix (PDM) of SPIMS to propose some revision of activities and set targets of Objectively Verifiable Indicators (OVIs) in the PDM.

Year 1 Second Semester (January–June 2015)

Political unrest in Bangladesh from early January 2015 onwards had a major adverse impact on the activities of the SPIMS project over this reporting period. The JET was subject to JICA's security restrictions that strictly limited their travel to the Sher-e-Bangla Nagar area of Dhaka from January to the middle of May 2015 and even for a time in January-February 2015 obliged all international consultants to leave Dhaka. JICA's security protocols meant that it was not possible for JET consultants to visit the Secretariat compound (where many key government ministries are located) for almost all of that period. With the concurrence of the PIU, the JET revised the work plan in March 2015 to prioritize their activities from March to June 2015, taking into account this challenging operating environment.

Along with the revision of the work plan for the period January-June 2015, the JET held discussions with PIU on the OVIs in the PDM to set baseline figures and targets to be achieved with the SPIMS project.

The PIU and JET organised the second Joint SWG meeting on 12th March 2015 and the inaugural PIC meeting on 11th June 2015, in which the action plans for Year 2 and 3 were endorsed.

⁴ The GOB's approval of the TAPP of SPIMS was delayed until 3rd September 2014, which meant that the JET could not formally implement planned activities in February-September 2014, and instead had to spend much of their time both assisting the approval process of the TAPP and working on an informal basis. This inevitably caused a few months of delay in SPIMS activities in that period. Another important factor that contributed to the delay in SPIMS activities was occasional *hartal* in September and November 2014. Those events disrupted the ability of JET to schedule and conduct interviews and meetings with key PIM stakeholders in Dhaka. The situation worsened significantly in January-May 2015 resulting in JET's international consultants having to leave Dhaka temporarily and then facing significant restrictions on their activities in this period.

Year 2 First Semester (July–December 2015)

Following a few months of delays to project implementation over the period January-June 2015 (linked to the adverse political climate and associated JICA security restrictions), project activities were able to resume in earnest in July-December 2015.

The third SWG meeting was held on 31st August 2015 with separate sessions for the power and local government sectors. The purpose was to explain and discuss the SPIMS Concept Note including the planned activities under both Outputs 2, 3 and 4 and to seek feedback from SWG members.

The fourth Joint SWG meeting was held on 19th October 2015, and the second PIC meeting took place on 21st October 2015. The purpose was to share and discuss the draft MAF that had been prepared under SPIMS Output 2.

The inaugural PSC meeting took place on 10th December 2015 to: take stock of SPIMS' progress over its first eighteen months; discuss the planned activities in the first half of 2016; and to examine the link with the broader PIM reform agenda.⁵ The PSC decided to expand the Local Government SWG to include the rural development sector. As such, the Rural Development and Co-operatives Division (RDCD) and their subordinated Agencies (e.g. the Bangladesh Rural Development Board (BRDB) and Milk Vita) participated SPIMS activities from early 2016 onwards.

Year 2 Second Semester (January–June 2016)

The SPIMS accelerated its project activities, further developing, and starting validation of, a set of new PIM tools under Outputs 2-4 in January-June 2016.

Based on the discussion and suggestions of the SWG and PIC, the SPIMS project revised the draft MAF and conducted the MAF validation programme from 22nd-24th January 2016, and 29th-31st January 2016 for the power and the LGRD sectors respectively. During these validation programmes, in-depth discussion on the MAF was held among selected officials of the SWGs and PIC, as well as other concerned officials in charge of project assessment at the ministry level.

The fourth Joint Working Group (JWG) meeting was held on 13th April 2016 to disseminate the draft SAF and its associated Manual (zero draft) and launch a validation process of SAF and the associated Manual among PIM stakeholders. This was followed by the third PIC meeting on 18th April 2016 for the same purpose as the 4th Joint WG. Those two meetings prepared the ground to conduct the first SAF validation programme from 22nd-23rd April 2016, with elected officials of the Working Groups and PIC, as well as other concerned officials in charge of project appraisal at the Planning Commission.

The second PSC meeting was held on 30th May 2016 to review the progress in Years 1 and 2 and the work plan in Year 3. It also discussed the proposal of amendment of the R/D between GoB and JICA.⁶

Year 3 First Semester (July—December 2016)

A terrorist incident took place in Dhaka on 1st July 2016. Recognizing the heightened security risks in Bangladesh, JICA issued stringent security measures immediately after the occurrence of the incident. Observing JICA's security instructions, international consultants of JET suspended their field work in

⁵ The Minutes of the inaugural PSC are included as Annex IV in *Progress Report July-December 2015*.

⁶ The Work Plan for Year 3 approved by the Project Steering Committee for SPIMS was reported in Chapter 6 of the Progress Report submitted to the PIU and JICA in July 2016.

Bangladesh. The suspension of travel of international consultants to Bangladesh continued for nearly six months until JICA relaxed the security measures on 9th December 2016. Thereafter, JICA permitted only a limited number of international consultants to work in Bangladesh.

In the face of this challenge, all SPIMS parties – PIU, JICA and JET – responded proactively, and took all possible actions to implement the project over the period July-December 2016. Those actions are summarised in the following paragraphs.

The PIU and JICA held a bilateral meeting on 5th September 2016 to discuss the direction of project implementation and how the project would be completed. Although the PSC on 30th May 2016 approved the extension of the project period for six months until June 2017, the occurrence of the incident on 1st July 2016 further delayed fieldwork of international consultants. Considering the situation, both parties agreed in principle that the project period would need to be extended for at least a year to complete all activities as originally planned. After a series of negotiations, the PIU and JICA amended the R/D for SPIMS between GoB and JICA in which the project period was extended until January 2018.

The JET took the position that the implementation of SPIMS shall be continued even if international consultants could not travel to Bangladesh. The JET informed PIU in July 2016 that international consultants could not travel to Bangladesh due to JICA's security measures and sought PIU's understanding about the postponement of their field work in Bangladesh. In addition, they used teleconference facilities extensively for communication and discussion among all team members over the period July-December 2016. The international consultants worked remotely for the project to the extent possible, whereas national consultants continued fieldwork and played a critical role in maintaining communication channels with PIU, JICA and other key stakeholders of the project. Although the JET could not implement activities as originally planned, they undertook some crucial activities during July-December 2016 as below.

- A briefing note was prepared on the review of CBA-related work that was previously conducted by the SPIMS project.
- A training course schedule on CBA was developed.
- Handbook for DPP Preparation (zero draft) was developed further.
- Guidelines for preparing and using SSPs (zero draft) and SSP Checklist (zero draft) were developed.
- The database of MYPIP was further developed for two pilot sectors: (1) power and energy⁷; and (2) local government and rural development.
- Training courses on office management were conducted in June-July 2016.

The Work Plan for Year 3 was revised six times to accommodate the changing circumstances in July-December 2016.⁸

Year 3 Second Semester (January—June 2017)

International consultants of the JET resumed their fieldwork in Dhaka on 14th January 2017, following the lifting of the travel ban by JICA. Their fieldwork, however, started under strict security regulations imposed by JICA. These regulations included measures such as: (1) only three or four international

⁷ Following the decision by the second PSC in May 2016, the Energy and Mineral Resources Division and subordinating agencies were co-opted into the SPIMS implementation structure in the first semester in Year 3 (July-December 2016).

⁸ The Work Plan for Year 3 was revised six times to accommodate the changing circumstances in July-December 2016. Version 1 was prepared in early August, assuming the travel to Bangladesh would be permitted from the middle of August 2016. Following JICA's announcement on 19th August 2016, Version 2 was prepared based on the assumption that the travel to Bangladesh would be allowed in September 2016. Versions 3 and 4 were prepared after the PIU-JICA meetings on 5th September 2016 and 24th October 2016, respectively. Version 6 was developed in November 2016 to prepare for the tri-partite meeting in Malaysia among PIU, JICA and JET, although this meeting did not materialize due to understandable reasons.

consultants were granted permission to work in Dhaka at the same time; (2) consultants could only conduct a field mission for up to two weeks; (3) consultants were obliged to stay at one of three hotels designated by JICA; and (4) consultants could travel only in the areas approved by JICA, and only by car.

The PIU and JET held a series of meetings in January 2017 to discuss and confirm the progress in July-December 2016, and agree the revised work plan for January-June 2017. They agreed that they would need to cope with the security regulations of JICA, and adopted the following measures:

- Recruited additional national consultants to implement activities under the supervision of JET international consultants who worked remotely from their home countries;
- Increased the frequency of travel of international consultants to Bangladesh to cope with the limited duration of each field mission;
- Scheduled field missions of Output 2 team and Outputs 3/4 team alternately to cope with the limited number of international consultants permitted by JICA; and
- Continued the frequent use of a teleconference facility to maintain good communication among all JET team members and stakeholders.

Despite the highly restricted work environment, the PIU and JET worked collaboratively and implemented the activities as scheduled. The PIU's strong commitment to the project was instrumental in completing planned activities under the extremely tight schedule. The following are the key events held in Year 3 Second Semester:

- 6th Joint SWG Meeting to discuss SSP (29th January 2017)
- Validation Programmes for CBA and LFA (31st January 2017, 24th-26th February 2017, 28th-30th April 2017, and 5th- 7th May 2017)
- Validation Programme for the formulation of PE SSP (3rd- 5th March 2017)
- Validation Programme for the formulation of the LGRD SSP (10th-12th March 2017)
- 7th SWG on the PE SSP (19th April 2017) and MYPIP (20th April 2017)
- 8th SWG on the LGRD SSP (22nd May 2017) and MYPIP (24th May 2017)
- Overseas training programme in Malaysia (4th-10th June 2017)

Year 4 First Semester (July—December 2017)

The strict security regulations imposed by JICA continued. The PIU and JET worked closely to implement activities and complete validation of the new PIM tools: MAF, SAF, SSP and MYPIP. The following activities and events took place in July to December 2017:

- Validation Programme on ToT for CBA and LFA (14th-16th July 2017, and 27th- 29th October 2017)
- 2nd Validation Programmes for MAF and SAF, incorporating CBA and LFA training module (28th-30th July 2017 and 4th -5th August 2017, respectively)
- Consultation Meetings on SSP and MYPIP with relevant Sector Divisions of Planning Commission (24th August 2017, 27th August 2017, 28th August 2017), and Programming Division (21st September 2017)
- 9th Joint SWG Meeting to discuss MYPIP (25th September 2017)
- CDP in Japan (6th-13th December 2017)

Furthermore, the PIU and JET took held final meetings to complete the development and validation of the new PIM tools:

- 10th Joint SWG Meeting (29th November 2017)
- 4th PIC Meeting (3rd December 2017)

During the development and validation of the new PIM tools, the GoB and JICA conducted the SPIMS

terminal evaluation over the period 17th-28th September 2017. The recommendations of the terminal evaluation are summarised in Chapter 3 of this report.

On the PFM reform front, the Finance Division adopted the *PFM Reform Strategy 2016-2021* in 2016 and started developing the *PFM Reform Strategy Action Plan 2018-2023* with the support of the World Bank in 2017. The JET provided technical support for the coordination of two major reform initiatives -- PFM reforms and PIM reforms – working with the Finance Division and the World Bank on the one hand, and the PIU and JICA on the other, to ensure that both PFM and PIM reform initiatives would be complementary and reinforce each other.

Year 4 Semester (January—June 2017)

The 3rd PSC meeting was held on 10th January 2017 to seek final endorsement of the PIM tools developed and validated under the SPIMS project. At the meeting, the JET presented the new PIM tools: (1) MAF; (2) SAF; (3) PE SSP; (4) LGRD SSP; (5) PE Sector MYPIP; and (6) LGRD Sector MYPIP. At the end of the PSC meeting, the PSC recommended that: (1) the new PIM tools should be approved by the GoB; and (2) the JICA support for the SPIMS should be extended to June 2018.

A week after the 3rd PSC meeting, the NCC was held on 17th January 2018, chaired by the Honourable Minister of Planning. The State Minister for Finance and Planning was the Deputy Chair. The JET presented the new PIM tools to the NCC members to seek approval of the new PIM tools. The NCC approved the use of the proposed PIM tools in the pilot sectors under the SPIMS.

The final Dissemination Seminar was held on 25th April 2018 to disseminate the new PIM tools to all concerned PIM stakeholders. The Seminar was graced by the Secretary of the Planning Division as Chief Guest, and Members of three Sector Divisions of the Planning Commission and Secretary of IMED as Special Guests. Three JICA Senior Representatives – Mr. Hitoshi Ara, Mr. Yasuhiro Kawazoe, and Mr. Koji Mitomori – joined the Seminar. The participants were informed that the GoB approved the PIM tools to be used in the two pilot sectors.

2.2 Output 1

Activity 1.1: Review implementation of the work plan for support to Planning Commission under SPEMP and its relevance.

Activity 1.2: Review feasibility of recommendations of the WB-executed PIM project.

Year 1 First Semester (July–December 2014)

The JET conducted a comprehensive review of PIM-related documents, including various government documents and diagnostic reports produced by a range of DPs. One of the critical documents is the Aide Memoire of the SPEMP mission in 2011, which presented a work plan for support to Planning Commission, and proposed two TA projects executed by the World Bank: 1) Public Investment Management project (WB-PIM); and 2) Strengthening Strategic Planning and Monitoring for Results project (WB-SPM).

The WB-PIM project culminated in the publication by the World Bank of a PIM Reform Roadmap for Bangladesh. The World Bank presented the Roadmap at a meeting on 14th September 2014 chaired by the Honourable Minister of Planning and attended by the World Bank Country Director for Bangladesh and senior Planning Commission officials. The meeting concluded with the Honourable Minister endorsing the findings of the Roadmap and the Country Director inviting the Planning Commission to make a proposal for additional future support from the World Bank in the PIM domain.

Year 1 Second Semester (January–June 2015)

The PIU held exploratory discussions with the World Bank Bangladesh Office concerning possible future support to PIM capacity development within the Planning Commission. These discussions centred on the need for support to the implementation of the PIM Reform Roadmap produced under the earlier World Bank PIM project as well as more general support to the implementation of activities under Output 1 of SPIMS.

Year 2 First Semester (July–December 2015)

The PIU continued to hold exploratory discussions with the World Bank Bangladesh Office concerning possible future support to PIM capacity development within the Planning Commission.

Linked to this, JET Members had a number of meetings with the consultant team of the World Bank-supported SBPB project. The SBPB sought to: (a) reinforce performance budgeting practices in Finance Division and four pilot ministries, one of which was the Power Division, which was also one of SPIMS' pilot sectors; and (b) identify areas for future PFM support from the World Bank. The JET also facilitated meetings between the SBPB team and the SPIMS PIU on 9th September and 8th October 2015 with the latter meeting also attended by the SPIMS Project Director.

Year 2 Second Semester (January–June 2016)

The SPIMS continued coordination with the other new and ongoing projects that are related to PIM in Bangladesh. First, the JET held a meeting with the Finance Division and the consultant team for the SBPB project on 6th February 2016. The JET presented the concept of Strategic ADP to the participants and learned the scope and progress of the SBPB project. At this meeting, the JET received a positive feedback from the Finance Division on the concept of a Strategic ADP, which gave assurance to the direction of Outputs 3 and 4 of SPIMS.

Second, the PIU and JET held two consecutive meetings with GED of the Planning Commission on 24th and 25th April 2016. The main objective of these meetings was to conduct dialogue on the “Concept Note on Sector Action Plan (SAP)” prepared by the SSIP project under the GED. The JET provided detailed comments on the Concept Note on SAP at those meetings. They emphasized the need to synchronize the structure of SAP with that of SSP, since both were aimed at the same objective, i.e., linking 7th FYP with public investment projects, although the target sectors of SSIP and SPIMS were different. It was reported that the comments from SPIMS were being considered by GED in order to synchronize the structure of SAP and SSP.

Activity 1.5: Develop training modules and materials for training courses regarding DPP/TPP, ADP-fiscal linkage, and M&E.

Activity 1.6: Develop manuals and/or guidelines for DPP/TPP, ADP-fiscal linkage, and M&E.

Activity 1.7: Implement training for officials in Planning Commission, Ministry of Finance, planning wings of ministries/divisions, executing agencies and others on DPP/TPP, ADP-fiscal linkage, and M&E.

The Activities 1.5-1.7 that aimed to develop and conduct training programmes under SPIMS were undertaken in close coordination with the activities under Outputs 2, 3 and 4.

Year 1 First Semester (July 2014 – December 2014)

The JET conducted some interviews with training academies in Bangladesh to collect basic information about the academy and the training courses provided. They held discussion with officials

of Bangladesh Public Administration Training Centre (BPATC), National Academy for Planning and Development (NAPD), and the Establishment of a Bangladesh Civil Service (BCS) Economic Cadre Academy Project.

Year 1 Second Semester (January 2015 – June 2015)

Counterpart Dialogue Programme

The focus of the work during this period was to organise a CDP visit to Japan for senior PIM stakeholders, principally drawn from the Planning Commission. The JET shared a detailed proposal of the programme and started discussions with PIU and JICA in this period. This programme sought to offer opportunities to learn about contemporary Japanese PIM policies and practices at the central government and sub-national (Prefecture) levels as well as setting the evolution of Japan's PIM in a historical context.

Year 2 First Semester (July 2015 – December 2015)

Counterpart Dialogue Programme

A CDP visit to Japan took place over the period 14th-23rd November 2015. Led by the SPIMS Project Director and attended by ten other Ministry of Planning or Finance Division senior officers, the CDP provided extensive exposure to PIM-related history, structures and practices at the national-, regional- and Prefectural-levels. Through a mix of academic and practical lectures as well as site visits, extensive dialogue on PIM structures in Bangladesh and necessary reform actions was stimulated.⁹

Economic and financial analysis

In addition, significant on-the-job training was provided over this period by the JET's Economic and Financial Analysis (EFA) expert who worked together with numerous agencies across the two pilot sectors to develop their EFA competencies. This was codified in a report and a practical guide that offers broader benefits to bodies conducting EFA.¹⁰

Year 2 Second Semester (January 2016 – June 2016)

Need for capacity development

The project activities under Outputs 2-4 revealed some training subjects that are fundamental to enhancing quality and efficiency of PIM. Those subjects include: (1) CBA; (2) LFA; and (3) office and document management.¹¹ The JET started identifying training providers in and outside Bangladesh to develop and deliver training programmes under the SPIMS project.

Year 3 First Semester (July 2016– December 2016)

Office and document management

The office staff of the Programming Division are mandated to register, file, send and transfer official documents related to project formulation, appraisal, and approval, such as DPPs and ADP, in accordance with "Secretariat Instructions," the official instruction on office, document and file management. Even though such office staff's work has considerable impact on the efficiency and productivity of officers in the Programming Division, they had little opportunity to be trained before the SPIMS project. To fill the gap, the SPIMS project provided training for office staff of the Programming Division on the "guidelines and rules of government office management" on 3rd, 4th, and

⁹ A full report on the CDP (including detailed minutes) is provided in Annex I of the *Progress Report July-December 2015*.

¹⁰ For details, see Annex VII (Practical Guide on Economic and Financial Analysis) and VIII (Final Report on Economic and Financial Analysis under SPIMS) in *Progress Report V: Years 1 and 2*.

¹¹ Although the SPIMS project has been using the term 'economic and financial analysis' from the start, the PIU pointed out that the term 'cost benefit analysis' was more commonly used in the planning system in Bangladesh. Therefore, the term 'cost benefit analysis' was used in the training programmes under the SPIMS project.

7th July 2016. Eleven office staff were trained under this training programme. The training gave office staff the opportunity to learn the legal and formal background of their day-to-day work.

Training programmes on Cost Benefit Analysis and Logical Framework Analysis

The JET developed the training modules for CBA and LFA from their home countries, since the JET international consultants were not allowed to conduct field work in Bangladesh due to JICA's security instructions.

Year 3 Second Semester (January 2017 – June 2017)

Cost Benefit Analysis and Logical Framework Analysis

The JET developed training modules for CBA and LFA and conducted validation programmes to adjust them to the address the needs in Bangladesh. The JET provided a combined training programme on CBA and LFA for selected officials, aiming to develop and enhance those skills for project appraisal. Three courses were developed: (1) a one-day orientation course (only on CBA); (2) a three-day course on CBA and LFA; and (3) a five-day course (spread across two weekends) on CBA and LFA. These three courses were validated on 31st January 2017, 24th-26th February 2017, 28th-30th April 2017 and 5th-7th May 2017.¹² During these training sessions, the JET and PIU selected 16 officials and started a ToT programme with them, with the aim to develop a core group of officials who are equipped with the knowledge and training skills to deliver future CBA-LFA training courses for government officials.

Computer skills training programme for office and document management

The SPIMS project developed a computer skills training programme for office staff of the Programming Division, entitled "a programme on computer operation and troubleshooting for government employees." This programme was aimed at enhancing the basic computer skills to manage official documents. A total of eleven office staff were trained under this programme over the periods 31st March-4th April 2017, and 7th-8th April 2017.

Training programme in Malaysia

The SPIMS project organised a training programme in Malaysia for 18 SPIMS SWG members. The programme was held from 4th-10th June 2017, jointly coordinating with the National Institute of Public Administration (INTAN) as the focal point on the Malaysian side. The purpose of the programme was to explore the long-term vision and strategy of PIM in Bangladesh through the observation of PIM practices and procedures in Malaysia. The programme participants interacted with the following three main themes: (1) overall PIM system and policies in Malaysia; (2) development planning in Malaysia; and (3) budget formulation system in Malaysia. Toward the end of the programme, a workshop was held at INTAN, where the participants were split into three groups under the three main themes of the programme, held discussions, and presented their findings and the lessons learned that would be applicable for Bangladesh.¹³

Year 4 First Semester (July 2017– December 2017)

Training of Trainers on Cost Benefit Analysis and Logical Framework Analysis

The JET provided and validated the ToT programmes over 14th-16th July 2017 and 27th-29th October 2017. After completion of the second programme, the SPIMS certified 12 officers as trainers who are qualified to teach CBA and LFA in GoB training programmes.

¹² For details, see Annexes A2.1 and A2.2 for the LFA training programme and CBA training programme, respectively, in *Progress Report January-June 2017*.

¹³ For details, see Annex A1.1 for the Report on Training and Dialogue Programme in Malaysia in *Progress Report January-June 2017*.

Multi-Year Public Investment Programme

The JET also conducted a validation programme on MYPIP over 3rd-5th November 2017 with 22 participants from the Planning Commission and MDAs in two pilot sectors. This programme provided the opportunity for the participants to learn “what MYPIP is” and “How the FBE are to be prepared”. This programme also afforded the JET an opportunity to receive feedback on the relevance and usefulness of MYPIP and FBEs from the perspective of officers.

Counterpart Dialogue Programme in Japan

The second CDP was held in Japan from 6th-13th December 2017. The objective of this CDP was to explore the PIM vision and strategy in Bangladesh by observing the PIM systems and experiences in Japan. The mission was headed by the Secretary of the Planning Division, Ministry of Planning, and Member of the Programming Division, Planning Commission. At the end of the programme, the mission members and JICA officials held discussion on the scope of Phase 2 of the SPIMS project (For more details, see Annex A3 of this report).

2.3 Output 2**Activity 2.1: Review and confirm the DPP/TPP process*****Year 1 First Semester (July–December 2014)***Project formulation and appraisal

The JET conducted a baseline study to collect and analyse the background and procedures for project cycle management of public investment, focusing on planning, project proposal, appraisal (at various levels), approval, and initial implementation. This study was undertaken by making use of primary and secondary information sources.¹⁴

Economic and financial analysis

The JET assessed the economic and financial analysis capacity of Planning Commission and MDAs for public investment projects. A series of meetings and workshops were conducted with five agencies in the pilot sectors that prepare DPPs: (1) Bangladesh Power Development Board (BPDB); (2) Power Grid Company of Bangladesh (PGCB); (3) Dhaka Power Distribution Company (DPDC); (4) Dhaka Electric Supply Company (DESCO); and (5) Dhaka Water Supply & Sewage Authority (DWASA). One of the features of this assessment was to provide on-the-job training for key officials through which their capacity to conduct economic and financial analysis was also assessed.¹⁵

Environmental and social considerations

The JET conducted a capacity assessment of Planning Commission and MDAs on the way in which social and environmental issues are taken into consideration in public investment projects. The JET reviewed the legal framework pertaining to environment and social considerations and assessed current practice and capacity at the formulation and appraisal stages of the concerned MDAs, Planning Commission, and Department of Environment by interviewing relevant officials.¹⁶

Year 1 Second Semester (January–June 2015)

The JET updated the baseline study report and shared it with the PIU for feedback and comments.¹⁷ To prepare the report, the JET reviewed and checked the current practices on DPP formulation,

¹⁴ For details, see Annex I (Output 2 Baseline Study Report) in *Progress Report July-December 2014*.

¹⁵ For details, see Annex IV (Economic and Financial Analysis Report) in *Progress Report July-December 2014*.

¹⁶ See Annex V (Environmental and Social Considerations Report) in *Progress Report July-December 2014*.

¹⁷ See Annex III (Updated Baseline Study Report) in *Progress Report January-June 2015*.

appraisal and approval by examining the DPP, Working Paper and Minutes of Meeting for Project Scrutinizing Committee (PSC) and Project Evaluation Committee (PEC) of a sample of 16 projects. The JET also collected the date of each stage in the project formulation and appraisal process to measure the actual working days required for each stage.

Activity 2.1 was largely completed in Year 1 of SPIMS. However, subsequent work undertaken in Year 2 yielded additional relevant information on how the DPP/TAPP process works in practice. This information was considered during the formulation of Output 2 deliverables.

Activity 2.2: Develop a detailed action plan for the reform of project design and appraisal procedures.

Year 1 Second Semester (January–June 2015)

Based on the baseline study's findings, the JET prepared a work plan to develop the deliverables for Output 2, as presented in the *Concept Note on Project Formulation and Appraisal* (Output 2 Deliverables).¹⁸ This was followed by a series of discussion meetings on the concept note between JET and PIU. Based on the in-depth discussions in this period, a broad consensus was reached between PIU and JET on the scope of Output 2, deliverables to be developed and validated, and the work plan in Year 2 (July 2015-June 2016) and Year 3 (July 2016-June 2017). The Concept Note was submitted to the PIC for review on 11th June 2015.

Year 2 First Semester (July–December 2015)

The PIU and JET organised the SWG meetings on 31st August 2015 to hold in-depth discussions on the Concept Note among key stakeholders. They received useful feedback and comments on the proposed concept from the members of the SWG and reflected them to develop a new criteria and format under Activity 2.3.

Year 2 Second Semester (January–June 2016)

The Expert on EFA shared his findings and recommendations for concerned officials and developed a practical guide on EFA based on the experience of on-the-job training for key agency officials in charge of EFA for DPPs.¹⁹ The PIU recognised an urgent need to develop a training programme on CBA for the officers working on project formulation and appraisal. Responding to the request of PIU, JET started identifying and mobilising resources to address the need of capacity development in CBA.

Activity 2.3: Develop new criteria and format for appraisal and revise the DPP/TPP

Year 1 Second Semester (January–June 2015)

The JET prepared the zero draft of MAF and checked the practicality of the proposed MAF through pre-testing by using actual DPPs. The pre-test of the actual DPPs was useful to adjust and refine the draft MAF for practical use by concerned officials. The JET drafted the report on this pre-test and shared with the PIU for feedback and comments in May 2015.²⁰

Year 2 First Semester (July–December 2015)

¹⁸ See Annex I (Output 2 Concept Note on Project Formulation and Appraisal) in *Progress Report January-June 2015*.

¹⁹ See Annex VII (Practical Guide on Economic and Financial Analysis), and Annex VIII (Final Report on Economic and Financial Analysis under SPIMS) in *Progress Report January-June 2015*.

²⁰ See Annex IV (Report on Pre-Test of Ministry Assessment Format) in *Progress Report January-June 2015*.

Based on the comments on pre-test of MAF, the revised version of the MAF and associated Manual were drafted in early October 2015 and then presented in the following two key fora for discussion: a JWG meeting on 19th October 2015 and the second PIC on 21st October 2015. Based on the discussion and feedback received, the MAF and the associated Manual were revised further.

Year 2 Second Semester (January–June 2016)

The zero drafts of the SAF and associated Manual were developed in March 2016. The drafts were presented in the following two key meetings for discussion—the Joint SWG meeting on 13th April 2016, and the third PIC meeting on 18th April 2016.

Activity 2.4: Validate new criteria and format for appraisal

Activity 2.5: Improve new criteria and format for appraisal based on the validation

Year 2 Second Semester (January–June 2016)

The JET conducted the MAF validation programme to validate the practicality of MAF as an assessment tool for DPPs as well as the Manual that supports the use of the MAF. Two validation programme sessions were conducted: (1) 22nd-24th January 2016 for the power and energy sector; and (2) 29th-31st January 2016 for the LGRD sector. The participants applied MAF and associated Manual to assess DPPs of actual public investment projects.

Subsequently, the JET organised the SAF validation programme on 22nd-23rd April 2016 for two pilot sectors jointly to validate the practicality of SAF and its associated Manual. The participants applied SAF and associated Manual to appraise DPPs of actual public investment projects.

The draft MAF and associated Manual, and draft SAF and associated Manual were further revised to incorporate the feedbacks from the above-mentioned validation programmes. The modules used for MAF and SAF validation programmes were also validated through the implementation of the programmes.

Year 3 First Semester (July–December 2016)

The JET started drafting a Handbook for DPP Preparation for the use of agency officials who are tasked with formulating DPPs. The key revisions of MAF and SAF and associated Manuals above were also reflected in this Handbook. The JET also prepared the Annexes for the Handbook to explain further the key elements of project formulation and appraisal, namely, (1) LFA, (2) CBA, (3) Social-environmental concerns.

Year 3 Second Semester (January–June 2016)

The JET revised the draft of the MAF and SAF and their associated Manuals. The revision concerns two key concepts in the SSP under Outputs 3/4: (1) Theory of Change (ToC) that shows the results chain of a sector; and (2) SRF that provides a framework for M&E at the sector level. The JET incorporated both the ToC and SRF into the revised MAF and SAF, and their associated Manuals accordingly.²¹

The JET developed and validated the Handbook for DPP Preparation, mainly on LFA and CBA, via a

²¹ See Annex Annexes A2.3 and A2.4 for the revised MAF and SAF, and associated Manuals in *Progress Report January-June 2017*.

series of validation programmes on 31st January 2017, 24th-26th January 2017, 28th-30th April 2017, and 5th-7th May 2017.²² The JET focused on the project formulation stage: how the Agency formulates a project by using LFA and CBA.

Year 4 First Semester (July – December 2017)

The JET conducted the second MAF validation programme to validate the revised MAF and associated Manual. The programme was held from 28th-30th July 2017. Subsequently the JET organised the second SAF Validation Programme from 4th-6th August 2017 to validate the revised SAF and associated Manual. The JET also validated the training programme on LFA and CBA for the officers who assess or appraise projects at the Ministry level and the Planning Commission.

The draft MAF and associated Manual, and draft SAF and associated Manual were further revised to incorporate the feedback received at the abovementioned programmes.

The final drafts of MAF and SAF were presented at the Joint SWG meeting on 29th November 2017, and the fourth PIC meeting on 3rd December 2017 to discuss the idea that MAF and SAF should be piloted in actual project assessment and appraisal procedures in two piloted sectors.

Activity 2.6: Formalize the new process of formulation/approval and new DPP/TPP by appropriate administrative measures such as rules, orders, and regulations

Year 4 Second Semester (January– June 2017)

The third PSC meeting and the NCC meeting were held on 10th January 2018 and 17th January 2018, respectively. The PSC and NCC endorsed the adoption of MAF and SAF in two pilot sectors.

To make the MAF and SAF more practical, the JET translated the MAF and SAF into Bangla, as the DPPs funded solely by GoB should be prepared in Bangla.

2.4 Output 3

Activity 3.1: Review and confirm strategic linkages of ADP

Year 1 First Semester (July-December 2014)

The JET largely completed Activity 3.1 in the first Semester of Year 1. They conducted in-depth reviews of recent reports on the ADP in Bangladesh and assessed the current situation regarding strategic linkages among the ADP, FYP and MTBF/budget, with a view to strengthening those linkages. The reports of the World Bank PIM Project (WB-PIM) and the PIM Review and Reform Roadmap were the start of this review, advancing discussions on two key elements proposed by the WB-PIM: (1) moving to a MYPIP; and (2) introducing SSPs. To confirm the key findings and recommendations of those reports, the JET conducted interviews with key officials involved in ADP preparation. SPIMS's two pilot sectors (the PE sector and the LGRD sector) were different from those of the WB-PIM Project (agriculture and transport). Efforts were therefore made through these interviews to validate whether the diagnostic findings of the WB-PIM Project also applied in SPIMS' pilot sectors. Frequent dialogue with the SPIMS Project Director and Assistant Project Director as well as valuable comments received at the Launching Seminar in September 2014 and the first SWG meeting in November 2014 were instrumental in shaping the views of the JET.²³

²² See Annex A2.5 for the draft Handbook for DPP Preparation in *Progress Report January-June 2017*.

²³ For the findings and analysis of this review, see Annex II (Output 3 Report) in *Progress Report July-December 2014*.

Activity 3.2: Develop a detailed action plan for the reform on ADP

Year 1 Second Semester (January-June 2015)

The JET largely completed Activity 3.2 in the second Semester of Year 1. Specifically, JET prepared a work plan to develop the Strategic ADP as part of the Concept Note on Strategic ADP explained in Activity 3.3 below. This work plan presents the steps taken by SPIMS toward resolving important gaps between the ADP, FYP, and MTBF/Annual Budget in the PIM system in Bangladesh.

Significant support was also provided by both the PIU and JET to GED over this semester to provide PIM-related inputs for the 7th FYP. This culminated in the explicit references in the 7th FYP on PIM reforms, including the establishment of the PIM Unit and the preparation of MAF, SAF, SSP and MYPIP. This provided a strong strategic basis for further PIM reforms over the coming years, with a focus on SSPs, MYPIP and the creation of a PIM Unit.

Activity 3.3: Develop a strategic ADP model

Year 1 Second Semester (January-June 2015)

As the first step, the JET prepared a *Summary Concept of Strategic ADP* to facilitate discussions with the PIU in April 2015. This was a two-page briefing note which was used to engage in dialogue with, receive feedback from, and reach broad consensus with the PIU on the overall concept and contents of the Strategic ADP. This activity was followed by the development of the *Concept Note on Strategic ADP*, building on the *Summary Concept of Strategic ADP* prepared earlier. This Note presents: (1) overall framework of Strategic ADP; (2) main tools of the Strategic ADP; (3) M&E framework of the Strategic ADP; (4) process to develop Strategic ADP; and (5) work plan to develop the Strategic ADP in Years 2 and 3.²⁴

The discussions with PIU in Year 1 revealed considerable interest of the GoB in introducing *Kaizen* (“continuous improvement” in Japanese) methods to improve ADP management. Responding to the interest on the side of GoB, the JET prepared *Concept of Kaizen Activities*, a two-page brief note, to propose a *Kaizen* mechanism under SPIMS, to propose possible applications of *Kaizen* to improve ADP management, and to show sample *Kaizen* tools for further illustration of the activities.²⁵

Year 2 First Semester (July–December 2015)

The *Concept Note on Strategic ADP* was presented at the SWG meetings held on 31st August 2015 to kick-start consultation among PIM stakeholders in Ministry of Planning, Planning Commission, Ministry of Finance, and MDAs in two pilot sectors. Since the introduction of SSP as part of the Strategic ADP was new to most PIM stakeholders, the JET prepared a *Briefing Note on Sector Strategy Papers (SSPs)* in September 2015 and conducted face-to-face consultation with key senior officials in the Planning Commission, Finance Division and MDAs in to pilot sectors.²⁶ In addition, some preparatory work to develop MYPIP as part of the Strategic ADP was also launched in this period, including the preparation of a DPPs/TAPPs depository as well as developing the structure and format of the MYPIP. Finally, the JET initiated a dialogue with the consultant team of SBPB project under Finance Division supported by the World Bank to ensure a harmonised approach to the development and non-development budgets.

²⁴ For details, see Annex II (Concept Note on Strategic ADP) in *Progress Report January-June 2015*.

²⁵ See Annex V (Concept of Kaizen Activities) in *Progress Report January-June 2015*.

²⁶ See Annex III (Sector Strategy Papers Briefing Note) in *Progress Report January-June 2015*.

During the CDP Visit to Japan in November 2015, the lecture on *Kaizen* helped participating members to understand the *Kaizen* concept and its applications. This was then elaborated into a more detailed plan, including an initial *Kaizen*-based activity around the creation of a central depository of all DPPs/TAPPs in the electronic and paper forms in the Programming Division. This activity had a number of benefits, including: (1) immediate benefits to the Planning Commission office staff in everyday work; (2) a clear demonstration of the benefits of *Kaizen* approaches; and (3) complemented SPIMS' work under Outputs 2 and 3/4.

Year 2 Second Semester (January-June 2016)

Sector Strategy Papers (SSP)

Based on the conceptual development of SSP and consultation of the concept with PIM stakeholders, the JET further elaborated the structure of SSP and developed 'model (or mock)' SSPs for the two pilot sectors.²⁷ Recognising the novelty of the SSP concept in the planning system in Bangladesh, the JET, in close consultation with the PIU, recognised the importance of preparing model SSPs to facilitate discussions toward reaching a broad consensus on the structure of SSP. The model SSPs turned out to be useful documents in engaging PIM stakeholders in dialogue, which was especially crucial given that GED aimed to develop a SAP, a similar concept to the SSP, in the education sector under the SSIP project. Meetings were held with GED on 24th and 25th April 2016 with a view to synchronising the structure of SAP and SSP and ensuring that both projects would work towards the same objectives.

Multi-Year Public Investment Programme (MYPIP)

In the Second Semester of Year 2, most of effort was focussed on developing a database of MYPIPs for two pilot sectors. Specifically, the JET extracted necessary data for MYPIPs from DPPs and TAPPs in those sectors and compiled the data in Excel format.²⁸

In addition, the PIU and JET developed a training programme on office and document management for office staff of the Programming Division and other concerned offices in Second Semester of Year 2. In this programme, a group of office staff in the Programming Division received training on office and document management in association with the Business Institute of Management, one of the training institutes under the GoB.

Year 3 Second Semester (January – June 2017)

SSP formulation

The SPIMS project organised the 6th Joint SWG meeting on 29th January 2017. At this meeting, the JET presented the zero draft of the Guidelines for Preparing and Using SSP ("SSP Guidelines") to the members of the Planning Commission, Finance Division, ERD, and MDAs of the two pilot sectors. The objectives of this meeting were to receive feedback on the SSP Guidelines and the work plan to develop SSPs in the two pilot sectors. The participants provided useful comments to improve the SSP Guidelines and agreed to start developing SSPs in the two pilot sectors under the SPIMS project.

Following the proposed schedule, the SPIMS organised a three-day SSP formulation workshop with selected members of SWGs (called "core drafting team") for the respective pilot sectors. The first formulation workshop was held on 3rd-5th March 2017 for the PE SSP, and the second one on 10th-12th March 2017 for the LGRD SSP. During these workshops, three key elements of the SSP were developed

²⁷ See Annex III (Model Sector Strategy Paper for Power and Energy Sector) and Annex IV (Model Sector Strategy paper for Local Government and Rural Development Sector) in the current Progress Report.

²⁸ See Annex V (Format and datasheet of Multi-Year Public Investment Programme for Power and Energy Sector), and Annex VI (Format and datasheet of Multi-Year Public Investment Programme for Local Government and Rural Development Sector) in the current Progress Report.

-- (1) situational analysis; (2) ToC; and (3) SRF. Following the SSP formulation workshops in March 2017, the JET reflected the results of SSP formulation workshops to develop the zero draft of SSPs in the two pilot sectors. SPIMS then organised two SWG meetings to receive feedback on the first draft of SSPs. Considering the comments at the SWG meetings in April and May 2017, the JET further revised the SSPs for the two pilot sectors in May-June 2017.

MYPIP formulation

The 7th SWG meeting on 20th April 2017 and the 8th SWG meeting on 24th May 2017 provided opportunities for the SWG members to discuss and provide feedback on the planned MYPIP of the respective pilot sectors. Considering these discussions on the MYPIP, the JET prepared the PE Sector MYPIP and LGRD Sector MYPIP in May-June 2017. During this period, the JET also developed the zero draft of the Guidelines for Formulating and Using MYPIP (“MYPIP Guidelines”). These Guidelines are complementary to the SSP Guidelines and Facilitator’s Guide for SSP Formulation, which aim to support the use of SSP and MYPIP by officials of the Planning Commission, Finance Division, and MDAs. Those guidelines are also intended to provide the basis for developing training programmes on these new PIM tools when the SSP and MYPIP are rolled out beyond the pilot sectors in the future.

Survey on IT systems

In parallel with the formulation of SSPs and MYPIPs and associated Guidelines, the JET conducted a survey on the IT systems for PIM in March-June 2017. The main purpose of this survey was to identify potential areas of SPIMS support toward developing the IT system of the MYPIP. To this end, the study surveyed the current situation of IT systems of the Programming Division, IMED, ERD, Planning Division (Digital ECNEC), and Finance Division (Integrated Budgeting and Accounting System: iBAS+ and iBAS++).

Computer operation training programme

The SPIMS conducted a four-day training programme for computer operation and troubleshooting on 1st March 2017, and 1st, 7th, and 8th April 2017. This training programme was aimed at strengthening the computer operation capacity of 11 office staff in the Programming Division. Those office staff consist of: (1) two data entry and control operators; (2) two steno-typist-cum-computer operators; (3) three personal officers; (4) four administrative officers; (5) two PIU employees; and (6) two JET national consultants. This training programme offered intermediate-level training on Microsoft WORD and EXCEL, and basic-level training on Microsoft PowerPoint. In addition, this training offered instruction on trouble shooting, aimed at enhancing capacity of those desk officers to solve day-to-day issues of operation. The participants also expressed a high-level of satisfaction in the training programme at the end of the programme.

Activity 3.4: Validate the strategic ADP model by applying it for selected public investment projects in pilot sectors

Activity 3.5: Further improve the strategic ADP model based on the initial validation in 3.4, and apply it for other selected public investment projects in pilot sectors

Year 4 First Semester (July – December 2017)

Validation of SSP and MYPIP

Following the SWG meetings held in the Second Semester of Year 3, JET, in close consultation with the PIU, designed and delivered a series of SSP and MYPIP Consultation Meetings in August 2017. Four separate Consultation meetings were held, namely with the concerned Sector Divisions in the two pilot sectors (Agriculture, Water Resources and Rural Institutions Division, Industry and Energy Division and Physical Infrastructure Division) and the Programming Division. The objective of these meetings was to take forward the process of consulting and finalising the SSP and MYPIPs in the LGRD and PE

sectors. As the responsibility of preparing the SSPs lies with the Sector Divisions, it is particularly important to seek their feedback and comments for validation. The SSP and MYPIP were presented, and the JET received helpful comments and suggestions for improving the documents. As such, the JET revised and finalised the draft SSP and MYPIP for the LGRD and PE sectors in light of the comments and suggestions received.

Validation of MYPIP

Besides the Consultation Meetings mentioned above, a separate MYPIP validation programme was held in November 2017. This comprised the following participants: (1) Planning Wing/Branch officials and Project Directors from two pilot sectors; (2) representatives from the Sector Divisions; (3) Programming Division; and (4) Finance Division. The objective of the programme was to simultaneously deliver and validate training on MYPIP preparation as well as receive feedback on the MYPIP design and approach to update the MYPIP Guidelines as well as sector MYPIPs. The MYPIP validation programmes were delivered through a combination of theoretical sessions and hands-on, practical sessions, including construction of the MYPIP dataset using ‘mock’ data from the PE and LGRD sectors as well as interactive discussions on how to use the MYPIP information.

The validation programme was successfully delivered, and in line with the records of validation complied, it is clear that the following learning outcomes were achieved:

- 1) Clear understanding of the rationale behind the MYPIP – participants understood why the ADP needs to be viewed in a multi-year perspective, the benefits which this affords, how the MYPIP (and SSP) fits into overall PFM reform (linkages with the MTBF and Non Development Budget FBEs);
- 2) Clear understanding of the main elements of the MYPIP and why they are important – participants were familiarised with top-down sector ceilings, bottom-up FBEs and fiscal space;
- 3) Ability to independently gather the information required for the MYPIP dataset – at the project level within MDAs, and crosschecking with IMED data at the Sector Divisions;
- 4) In-depth understanding and hands-on proven ability to construct the MYPIP dataset – participants learned how to formulate indicative expenditure profiles and allocate project level expenditure in line with the indicative expenditure profiles; and
- 5) Clear understanding of how to use the information contained within the MYPIP dataset, including from the perspective of Planning Wing/Branch, Sector Divisions, Programming Division and Finance Division.

Survey on IT systems – Development of Functional Requirement Document

As a follow-up to the Survey on IT systems discussed above, the JET also prepared a draft Functional Requirement Document (FRD) for the new ADP Management Information System (ADP-MIS), which is being managed as a separate project under implementation by the Programming Division. Critically, the draft FRD developed by the JET was used by the ADP-MIS project to prepare documents for procurement. This was expected to ensure timely and successful implementation of the GoB-funded project for ADP-MIS.

Activity 3.6: Formalize the validated strategic ADP model by appropriate administrative measures such as rules, orders and regulations.

Year 4 Second Semester (January – June 2018)

SSP and MYPIP endorsement and dissemination

As the SPIMS project moved into its final phase in the Second Semester of Year 4, the priority was to receive endorsement for all PIM tools, as well as disseminate them to a broad range of stakeholders across the pilot sectors.

To this end, the NCC of the SPIMS project met in January 2018, with the objective to appraise and approve, *inter alia*, the SSP and MYPIP. The Project Director of the SPIMS project presented project progress to date, highlighting issues for the NCC's consideration. The JET then presented the main PIM tools and proposed next steps. Importantly, the Honourable Minister for Planning provided his unequivocal endorsement of the PIM tools, including the SSPs and MYPIPs in the PE and LGRD sectors, as well as their use within the pilot sectors.

Following the endorsement at the NCC, the SPIMS project organised a series of dissemination meetings in March 2018 to introduce the SSP and MYPIP to officials in the two pilot sectors. Specifically, dissemination meetings were held in the Local Government Division, Power Division as well as the Energy and Mineral Resources Division (EMRD). The JET presentations at these dissemination meetings covered an overview of the documents, the rationale behind their introduction, as well as an outline of the contents of the SSP and MYPIP in each pilot sector.

Finally, the SSPs and MYPIPs were also disseminated to a broader audience at the final Dissemination Seminar in April 2018.

Ensuring the Strategic ADP is linked to the Budget

Under the various PFM and PIM reform initiatives undertaken by the GoB, there have been consistent attempts to improve linkages between the Development and Non-Development Budgets. A key focus of the last phase of SPIMS activities was to facilitate communication and discussion between the Planning Commission and Finance Division on closer coordination of both budgets. Communication and discussion centred on the establishment of a JTC, comprising Planning Commission and Finance Division officials.

The overall objective of the JTC is to act as a *permanent* structure for sustained dialogue between planning and finance, supporting enhanced coordination of Development and Non-Development Budgets. Importantly, this JTC would be a forum for key Planning Commission and Finance Division officials to discuss technical matters relating to the preparation of the Development and Non-Development Budgets, including executing the joint vision of a strategic, policy-based budget. Ultimately, this will support better technical coordination to improve the efficiency and effectiveness of resource allocation in line with GoB policy priorities for socio-economic development.

To further the dialogue around the JTC, the JET drafted ToR for the JTC, which set out the Objective, Scope of Work, proposed Members, Secretariat Support (including from the PIM Unit), Meeting Modalities as well as Timing and Sequencing for the establishment of the Committee. In addition to the draft ToR, the JET facilitated a meeting between the Finance Division (as represented by the Finance Secretary) and the Programming Division (as represented by Chief, Programming Division) on the draft ToR. Comments and suggestions received at this meeting were incorporated into an updated and improved draft ToR, which was subsequently handed over to Programming Division to take the lead on.

It is important to mention that there is currently a sense that the 'time is ripe' for the establishment of such a Committee to sustain and institutionalise dialogue on crucial budget reforms which have been progressing steadily to date. The Finance Division has consolidated its plans for moving ahead on PFM reform, following the finalisation of a PFM Reform Strategy Action Plan. In parallel, the Planning

Commission has articulated the next phase of PIM reforms, under the leadership of the Programming Division. As part of these reforms, taking forward key areas of Development and Non-Development Budget issues (e.g., roll out of FBEs, continued development of the Multi-Year Public Investment Programme, SSPs, sector classification, O&M costs) are now emerging as logical next steps. Following the conclusion of the SPIMS project, it is now imperative that key GoB stakeholders take advantage of this momentum and the initial steps made to bring PFM and PIM reforms to the next level.

2.5 Output 4

Activity 4.1: Review current M&E systems, practices, capacities and needs at:
(1) the central-level (including IMED, Planning Commission and Finance Division); and (2) the Sector-level (i.e. in the two Pilot Sectors of Power and Local Government).

Year 1 First Semester (July-December 2014)

The review of existing M&E systems, practices, capacities and needs at the central and (pilot) sector levels was finalised in January 2015 based on fieldwork conducted during the final quarter of 2014. It both updated earlier World Bank analysis of central-level M&E and extended the analysis to cover the SPIMS pilot sectors of power and local government (the World Bank analysis had covered the agriculture and transport sectors). The report was submitted as an annex to our *Progress Report July-December 2014* submitted to JICA and the Planning Commission in mid-January 2015.

Activity 4.2: Develop a detailed action plan (short and medium term) for the strengthening of M&E systems, practices and capacities at both the central and sector levels.

Year 1 Second Semester (January-June 2015)

Discussions in February and March 2015 revealed the preference of the PIU for SPIMS' M&E capacity-building to focus in the first instance on activities related to the work of the Programming Division and the Sector Divisions of the Planning Commission. IMED was receiving separate M&E capacity-building support through a GoB-funded project and additional support to the Finance Division around performance management was provided through the aforementioned SBPB project. Similarly, direct M&E capacity-building support to MDAs within SPIMS' two pilot sectors was not seen as a priority by the PIU at that time.

The above-mentioned state-of-play meant that SPIMS activities under Output 4 were redesigned to be closely aligned with those under Output 3, *i.e.*, M&E related aspects of SSPs (notably the SRF) and the MYPIP. For this reason, the conceptual work on these topics was included in the *Concept Note on Strategic ADP* (see Section 2.4 above) which was presented at the WG meetings held on 31st August 2015.

Activity 4.3: Develop new M&E frameworks, formats and co-ordination mechanisms to strengthen Public Investment Management (PIM) at the project, programme, sector and national (including 7th FYP) levels.

Year 2 First Semester (July-December 2015)

By this point, M&E activities were integrated into the work on the Strategic ADP (see above). The

CDP also included specific sessions on PIM-related M&E practices in Japan.

Year 2 Second Semester (January-June 2016)

Activities over this Semester focussed on the development of the ‘model’ SSPs (including their associated SRFs) as outlined above.

Year 3 Second Semester (January – June 2017)

In line with the shift from ‘model’ SSPs to actual SSPs developed in close consultation with pilot sector stakeholders, SPIMS organised a three-day SSP formulation workshop with selected members of SWGs (called “core drafting team”) for the respective pilot sectors. The first formulation workshop was held on 3rd-5th March 2017 for the PE SSP, and the second one on 10th-12th March 2017 for the LGRD SSP. The facilitation team consisted of international and national consultants who have expertise in the respective pilot sectors. Developing sector-level M&E through the SRF was one of the main focuses of these workshops.

The SSP formulation workshops were designed to develop three key elements of an SSP -- (1) situational analysis; (2) ToC; and (3) SRF. The participants reviewed a set of policy documents and identified an overall sector goal that had not been clearly stated in any other strategy documents. This was followed by developing the TOC to achieve the sector goal. Based on the ToC, they developed the monitoring framework for the sector goal and outcomes in the ToC by identifying relevant indicators and information sources. The SRF is a critical part of the SSP as it provides substance to the hierarchy of objectives presented in the sector ToC by showing how achievement of these will be measured in practice (through the elaboration at each level of indicators and associated intermediate and final targets).

Participants in the SSP formulation workshops undertook hands-on work to develop the Sector Results Matrix (SRM), which summarised the sector goal, sector outcomes (higher level), intermediate outcomes and main outputs from sectoral interventions (principally ADP projects but potentially also regulatory or institutional reforms), with associated indicators specified at each of these levels. Crucially, they were guided on how to closely consult and incorporate Key Performance Indicators contained in the Development Results Framework (DRF) of the FYP as well as Sustainable Development Goal (SDG) targets and indicators, where relevant. Detailed SRMs were prepared as part of the overall process of PE and LGRD SSPs formulation.

Activity 4.4: Validate and assist with implementation of the new M&E approaches and frameworks

Activity 4.5: Improve the new M&E frameworks, formats and coordination mechanisms based on the initial validation in 4.4 and apply them for other selected projects in pilot sectors.

Year 4 First Semester (July – December 2017)

Following the SSP formulation workshops, the JET worked closely with key sector stakeholders to develop the Sector Results Monitoring Matrix (SRMM). The SRMM provides the basis for the monitoring of sector-wide performance by taking the sector goal, sector outcomes (higher level) and intermediate outcomes from the above SRM and adding baseline values (Year 0), intermediate targets (Years 1-4), final targets (Year 5), associated financial allocations and (in terms of sector intermediate outcomes) lead institutional responsibilities for each. PE and LGRD stakeholders who were part of the SSP ‘core drafting team’ took the lead on developing the SRF in full, making adjustments to the SRM as well as fleshing out the SRMM, based on the sector ToC outlined in the draft SSPs.

Whilst the PE and LGRD sector M&E processes were largely similar, it is worth mentioning that one particularity of the PE SRF is that it captures longer-term targets and financial gaps. This is possible thanks to the Power Systems Master Plan (PSMP) 2016. Both SRFs were closely consulted as part of the overarching SSP and MYPIP consultation and validation process (see Section 2.4 above for details of this consultation process).

Activity 4.6: Formalize the validated M&E frameworks, formats and coordination mechanisms by appropriate administrative measures such as rules, orders and regulations

Year 4 Second Semester (January – June 2018)

As discussed in Activity 3.6, the PSC endorsed the SRFs in SSPs and the MYPIPs, for undertaking M&E at the sector level on 10th January 2018. This was followed by formal approval of them and their use in the two pilot sectors by the NCC on 17th January 2018. The official circular for the use of new PIM tools is expected to be issued by ECNEC Wing of the Planning Division in May 2018.

3 Achievements of Project Objectives

3.1 Summary Results of Terminal Evaluation

The GoB and JICA conducted the terminal evaluation from 17th – 28th September 2017. The mission members of the terminal evaluation observed the progress and achievements of the project in comparing with the indicators and targets planed in the PDM of the SPIMS project and evaluated the achievements of project against the five criteria: relevance, effectiveness, efficiency, impact, and sustainability. Table 1 and Table 2 show the summary of observation and evaluation results. At the end of evaluation, the mission provided two types of recommendations for further actions to enhance the Relevance, Effectiveness, Efficiency, Impact and Sustainability of the project. The two types of recommendations are as below. Table 3 explains each recommendation in detail.

- A) Measures to be taken by the end of the project period:
- The Official approval of the PIM Unit;
 - Approval of the PIM Tools and issuance of circulars;
 - Dissemination of the PIM tools;
 - Alignment with the PFM Reform Strategy and necessary coordination; and
 - Consultation with Finance Division.
- B) Measures to be taken after the completion of the project:
- Utilization of the PIM tools in the pilot sectors and rolling out to other sectors;
 - Strengthening capacity development system on PIM tools; and
 - Coordination with Finance Division.

Table 1 Summary of observation results

Objectives	Narrative Summary of PDM	Observation results
Project Purpose	PIM capacity is structurally improved with strengthened linkages between outcome of public investment projects and national development policies / fiscal frameworks.	To be partially achieved
Output 1:	PIM Unit is formally established and operational as the anchor organization for the PIM reform program	To be mostly achieved
Output 2:	Capacity for public investment formulation and approval is enhanced.	To be partially achieved
Output 3:	Strategic ADP is utilized with incorporating development plans and MTBF/annual budget.	To be partially achieved
Output 4:	Monitoring and Evaluation (M&E) capacity for public investment projects is strengthened.	To be partially achieved

Table 2 Summary of evaluation results by five evaluation criteria

	Evaluation criteria	Evaluation Results
1	Relevance	High
2	Effectiveness	Moderate
3	Efficiency	Moderate
4	Impact	To be partially achieved
5	Sustainability	Relatively high

3.2 Achievements after Terminal Evaluation

Table 3 presents a summary of recommendations given by terminal evaluation and the achievements of the PIU and JET at the end of the project period in June 2018.

Table 3 Summary of recommendations and achievements

	Title	Recommendations	Achievements by PIU/JET
A) Measures to be taken by the end of the project period			Achievements
1	The Official Approval of the PIM Unit	Although PIU functions as PIM Unit, its official approval is still in the process; Planning Division submitted the proposal to MoPA in May 2017 and it is being reviewed (see 2-2 Achievement of Outputs, Output 1). The proposal of Planning Division includes other requests besides the PIM Unit (e.g. new post creation and increase of existing manpower within the Planning Commission). Having considered the importance of PIM Unit with urgent necessity, it is recommended that the issue of PIM Unit establishment to be separated from other requests so as to accelerate the approval process.	The PIU and Planning Commission communicated and discussed with the MoPA to put high priority on the establishment of the PIM Unit in 2017. This was followed by an official letter to the MoPA from Planning Division on 23 rd April 2018 that requested creation of new posts for the PIM Unit.
2	Approval of the PIM tools and issuance of Circulars	Through the recommendation by the PSC meeting to be held by December 2017, the set of the PIM tools (e.g. MAF, SAF, SSP, MYPIP, and relevant guidelines/manuals) should obtain Ministerial approval by the end of the Project. Subsequently, it is also required to issue circular(s) by Ministry of Planning addressing to the concerned MDAs of two pilot sectors to instruct the introduction of the PIM tools.	The new PIM tools (MAF, SAF, SSP and MYPIP) obtained ministerial approval. The SPIMS held the PSC meeting on 10 th January 2018, chaired by the Secretary of Planning Division/Member of Programming Division. This was followed by the NCC meeting on 17 th January 2018, which was chaired by Honourable Minister of Planning. The NCC approved the PIM tools and their use in the two pilot sectors. It is expected that Ministry of Planning would issue the relevant Circular in May or June 2017.
3	Dissemination of the PIM Tools	After the PSC meeting and the Ministerial approval, a high-level forum with the presence of the Planning Minister is necessary to be organized, aiming at gaining better recognition and understanding on the PIM tools. Particularly in the MDAs for the two pilot sectors, organizing workshops at Ministry/Division level are recommended to further deepen understating and obtain support of senior management, such as Secretary and Additional Secretary.	The SPIMS conducted the final dissemination seminar of new PIM tools on 25 th April 2018, chaired by Project Director of SPIMS. The officers in charge of project planning in the MDAs were invited and informed about the ministerial adoption of the PIM tools in the two pilot sectors. The SPIMS project also held three ministry-level dissemination meetings on SSP and MYPIP on 25 th , 27 th and 28 th March 2018 at the Local Government Division, Power Division and EMRD, respectively. There remains a need to further sensitise high-level officials such as secretaries to utilise the PIM tools at the pilot sector ministries.

	Title	Recommendations	Achievements by PIU/JET
4	Alignment with the PFM Reform Strategy and necessary coordination	The action plan of the PFM Reform Strategy (2016 - 2021) is being developed by the initiatives of Finance Division under Ministry of Finance, which is scheduled to be completed within the next six months. It is recommended to conduct necessary coordination and consultation with concerned stakeholders, confirming that measures to strengthen PIM (e.g. major activities of the Project, including PIM Unit, introduction of MAF, SAF, SSP, and MYPIP) are properly reflected in the action plan. Technical Advisory Committee for the Strategy and Local Consultative Group of PFM, for example, would be appropriate platforms for the coordination; PIU and JICA Bangladesh Office can jointly take initiative for better coordination with Finance Division and DPs.	The issues related to the PIM reforms, including PIM Unit, introduction of MAF, SAF, SSP, and MYPIP at the pilot sectors were properly reflected in the PFM Reform Strategy Action Plan 2018-2023. The JET provided "PIM Policy Note" and "PIM Matrix" on behalf of the PIU and JICA, which served as inputs to the PFM Reform Strategy Action Plan (see Annexes A6 and A7 of the current Report). The PIU and Finance Division continued communicating with each other to facilitate further activities.
5	Consultation with Finance Division	Validation of MYPIP guideline is still in the process. Considering the importance of keeping consistency between MTBF and MYPIP, proper coordination and consultation with Finance Division is indispensable, which is part of preparation in introducing MYPIP in two pilot sectors after its approval.	The SPIMS project consulted with the Finance Division to ensure consistency between MTBF and MYPIP. The SPIMS and Finance Division in principle agreed to formulate a JTC between the Planning Commission and Finance Division, as the platform for sustained dialogue between them toward enhancing coordination of Development Budget and Non-Development Budget.
B) Measures to be taken after the completion of the project			Actions to be taken by the GOB
1	Utilization of the PIM Tools in the pilot sectors and rolling out to other Sectors	The PIM tools, to be approved by the end of the Project, should be introduced in full-fledged in the process of daily operations for the two pilot sectors. To this end, ample trainings and/or On the Job Training (OJT) targeting the actual users of the PIM tools needs to be properly arranged. It is also suggested that circular(s) to be issued, describing that SSP and MYPIP should be utilized in ADP preparation process. Furthermore, plan and methodology to roll out the PIM tools to other sectors needs to be considered in the due course of implementing the PIM reform agenda.	In the PFM Reform Strategy Action Plan 2018-2023, the GoB plans to roll out the PIM tools to the other sectors, developing the capacity development system for the use of the PIM tools and providing training as the next actions for four years from August 2018.
2	Strengthening capacity development system on PIM tools	With anticipation of rolling out of the PIM tools to other sectors and ensuring sustainability of the PIM reform, capacity development system for the concerned stakeholders needs to be established. Building on the existing materials validated by the Project, training curriculum/materials together with	In May 2018, the BCS (Economic) Academy started new training programme related to project appraisal and approval, named Financial and Economic Appraisal for Development Project. Trainers for the programme are the officers in charge of project appraisal, namely BCS (Economic) cadre officials. The PIM tools are

	Title	Recommendations	Achievements by PIU/JET
		resource persons need to be developed, in collaboration with training institutions, such as NAPD and BCS (Economic) Academy.	distributed to the trainees, and the trainers trained by the SPIMS project serve as lecturers.
3	Coordination with Finance Division	The efforts to pursue the PIM reform agenda, introducing the PIM tools in full-fledged, need to be well aligned in the framework of the PFM Reform Strategy and its action plan. Especially in the line with strengthening the linkage between development budget and revenue budget, close coordination and consultation with Finance Division needs to be further promoted	The PIM reform agenda is well aligned in the framework of the PFM Reform Strategy Action Plan 2018-2023. The Programming Division is approaching the Finance Division to consider concrete steps to establish a JTC of the Planning Commission and Finance Division and to strengthen coordination between Planning Commission and Finance Division.

Source: Terminal Evaluation Report 2017

4 Key Innovations and Lessons Learned

This chapter summarises the key innovations and lessons learned from the implementation of the SPIMS project. The below stocktaking at the end of the SPIMS project will help identify the next steps, design and plan further activities, and contribute to achieving the Project Objective after a few years of project completion. The key innovations and lessons learned are summarised below.

Key innovations

(1) Taking a “Kaizen” approach to strengthening the PIM system in Bangladesh

In Bangladesh, key institutions and processes for the PIM system are largely in place, and there are a group of professional civil servants (called “Economic Cadre”) providing dedicated PIM inputs throughout their career. Therefore, the task of the SPIMS project was not to create ‘new’ PIM institutions and processes, but rather to adjust and strengthen the ‘existing’ ones. Under the circumstances, an effective approach to capacity development was a kind of “Kaizen”, in which small steps of continuous improvement are sought collectively with a broad range of PIM stakeholders. Based on thorough diagnostic studies, the JET held intensive dialogues with PIM stakeholders to identify and agree on the key areas for improvement. The JET subsequently developed a set of new PIM tools, and validated them through workshops, consultation meetings, and training programs. Although the whole process took long time and required patience on the part of both the GoB and JICA, the effort was rewarded with active participation of PIM stakeholders in the development, validation, and official adoption of the new PIM tools developed under the SPIMS project.

(2) Using training programs as a means of validating new PIM tools

The training programs under the SPIMS project were conducted most intensively in MAF, SAF, LFA and CBA under Output 2. In these training programs, the effectiveness of MAF and SAF were also validated as part of the training programs. In short, the JET used the training programs for both skills development of officials as well as for validation of new PIM tools. The training programs also involved ToT through which a dozen capable officials were awarded certificates as official trainers on those subjects. Therefore, using training programs as a means of validation of new PIM tools turned out to be highly effective in enhancing relevance and usefulness of MAF and SAF in assessment and appraisal of DPPs, promoting support for eventual adoption of MAF and SAF by the GoB, and enhancing sustainability of capacity development through ToT.

(3) Responding flexibly to new policy developments and projects in the PIM sphere

The SPIMS responded flexibly to new developments in the PIM policy sphere during the project period. Key recent developments included: (1) capitalising on the impetus for PIM reform provided by the 7th FYP; (2) Effective co-operation with other PIM-related projects, including the SBPB project of the Finance Division with support of the World Bank, and the SSIP project of GED with support of UNDP; and (3) Cooperation with Finance Division in developing PIM components of the *PFM Reform Strategy 2016-2021*, and subsequent *PFM Reform Strategy Action Plan 2018-2023*.

Lessons learned

(1) Enhancing ‘buy-in’ of key PIM stakeholders

The JET made concerted effort to ensure that all relevant stakeholders across the Planning

Commission, pilot sectors and other bodies (e.g. Finance Division, IMED and ERD) are aware of SPIMS' work and support the notion of PIM reform. The two CDP visits to Japan and the Malaysia training program were highly helpful in this respect – fostering a dialogue on key topics that has continued back in Dhaka. A key challenge in 2016-2017 was to co-opt new MDAs into SPIMS implementation structures to align it with the 14-sector classification of the 7th FYP. This was successfully accomplished with representatives of new MDAs participating fully in project activities in 2016.

(2) Building consensus on key SPIMS activities

The baseline studies in July-December 2014 revealed that there is an urgent need to build consensus on some key SPIMS activities among PIM stakeholders. For instance, the earlier World Bank PIM project offered several recommendations to reform PIM in Bangladesh, and yet they remained to be widely consulted and discussed among PIM stakeholders within the GoB. The SPIMS assisted PIM stakeholders, through numerous workshops, consultation meetings and training programs, to reach consensus on some aspects of improvements in PIM.

5 Recommendations for the Next Steps

The JICA support for the SPIMS project ends in June 2018, and yet the GoB portion of the project continues until June 2019. It is recommended that the GoB and JICA would consider taking the following actions.

Recommendations for GoB

(1) Establishing the PIM Unit under the Programming Division of the Planning Commission

The Planning Commission officially requested the MoPA to establish a PIM Unit under the Programming Division in 2017. The PIM Unit is envisaged to serve as the anchor for PIM reforms in Bangladesh, and the principal implementer of donor-funded projects such as SPIMS. It is hoped that the PIM Unit would be established soon to ensure that the achievements of the SPIMS project would be sustained, and other PIM reform initiatives would be developed and implemented by the PIM Unit.

(2) Establishing the Joint Technical Committee (JTC) for the coordination of PFM and PIM reforms

The Programming Division and the Finance Division started informal discussions on the establishment of the JTC for PFM and PIM reforms in early 2018. The SPIMS proposed a draft ToR for the JTC both Divisions' consideration. The indicative scope of work for the JTC includes: (1) introduction of FBEs for Development Budget and Non-Development Budget; (2) alignment of the MYPIP with the MTBF; (3) standardisation of sector classifications among Planning Commission, Finance Division and GED; and (4) addressing O&M costs. The JTC will be resourced by two Secretariats – PFM Reform Wing and PIM Unit – that are under discussion to be established within the Ministry of Finance and Programming Division, respectively. The establishment of the JTC is timely since the Finance Division is to complete and start implementation of the PFM Reform Strategy Action Plan at the beginning of the next Financial Year, whereas the Planning Commission has been implementing PIM reform initiatives such as the SPIMS project. It is hoped that the Programming Division and the Finance Division would further discuss and agree on the ToR for the JTC and would take necessary steps to establish and operationalize the PFM Reform Wing and the PIM Unit in the near future.

Recommendation for JICA

(3) Launching the second phase of SPIMS the soonest possible

The NCC officially approved the new PIM tools in January 2018. It is expected that the Ministry of Planning would soon issue a Circular for the use of the new PIM tools in the Planning Commission and two pilot MDAs. After the issuance of the Circular, the new PIM tools need be utilized in the formulation, assessment, and appraisal of new DPPs in the pilot sectors if the benefits of investment in SPIMS are to be materialized.

There are several convincing reasons to launch SPIMS Phase 2 as soon as possible.

First, consultation with high-level officials such as Secretary, Managing Director, and Director General of the pilot MDAs will be essential to secure widespread acceptance and utilisation of the PIM tools at those ministries. Widespread acceptance will be possible only after the issuance of the circular and further meetings and seminars with those officials (so far, the consultation under the SPIMS has been limited mainly to the Planning Commission and desk-level officials at the Planning Wing of those ministries).

Second, speeding up the assessment, appraisal, and approval process of DPPs has been a critical issue to be addressed and many development partners share the same concerns. The utilisation of the MAF and SAF will standardise the assessment, appraisal, and approval process of DPPs, thereby

enhancing the speed of the process as well as the quality of DPPs.

Third, launching SPIMS Phase 2 as soon as possible is called for because other development partners led by the World Bank is taking up a new project on PFM Reform Strategy Action Plan this year. As PIM reforms are integrated as part of the PFM reforms, the possible activities of this project would include the review of the PIM tools by Budget Scrutiny Committee of the Finance Division. The presence of SPIMS Phase 2 on the ground will ensure timely communication with the Finance Division and necessary interventions in the PIM reforms under the PFM Reform Strategy Action Plan.

Finally, the new PIM tools should be rolled out to other sectors to expand the benefits of the new PIM tools.

It is therefore recommended that the JICA and GoB would design and launch SPIMS Phase 2 as soon as possible and continue support for the utilisation of the PIM tools developed so far. It would be most desirable if the PIM Unit would be established and serve as the counterpart of SPIMS Phase 2 at its time of launching.

**People's Republic of Bangladesh
Programming Division,
Planning Commission**

**People's Republic of Bangladesh
Strengthening Public Investment
Management System Project**

**Project Completion Report
Annexes**

May 2018

Japan International Cooperation Agency (JICA)

**IC Net Limited
Minerva's Owl**

List of Annexes

Annex A1	Record of PDM
Annex A2	Record of Dispatch of JICA Experts
Annex A3	Record of Overseas Training
Annex A4	Meeting Minutes
Annex A5	Provision of Equipment
Annex A6	PIM Policy Note (Draft)
Annex A7	PIM Matrix (Draft)

Annex A1 Record of PDM

The PDM was revised in order to make consistency with project design in the Government's project Documents, namely Technical Assistance Project Proposal.

Project Design Matrix : Project for Strengthening Public Investment Management System

Target Area: Bangladesh

Duration: December 2013 - November 2016

Target Group: Officers of Planning Commission and Other Ministries Related to Public Investment

November 3, 2013

NARATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	MEANS OF VERIFICATION (MOV)	IMPORTANT ASSUMPTIONS
OVERALL GOAL			
Public investment more effectively contributes to targets of macroeconomic policies in medium to long term development plans.	(1) Percentage of DPP to be revised is decreased, and cost overrun and time overrun of public investment projects are (2) Disbursement ratio of ADP is increased. (3) Target of public investmetn ratio to be set in GOB's medium to long term development plans is achieved.	(1) Project Report (2) PC's Monitoring Report (3) Evaluation Report of SFYP	
PROJECT PURPOSES (PRIORITY OUTCOME)			
PIM capacity is structurally improved with strengthened linkages between outcome of public investment projects and national development policies / fiscal frameworks.	(1) All the new public investment projects proposals in pilot sectors (power and rural development) are implemented with the formats and procedures developed in the Project (2) Number of public investment projects listed in ADP to be changed in revised ADP reduces. (3) Number of ongoing public investment projects in pilot sectors to be monitored and evaluated through the framework with formats developed in the Project increases.	(1) Project Report (2) PC's Monitoring Report (3) Project Report	Macroeconomic planning (upcoming Seventh Five Year Plan etc.) and budget reform (MTBF etc.) are broadly aligned with current GoB's policies.
OUTPUTS			
1 Capacity for public investment formulation and approval is enhanced.	(1) Working days for formulation and approval process reduces in pilot sectors. (2) Ratio of DPP/TPP returned to ministry/division for reconsideration in pilot sectors decreases. (3) Number of officials in PC and ministry/ division planning wings having training on public investment formulation and approval process increases.	(1) Project Report (2) PC's Monitoring Report (3) Project Report	(1) Staffs trained in the Project do not leave PC and relevant organizations (2) GoB's Approval
2 Strategic ADP is utilized with incorporating development plans and MTBF/annual budget.	(1) Modified ADP model incorporating SFYP target indicators is approved by PC. (2) Agreement is made between PC and FD concerning major differences between ADP and MTBF/Budget. (3) Number of officials in PC and ministry/division planning wings having training on developing strategic ADP model	(1) Approval Document by PC (2) Agreement between PC and FD (3) Project Report	Approval of ouputs from project activities are not substantially delayed through approval procedures by GoB
3 Monitoring and Evaluation (M&E) capacity for public investment projects is strengthened.	(1) New M&E format, framework and coordination mechanism are conducted for public investment projects in pilot (2) Agreement is made among concerned organizations to link M&E results in ADP, SFYP and MTBF.	(1) Project Report (2) Agreement among PC, IMED, GED	
ACTIVITIES		INPUTS (JAPANESE SIDE)	
1-1 Review bottlenecks/problems of current initial screening, formulation and approval process of public investment projects, and clarify division of responsibilities among concerned organizations 1-2 Review assessment criteria in DPP/TPP approval process and propose new criteria, and develop project assessment formats 1-3 Revise DPP/TPP formats in line with new assessment formats 1-4 Review consistency of DPs' project formulation/approval process and formats with new assessment formats and new DPP/TPP formats 1-5 Validate new process of formulation and approval in pilot sectors 1-6 Develop off-the-job training module and materials for training course 1-7 Implement training for officials in PC, planning wings of ministries/divisions and executing agencies, on new project assessment process and formats 2-1 Review current system of strategic linkages among DPP/TPP, ADP and SFYP 2-2 Review major difference (process, sector classification, budget mechanism etc.) between ADP and MTBF/Budget 2-3 Develop strategic ADP model incorporating linkages with DPP/TPP and SFYP, and individual project selection criteria 2-4 Validate revised strategic ADP model by studying linkages with SFYP and individual public investment projects in pilot sectors 2-5 Prepare action plan to solve major differences between ADP and MTBF/Budget 2-6 Support PC and line ministries including FD to implement action plan in pilot sectors 2-7 Implement training for staff in PC, planning wing/budget wing of ministries/division and others on the methods in strategic ADP development 3-1 Review current RBM&E framework for SFYP and monitoring framework of KPI for MTBF with examining public investment projects 3-2 Revise M&E framework and formats for public investment projects 3-3 Clarify division of responsibilities and coordination mechanism among concerned organizations in M&E, and develop project-level / program-level / national-level M&E frameworks for ADP and new coordination mechanism 3-4 Validate new M&E formats, framework and coordination mechanism in pilot sectors	(1) <u>Experts (International / Local)</u> Leader, Public Finance, Macro Economics, M&E, Engineers (pilot sectors), Legal, Training, Data (2) <u>Equipment and Facilities</u> Computers, Printers, Photocopy machines, Vehicles (3) <u>Local Cost</u> Local consultant fees (4) <u>Training</u> 1) C/P training (Japan/third country) 2) Trainers' training in Bangladesh 3) Dissemination Workshops	(1) PIU PC will keep the PIM Unit as a counterpart organization for the Project during the project period. (2) GoB's Legal Frmework on PIM There are no major unexpected changes in the rules and regulations regarding the public investment.	
		INPUTS (BANGLADESH SIDE)	PRECONDITIONS
		(1) <u>Personnel (PIM Unit in PC)</u> PIM Unit at Programming Division, PC PD (Joint Chief of Prog. Div.) DPD (Deputy Chief of Prog. Div.) Others (2) <u>Equipment and Facilities</u> Office space and facilities (3) <u>Local Cost</u> Salaries/remuneration and other allowances for C/P personnel, running expenses for utilities, tax and CD/VAT, other necessary expense	(1) GoB's Policy New Government after general election will remain positive for the Project. (2) Harmonization with Other Initiatives The Project harmonizes with government initiatives and other donors' frameworks on public sector reform.

Project Monitoring Sheet I (Revision of Project Design Matrix)

Project Title: Project for Strengthening Public Investment Management System
Implementing Agency: Programming Division of Planning Commission, Government of Bangladesh
Target Group: Officers of Planning Commission and Other Ministries Related
Period of Project: February 2014 -
Project Site: Bangladesh

Version , xxxx
 Dated 16,May,2016

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal			
Public investment more effectively contributes to targets of macroeconomic policies in medium to long term development plans.	(1.1) Cost Overrun (1.2) Time Overrun (2) ADP Utilisation ration (3) Public Investment ratio of GDP	(1) IMED Evaluation Reports of Completed Projects (2) IMED ADP Implementation Progress Reports (3) 7th Five Year Plan, Bangladesh Economic Review	
Project Purpose			
PIM capacity is structurally improved with strengthened linkages between outcome of public investment projects and national development policies / fiscal frameworks.	(1) PIM Strategies and Reform Roadmap being implemented. (2) New project proposals in pilot sectors comply with Project Design and Appraisal Guidelines (3) A strategic ADP model is providing information on available fiscal space.	(1) Project Reports (2) Project Reports (3) Project Reports	Macroeconomic planning (upcoming Seventh Five Year Plan etc.) and budget reform (MTBF etc.) are broadly aligned with current GoB's policies.
Outputs			
(1) PIM Unit is formally established and operational as the anchor organization for the PIM reform program	(1-1) PIM Strategies and Roadmap developed, validated and endorsed	(1-1) Project Reports	(1) Staffs trained in the Project do not leave PC and relevant organizations
(2) Capacity for public investment formulation and approval is enhanced.	(2-1) PIM Guidelines/ Manuals on Project Design and Appraisal developed, validated and endorsed (2-2) Number of officials in PC and pilot MDAs trained on project design and appraisal (2-3) Working days for appraisal and approval of projects reduced in pilot sectors	(2-1) Project Reports (2-2) Project Reports (2-2) Project Reports	(2) GoB's Approval Approval of outputs from project activities are not substantially delayed through approval procedures by GoB
(3) Strategic ADP is utilized with incorporating development plans and MTBF/annual budget.	(3-1) PIM Guidelines on SSP and MYPIP developed, validated and endorsed (3-2) Number of Officials of PC and MDAs trained on SSP and MYPIP (3-3) Number of sectors in which SSPs and MYPIPs are formulated	(3-1) Project Reports (3-2) Project Reports (3-3) Project Reports	
(4) Monitoring and Evaluation (M&E) capacity for public investment projects is strengthened.	(4-1) M&E frameworks on SSP and MYPIP developed, validated and endorsed (4-2) Number of officials in PC and pilot sectors trained on M&E frameworks	(4-1) Project Reports (4-2) Project Reports	
Activities		Inputs	Important Assumption
		The Japanese Side	
1.1 Review implementation of the work-plan for support to Planning Commission under SPEMP and its relevance		(1) Experts (International / Local) Leader, Public Finance, Macro Economics, M&E, Economic and Financial Analysis, Sector Specialists (pilot sectors), Training Development, Data Management, Social and Environmental considerations	(1) Project Implementation Vehicle PC will keep the PIM Unit as a counterpart organization for the Project during the project period.
1.2 Review feasibility of recommendations of the WB executed PIM project			
1.3 Prepare a detailed action plan for implementation of the PIM vision and strategy			
1.4 Functionalize PIM Unit as the anchor of the overall PIM reform agenda for enhancing coordination within PC and with the key PIM stakeholders across the GoB			(2) GoB's Legal Framework on PIM There are no major unexpected changes in the rules and regulations regarding the public investment.
1.5 Develop training modules and materials for training courses regarding DPP/TPP, ADP-fiscal linkage, and M&E		(2) Equipment and Facilities Computers, Printers, Photocopy machines	
1.6 Develop manuals and/or guidelines for DPP/TPP, ADP-fiscal linkage, and M&E		(3) Local Cost Local consultant fees	
1.7 Implement training for officials in Planning Commission, Ministry of Finance, planning wings of ministries/divisions, executing agencies and others on DPP/TPP, ADP-fiscal linkage and M&E		(4) Training 1) C/P training (Japan/third country) 2) Trainers' training in Bangladesh 3) Dissemination Workshops	
1.8 Develop a PIM communication strategy for awareness raising on PIM issues amongst key stakeholders and citizens			
1.9 Develop a detailed action plan for enhancing IT capacity in the PIM domain, based on concerned sections of the PIM Roadmap			
2.1 Review (i) bottlenecks/problems of current initial screening, formulation and approval process of public investment projects, (ii) division of responsibilities among concerned organizations, (iii) assessment criteria in DPP/TPP approval process, (iv) DPs' project formulation/approval process and formats, and (v) DPP/TPP related sections of the PIM Roadmap			
2.2 Develop a detailed action plan for the reform of project design and appraisal procedures			
2.3 Propose new assessment criteria and formats, and revised DPP/TPP formats in line with them, ensuring their consistency with DP's project formulation/approval process and formats, and the PIM Roadmap			
2.4 Validate the new process of formulation/approval and new DPP/TPP by applying them for selected development projects in pilot sectors			
2.5 Further improve the new process of formulation/approval and new DPP/TPP based on the initial validation, and apply them for other selected development projects in pilot sectors			
2.6 Formalize the new process of formulation/approval and new DPP/TPP by appropriate administrative measures such as rules, orders and regulations			
		The Bangladesh Side	Pre-Conditions
3.1 Review (i) current system of strategic linkages of ADP and SFYP, (ii) major differences (process, sector classification, budget mechanism etc.) between ADP and MTBF/Budget, (iii) MYPIP and SSP proposed by the WB-PIM project, and (iv) the ADP related sections of the PIM Roadmap		(1) Personnel (PIM Unit in PC) PIM Unit at Programming Division, PC - One Joint Chief as PD - Two Deputy Chief (one as DPD) - Two Senior Assistant Chief - One Technical Support Staff	(1) GoB's Policy New Government after general election will remain positive for the Project. (2) Harmonization with Other Initiatives The Project harmonizes with government initiatives and other donors' frameworks on public sector reform.
3.2 Develop a detailed action plan (short and medium term) for the reform on ADP guided by 3.1 and the PIM Roadmap		(2) Equipment and Facilities Office space and facilities	
3.3 Develop a strategic ADP model that would enhance linkages of ADP with DPP/TPP and SFYP, and MTBF/Budget		(3) Local Cost Salaries/remuneration and other allowances for C/P personnel, running expenses for utilities, tax and CD/VAT, other necessary expense	
3.4 Validate the strategic ADP model by applying it for selected public investment projects in pilot sectors			
3.5 Further improve the strategic ADP model based on the initial validation in 3.4, and apply it for other selected public investment projects in pilot sectors			
3.6 Formalize the validated strategic ADP model by appropriate administrative measures such as rules, orders and regulations			
4.1 Review current M&E systems, practices, capacities and needs at: (1) the central-level (including IMED, Planning Commission, and Finance Division); and (2) the Sector-level (i.e. the two Pilot Sectors of Power and Local Government). Particular attention should be paid to the M&E requirements for more effective programming and implementation of public investments.			
4.2 Develop a detailed action plan (short and medium term) for the strengthening of M&E systems, practices and capacities at the central and sector level.			
4.3 Develop new M&E frameworks, formats and co-ordination mechanisms to strengthen Public Investment Management (PIM) at the project, program, sector and national (including 7FYP) levels.			
4.4 Validate and assist with implementation of the new M&E approaches and frameworks.			
4.5 Improve the new M&E frameworks, formats and coordination mechanisms based on the initial validation in 4.4, and apply them for other selected projects in pilot sectors.			
4.6 Formalize the validated M&E frameworks, formats and coordination mechanisms by appropriate administrative measures such as rules, orders and regulations.			

Annex A2 Record of Dispatch of JICA Experts

Record of Dispatch of JICA Experts

Strengthening Public Investment Management System Project

1. In Field (Inception period)

Name (Position)	Class	Flights	2014												Days Total	MM Totay		
			1	2	3	4	5	6	7	8	9	10	11	12				
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan	4		5			10	15								30	1.00
		Actual	3		2/24 2/26 (3)			5/5 5/11 (7)	6/23 6/30 (8)								18	0.60
Toshiyasu Kato PIM (Planning) 2	2	Plan	12		10 5		20		20								55	1.83
		Actual	3		2/14 2/28 3/7 (15)	(7)	4/28 5/14 (3)	6/20 6/30 (11)									50	1.67
Ichiro Okumura PIM (Project Implementation) 1	2	Plan	6				15 5										20	0.67
		Actual	1				4/25 5/11 (6)	(11)									17	0.57
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan	12		10				15								25	0.83
		Actual	2			3/5 3/13 (9)		5/26 6/15 (6)	(15)								30	1.00
Masato Sawaki Economic and Financial analysis	3	Plan	7				20 10										30	1.00
		Actual	1						6/22 6/30 (9)								9	0.30
David Smith Project Monitoring and Evaluation	3	Plan	17		10 15		15 10		20								70	2.33
		Actual	2				4/27 (4)	(31)	6/2 6/22 6/30 (2)	(9)							46	1.53
Naoki Ito Data Management	3	Plan	5				10 10		30								50	1.67
		Actual	0														0	0.00
Norihiro Okumura Power and Energy (Pilot Sector)	3	Plan	3														0	0.00
		Actual	0														0	0.00
Hisamitsu Shimoyama Local Government (Pilot Sector)	3	Plan	3														0	0.00
		Actual	0														0	0.00
Albert de Groot Training Development 1	3	Plan	10														0	0.00
		Actual	1						6/22 6/30 (9)								9	0.30
Eiri Kuki / Mami Sato Training Development 2/ Coordinator	5	Plan	9				25 30 30										85	2.83
		Actual	3		2/19 3/5 (10)	(5)	4/28 5/27 (3)	(27)	6/10 6/30 (21)								66	2.20
Takuya Shiraishi Environmental and Social Considerations	5	Plan	3				25										25	0.83
		Actual	0														0	0.00
Sub-total												Plan	390	12.99				
Sub-total												Actual	245	8.17				

2. In Country (Inception period)

Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan			5												5	0.25
		Actual			2/6 2/10 (5)												5	0.25
Toshiyasu Kato PIM (Planning) 2	2	Plan			5												5	0.25
		Actual			2/5 2/9 (5)												5	0.25
Ichiro Okumura PIM (Project Implementation) 1	2	Plan															0	0.00
		Actual															0	0.00
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan			5												5	0.25
		Actual			2/8, 10, 11, 14, 17 (5)												5	0.25
Sub-total												Plan	15	0.75				
Sub-total												Actual	15	0.75				

凡例 : In field In Country On the Company Plan

合計	Plan	13.74
	Actual	8.92

Record of Dispatch of JICA Experts

Strengthening Public Investment Management System Project

1. In Field (Year 1)

Name (Position)	class	Flights	2014						2015						Days Total	MM Total		
			7	8	9	10	11	12	1	2	3	4	5	6				
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan	4	20			30	15	15		15	15	30			20	160	5.33
		Actual	4	7/1 7/26 (26)			10/29 (3)	11/1 11/30 (30)	12/1 (1)									60
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan	12	15	10		5	20				15	10	15			90	3.00
		Actual	8	7/1 7/6 (6)		9/9 9/23 (15)		11/7 11/28 (22)			2/14 2/28 (15)	3/1 3/15 (15)	4/9 4/30 (22)	5/1 5/21 (11)	6/12 (12)			119
Ichiro Okumura PIM (Project Implementation) 1	2	Plan	6		15	15							15	5			50	1.67
		Actual	4		8/17 8/31 (15)	9/1 9/13 (13)		11/8 11/12 (5)					4/18 4/30 (13)	5/2 (2)				48
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan	12	15		15	30	15	15		15	30	5	30	30		200	6.67
		Actual	9	7/1 7/7 (7)	8/12 8/31 (20)	9/1 9/20 (20)	10/12 10/31 (20)	11/21 11/30 (21)	12/1 12/13 (13)		1/10 1/17 (8)	2/14 2/28 (15)	3/1 3/21 (21)	4/4 4/30 (27)	5/1 5/31 (31)	6/13 6/27 (13)	6/27 (4)	221
Masato Sawaki Economic and Financial analysis	3	Plan	7	30		30		15	15		15	15		5	15	20	160	5.33
		Actual	3	7/1 7/26 (26)		9/22 9/30 (9)	10/1 10/22 (22)	11/14 11/30 (17)	12/13 (13)									87
David Smith Project Monitoring and Evaluation	3	Plan	17	5	30	15	20		15	15		15	25	15	15	30	200	6.67
		Actual	8	7/1 7/17 (17)	8/3 8/27 (25)	9/8 10/16 (23)	10/16 (16)	11/7 11/30 (24)	12/5 12/18 (14)		1/9 1/16 (8)		3/6 3/27 (22)		5/30 5/31 (2)	6/1 6/19 (19)		170
Naoki Ito Data Management	3	Plan	2			30		15	15		15						75	2.50
		Actual	0															0
Norihiro Okumura Power and Energy (Pilot Sector)	3	Plan	3								15	30	30	15	30		120	4.00
		Actual	0															0
Hisamitsu Shimoyama Local Government (Pilot Sector)	3	Plan	8								15	30	30	15	30		120	4.00
		Actual	2						11/8 11/30 (23)	12/1 12/18 (18)				5/23 5/31 (9)	6/1 6/12 (12)		62	2.07
Albert de Groot Training Development 1	3	Plan	10			30		15	15		15	15	30	5	30		155	5.17
		Actual	1	7/1 7/4 (4)														4
Mami Sato Training Development 2/ Coordinator	5	Plan	9	15	30	30	30		15	15		15	30	15	30	30	135	4.50
		Actual	5	7/1 7/25 (25)	8/10 8/31 (22)	10/3 (3)	11/8 11/30 (23)	12/1 12/19 (19)		1/10 1/18 (9)		3/6 3/31 (26)	4/4 (4)					122
Akiko Ishii Environmental and Social Considerations	5	Plan	3									15	15		10	20	60	2.00
		Actual	2		8/19 8/31 (13)	9/1 9/18 (18)		11/8 11/27 (20)										51
Sub-total													Plan	1525.00	50.84			
Sub-total													Actual	944.00	31.48			

2. In Country (Year 1)

Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan														10	0.50	
		Actual															0	0.00
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan															0	0.00
		Actual															0	0.00
Ichiro Okumura PIM (Project Implementation) 1	2	Plan		15													15	0.75
		Actual		7/1 7/15 (15)														15
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan															0	0.00
		Actual															0	0.00
David Smith Project Monitoring and Evaluation	3	Plan															0	0.00
		Actual								5, 6, 7, 8, 19, 21, 22, 26 (5.5)		3/30, 3/31 (1)	4/15, 22, 26, 27 (1)	5/8 5/19 (0.75)	6/22, 24, 26 (2.5)		10.75	0.54
Sub-total													Plan	25	1.25			
Sub-total													Actual	25.75	1.29			
Ground total													Plan	52.09				
Ground total													Actual	32.77				

凡例:

In field

In Country

on the company

Plan

Record of Dispatch of JICA Experts

Strengthening Public Investment Management System Project
1. In Field (Year 2)

Name (Position)	Class	Flights	2015												2016						Days Total	MM Total	
			7	8	9	10	11	12	1	2	3	4	5	6	1	2	3	4	5	6			
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan	4																			100	3.33
		Actual	4																			0	0.00
Toshiyasu Kato Team Leader/ PIM (Planning) 1	2	Plan	10																			40	1.33
		Actual	2																			31	1.03
Toshiyasu Kato PIM (Planning) 2	2	Plan	12																			0	0.00
		Actual	12																			76	2.53
Takao Ozaki PIM (Planning) 2	2	Plan	0																			0	0.00
		Actual	0																			0	0.00
Ichiro Okumura PIM (Project Implementation) 1	2	Plan	6																			50	1.67
		Actual	8																			50	1.67
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan	21																			140	4.67
		Actual	14																			199	6.63
Masato Sawaki Economic and Financial analysis	3	Plan	7																			0	0.00
		Actual	7																			94	3.13
David Smith Project Monitoring and Evaluation	3	Plan	17																			195	6.50
		Actual	12 ^a																			79	2.63
Sheryl Loke Project Monitoring and Evaluation 2	4	Plan	0																			0	0.00
		Actual	0 ^a																			0	0.00
(Before) Naoki Ito Data Management	3	Plan	5																			0	0.00
		Actual	0																			0	0.00
(After) Hisamitsu Shimoyama Data Management	3	Plan	5																			0	0.00
		Actual	0																			0	0.00
(Before) Norihiko Okumura Power and Energy (Pilot Sector)	3	Plan	3																			25	0.83
		Actual	0																			0	0.00
(After) Mitsuko Mochida Power and Energy (Pilot Sector)	3	Plan	3																			0	0.00
		Actual	0																			0	0.00
Hisamitsu Shimoyama Local Government (Pilot Sector)	3	Plan	8																			25	0.83
		Actual	6																			128	4.27
Albert de Groot Training Development 1	3	Plan	10																			85	2.83
		Actual	2																			0	0.00
Mami Sato Training Development 2/ Coordinator	5	Plan	9																			215	7.17
		Actual	7																			87	2.90
(New) Max van der Sleen Training Development 3	3	Plan	4																			0	0.00
		Actual	1																			0	0.00
Akiko Ishii Environmental and Social Considerations	5	Plan	3																			0	0.00
		Actual	2																			0	0.00
																					875.00	29.16	
																					744.00	24.79	

2. In Country (Year2)

Name (Position)	格付	渡航 回数	2015												2016						日数 合計	人月 合計
			7	8	9	10	11	12	1	2	3	4	5	6	1	2	3	4	5	6		
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan																			0	0.00
		Actual																			0.0	0.00
Toshiyasu Kato Team Leader/ PIM (Planning) 1	2	Plan																			0	0.00
		Actual																			0.0	0.00
Toshiyasu Kato PIM (Planning) 2	2	Plan																			0	0.00
		Actual																			0	0.00
Takao Ozaki PIM (Planning) 2	2	Plan																			0	0.00
		Actual																			0	0.00
Ichiro Okumura PIM (Project Implementation) 1	2	Plan																			0	0.00
		Actual																			0.0	0.00
Ryuji Kasahara PIM (Project Implementation) 2	3	Plan																			0	0.00
		Actual																			0.0	0.00
David Smith Project Monitoring and Evaluation	3	Plan																			0	0.00
		Actual																			7.63	0.38
Sheryl Loke Project Monitoring and Evaluation 2	4	Plan																			0	0.00
		Actual																			0.00	0.00
(After) Hisamitsu Shimoyama Data Management	3	Plan																			0	0.00
		Actual																			0.00	0.00
Hisamitsu Shimoyama Local Government (Pilot Sector)	3	Plan																			0	0.00
		Actual																			0.00	0.00
Albert de Groot Training Development 1	3	Plan																			0	0.00
		Actual																			0.00	0.00
Mami Sato Training Development 2/ Coordinator	5	Plan																			0	0.00
		Actual																			0.00	0.00
(New) Max van der Sleen Training Development 3	3	Plan																			0	0.00
		Actual																			0.00	0.00
Akiko Ishii Environmental and Social Considerations	5	Plan																			0	0.00
		Actual																			0.00	0.00
																					0.00	0.00
																					7.63	0.38

凡例: In Field In Country On the company Plan

Ground Total	Plan	29.16
	Actual	25.17

Record of Dispatch of JICA Experts

Strengthening Public Investment Management System Project

1. In Field (year 3& 4)

Name (Position)	Class	Flights	2016												2017												2018						Days Total	MM Total	Days Total	MM Total			
			7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6													
			Plan		Actual		Plan		Actual		Plan		Actual		Plan		Actual		Plan		Actual		Plan		Actual														
Takao Ozaki Team Leader/ PIM (Planning) 1	2	Plan	4																							0	0.00	78	2.60										
		Actual	4																								0	0.00	78	2.60									
Toshiyasu Kato Team Leader/ PIM (Planning) 1	2	Plan	11		20		15		10																	45	1.50	85	2.83										
		Actual	11							1/14 (18)	1/31 (2)	2/1 (11)	2/2 (15)	3/1 (9)	3/15 (7)	4/15 (5/20)	4/23 (5/28)				8/23 (9)	8/31 (1)	9/1 (10)	9/30 (5/29)		11/27 (4)	11/30 (6)	1/6 (14)	1/19 (10)	4/18 (10)	4/27 (10)	105	3.50	136	4.53				
Toshiyasu Kato PIM (Planning) 2	2	Plan	12																							0	0.00	145	4.83										
		Actual	12																								0	0.00	245	8.17									
Takao Ozaki PIM (Planning) 2	2	Plan	0																							0	0.00	0	0.00										
		Actual	0																								0	0.00	0	0.00									
Ichiro Okumura PIM (Project Implementation) 1	2	Plan	16						10																	10	0.33	80	2.67										
		Actual	16							2/18 (11)	2/28 (11)	3/1 (1)			5/4 (9)	5/12 (9)	7/4 (18)	7/31 (5)	7/31 (11)	8/1 (11)	8/11 (11)	9/19 (11)	9/29 (9)	10/23 (9)	10/31 (10)	11/7 (10)	11/10 (13)	1/7 (13)	1/19 (14)	4/15 (14)	4/28 (15)	112	3.73	227	7.57				
Ryuji Kasahara Deputy Team Leader/PIM (Project Implementation) 2	3	Plan	23						10																	10	0.33	235	7.83										
		Actual	23							2/18 (11)	2/28 (11)	3/1 (1)			4/27 (4)	4/30 (12)	5/1 (12)	5/12 (12)	7/4 (18)	7/31 (5)	7/31 (11)	8/1 (11)	8/11 (20)	9/10 (11)	9/29 (11)	10/21 (10)	10/31 (5)	11/26 (6)	12/1 (14)	12/6 (15)	1/6 (15)	1/19 (15)	4/14 (15)	4/28 (15)	143	4.77	593	19.77	
Masato Sasaki Economic and Financial analysis	3	Plan	7																							0	0.00	190	6.33										
		Actual	7																								0	0.00	190	6.33									
David Smith Project Monitoring and Evaluation	3	Plan	15		20				10																	30	1.00	300	10.00										
		Actual	14																		8/22 (10)	8/31 (11)					1/8 (11)	1/18 (11)					21	0.70	316	10.53			
Sheryl Loke Project Monitoring and Evaluation 2	4	Plan	12																							0	0.00	0	0.00										
		Actual	11								2/25 (4)	2/28 (3)	3/1 (16)	3/16 (22)	4/6 (6)	4/27 (6)	5/14 (6)	5/19 (4)	6/4 (4)	6/7 (4)	8/19 (12)	8/30 (13)	9/16 (13)	9/28 (12)	10/15 (12)	10/26 (9)	12/6 (20)	12/14 (9)	1/6 (20)	1/25 (8)	2/21 (1)	2/28 (1)	3/1 (12)	3/18 (12)	3/29 (12)	4/15 (12)	4/28 (12)	151	5.03
Hisamitsu Shimoyama Data Management	3	Plan	2																							0	0.00	25	0.83										
		Actual	2								1/16 (16)	1/31 (3)	2/1 (6)	2/3 (6)	3/8 (6)	3/13 (6)											25	0.83	25	0.83									
(Before) Norihiko Okumura Power and Energy (Pilot Sector)	3	Plan	0																							0	0.00	120	4.00										
		Actual	0																								0	0.00	0	0.00									
(After) Mitsuko Mochida Power and Energy (Pilot Sector)	3	Plan	2																							0	0.00	0	0.00										
		Actual	2																		3/1 (8)	3/8 (11)	4/15 (11)	4/25 (11)											19	0.63	19	0.63	
Hisamitsu Shimoyama Local Government (Pilot Sector)	3	Plan	8																							0	0.00	247	8.23										
		Actual	8																		3/14 (3)	3/16 (9)	4/8 (9)	4/16 (7)	5/20 (7)	5/26 (7)									19	0.63	209	6.97	
Albert de Groot Training Development 1	3	Plan	7		20																					20	0.67	175	5.83										
		Actual	7								1/22 (10)	1/31 (3)	2/1 (6)	2/3 (6)	3/3 (8)	3/10 (8)	5/19 (8)	5/26 (8)									11/1 (6)	11/6 (12)	1/8 (12)	1/19 (11)	3/19 (11)	3/29 (11)			58	1.93	71	2.37	
Mami Sato Training Development 2/ Coordinator	5	Plan	16		30		30		15		30		10													167	5.57	427	14.23										
		Actual	16																																	126	4.20	401	13.37
(New) Max van der Sleen Training Development 3	3	Plan	6																							84	2.80	84	2.80										
		Actual	6								1/22 (10)	1/31 (3)	2/3 (12)	2/17-28 (5)	4/26 (7)	4/30 (11)	5/1 (7)	5/11 (11)				7/8 (13)	7/20 (6)	7/26 (9)	8/1 (9)	8/9 (8)	10/23 (8)	10/30 (8)					77	2.57	77	2.57			
Akiko Ishii Environmental and Social Considerations	5	Plan	2																							0	0.00	85	2.83										
		Actual	2																								0	0.00	51	1.70									
				Sub-Total																								Plan		Actual		366.00	12.20	3017	100.56				
																																856.00	28.52	2711	92.97				

Annex A3 Record of Overseas Training

**Government of Bangladesh
Planning Commission**

**Japan International
Cooperation Agency**

People's Republic of Bangladesh

**Strengthening Public Investment
Management System Project**

**Report on the Training and Dialogue Programme in
Malaysia (June 2017)**

JICA Expert Team

June 2017

Abbreviations and acronyms

ADP	Annual Development Programme
CG	Central Government
GoB	Government of Bangladesh
FY	Financial Year
JET	JICA Expert Team
JICA	Japan International Co-operation Agency
LGRD	Local Government and Rural Development
M&E	Monitoring and Evaluation
MTBF	Medium Term Budgetary Framework
PE	Power and Energy
PIM	Public Investment Management
PIC	Project Implementation Committee
PIU	Project Implementation Unit
SNG	Sub-National Government
SPIMS	Strengthening Public Investment Management System
WG	Working Group

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1 Brief Overview of the Dialogue Programme

1.1 Title of the Programme

The official title of the Programme was “Training and Dialogue Programme under Technical Cooperation Project Strengthening Public Investment Management Systems (SPIMS)”.

It was organised within the framework of the Strengthening Public Investment Management Systems (SPIMS) Project in Bangladesh. SPIMS is jointly supported by the Japan International Co-operation Agency (JICA) and the Government of Bangladesh (GoB).

1.2 Purpose of the Programme

The purpose of the programme was to explore the long-term vision and strategy of Public Investment Management (PIM) in Bangladesh through observation of PIM practices and procedures in Malaysia.

This purpose needs to be set within the broader context of the objectives of the SPIMS Project:

- Output 1: PIM Unit is formally established and operational as the anchor for the PIM reform programme;
- Output 2: Capacity for public investment formulation and approval is enhanced;
- Output 3: Strategic ADP is utilised by incorporating development plans and MTBF/annual budget; and
- Output 4: M&E capacity for public investment projects is strengthened.

The participants are expected to obtain a deeper understanding of the following contents:

- 1) The overall PIM system/ policy of Malaysia
 - a) Project Formulation, Assessment, Monitoring and Evaluation procedures
- 2) Development Planning in Malaysia
 - a) Strategies for ensuring results under the 11th Malaysia Plan (2016 – 2020), in particular relevant Sector Strategies which have been a success and/or Sector Strategies of specific relevance to the visiting Government of Bangladesh (GoB) institutions (e.g. rural and regional development sector strategy, energy sector strategy)
 - b) How Sector Strategies are used in Malaysia, for example in project formulation, development, assessment, appraisal and implementation. Other uses could be related to national development planning (M&E of sector strategies feed into subsequent national development planning), link to budgeting (see b) below), etc.
 - c) Key benefits of adopting Sector Strategies in Malaysia – concrete examples of how Sector Strategies have added value to the development planning process in Malaysia.
- 3) Budget Formulation system in Malaysia
 - a) Overview of Malaysia’s budgeting system, including Outcome-Based Budgeting (OBB), and how this has helped better coordinate between the operating and development budgets
 - b) Explain the shift to a focus on Outcomes (and KPIs) through the development of Strategic Results Frameworks which have ensured better vertical alignment between national priorities

and ministry activities (linking of sector strategies and outcome targets to budgeting and performance)

c) Overview of the multi-year perspective of the Malaysian budgeting system, especially in relation to the development budget and multi-year investment planning.

1.3 Period of the Programme

The programme started on Sunday, 4th June and lasted until Saturday, 10th June 2017.

1.4 Number of Participants

A total of 18 Government of Bangladesh officials, 1 Japan International Cooperation Agency (JICA) official and 3 SPIMS project team members participated in the program. This was led by Mr. Monoranjan Biswas, Joint Secretary, Economic Relations Division (ERD), Ministry of Finance.

A full overview of all 18 participants, including their current GoB position, is provided in Annex I.

1.5 Organisation of the Programme

The programme was jointly organised by the JICA Expert Team (JET) and JICA.

Within the JET, the programme was organised by:

- Dr. Toshiyasu Kato (JET Team Leader);
- Dr. Mami Sato; and
- Ms Sheryl Loke.

The program was organised within JICA by:

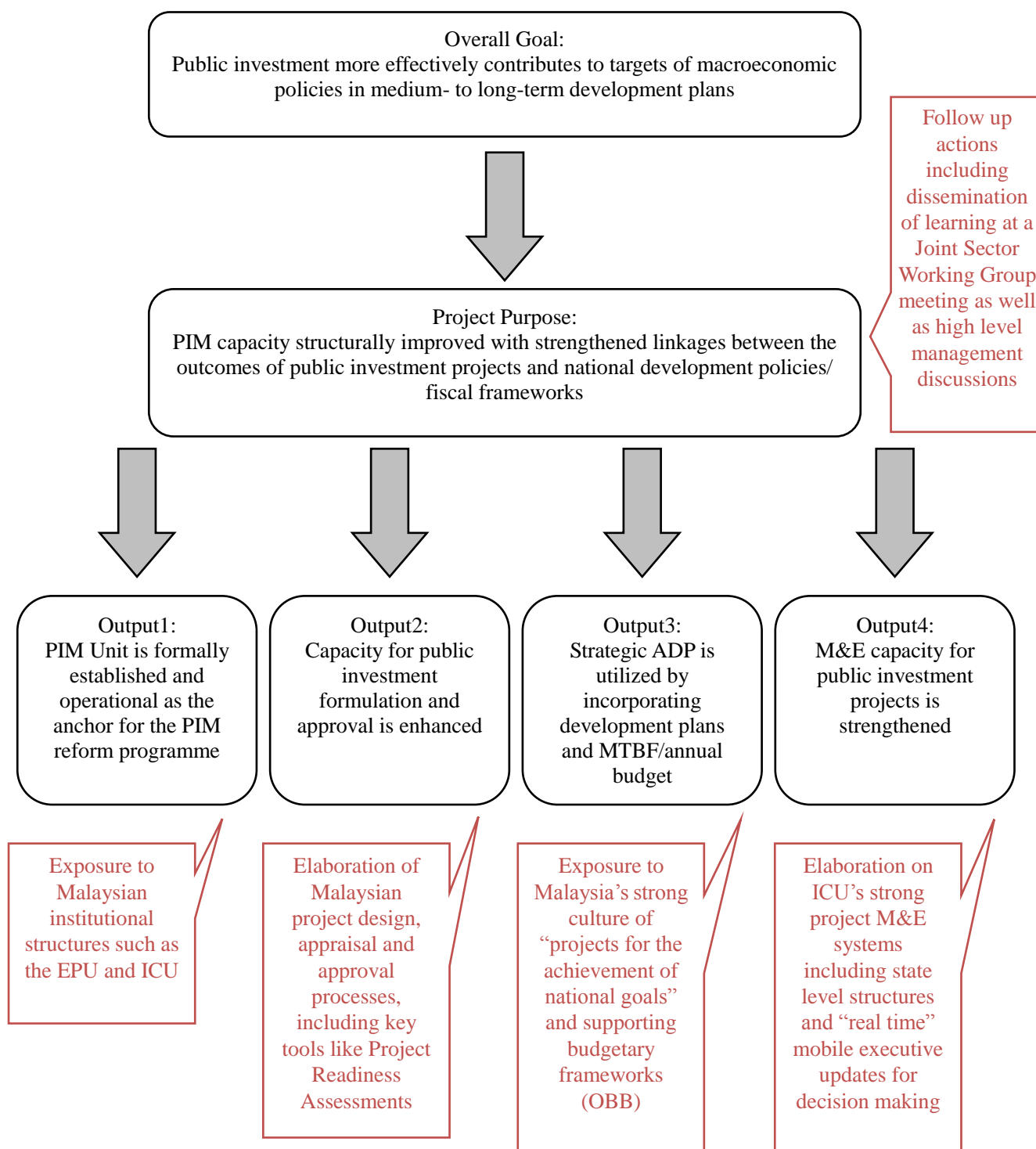
- Mr Hiroki Watanabe; and
- Mrs. Syeda Sadia Hasan (JICA Bangladesh), who attended all the sessions in Malaysia.

2 Contents of the Programme

2.1 Programme Chart

The chart below shows how the Dialogue Programme contributed to the achievement of the SPIMS project’s objectives. A direction contribution was made at all levels of the project’s results-chain, but particularly at the level of the four Outputs.

Figure 1 – The Contribution of the Dialogue Programme to the SPIMS Project’s Objectives:



2.2 Detailed Schedule

Table 1 below provides a detailed overview of the entire programme.

Table 1 – Detailed Schedule of the Training and Dialogue Programme

Strengthening Public Invest Management Systems (SPIMS) Project

Report on the Training and Dialogue Programme in Malaysia (June 2017)

Date	4:00 a.m	11:00 a.m -12:30 p.m	12:30 – 1:00 p.m	2:00 – 4:00 p.m	
5 June 2017 (Monday)	Arrival of participants	Programme Briefing by INTAN and SPIMS & Country Presentation	Welcoming Ceremony & Group Photo with Director of INTAN	Visit to Economic Planning Unit and Briefing on “Development Planning in Malaysia”	
Date	9:00 – 10:30 a.m		11:00 – 12:30 p.m	2:00 – 4:00 p.m	6:30 – 8:30 p.m
6 June 2017 Tuesday	Visit to Implementation Coordination Unit and Briefing on “Monitoring and Evaluation of Programs / Projects”		Visit to Ministry of Finance and Briefing on “Outcome Based Budgeting”	Visit to Public Private Partnership Unit and Briefing on “Project Financing: Public – Private Partnership”	Learning Journey to Putrajaya Cruise
Date	9:00 – 12:30 p.m			2:00 – 4:00 p.m	
7 June 2017 Wednesday	Briefing by Cluster for Public Policy and Governance, INTAN on “Public Project Cycle in Malaysia”			Visit to Ministry of Rural and Regional Development and Briefing on “Rural and Regional Development Planning”	
8 June 2017 Thursday	Visit to Visit to Urban Transformation Centre, Malacca and Briefing on “Success of the first Multi-Department Coordination for a Sufficient Public Service (One Stop Centre) in Malaysia”			Visit to Ministry of Energy, Green Technology & Water and The Office of Malacca State Secretary at Malacca	
Date	8:30 – 11:30 a.m	11:30 – 12:00 p.m		12:00-1:00pm	6:30 – 8:30 p.m
9 June 2017 Friday	Group Presentation (Lessons Learnt & Action Plans)	Programme Wrap Up & Certificate Presentation		Course Evaluation	Free & Easy Closing Ceremony @ KL Tower
Date	11:00 – 12:30 p.m				
10 June 2017 Saturday	Visit to Urban Transformation Centre Pudu, Kuala Lumpur and Briefing on “Success of a Multi-Department Coordination for a Sufficient Public Service (One Stop Centre) in the Urban Area”			Departure of Participants	

3 Observations on the Tour

3.1 Lectures

The focus of the Training and Dialogue Programme was a series of lectures and presentations delivered by INTAN and other key Malaysian Government stakeholders with important roles to play in Public Investment Management. Below provides an overview of the different lectures and presentations over the course of the week-long Programme.

Lectures by INTAN:

- Programme Briefing
- Briefing on the “Public Project Cycle in Malaysia” by Cluster for Public Policy and Governance

Lectures by other Malaysian Government stakeholders with key roles in PIM, including in the SPIMS project’s two pilot sectors:

- Economic Planning Unit briefing on “Development Planning in Malaysia”
- Implementation Coordination Unit briefing on “Monitoring and Evaluation of Programs / Projects”
- Ministry of Finance briefing on “Outcome Based Budgeting”
- Public Private Partnership Unit briefing on “Project Financing: Public – Private Partnerships”
- Ministry of Rural and Regional Development briefing on “Rural and Regional Development Planning”

3.2 Discussions, Exercises, Practices, Presentation

All presentations provoked extensive discussions and question and answer sessions. Over the course of the week, all programme participants engaged in these discussions. Participants also appreciated the fact that the lecturers were able to provide additional in-depth feedback on topics of particular interest to the GoB (e.g. on Public Private Partnerships (PPPs) or the issue of land acquisition). Many questions asked related to issues raised in other lectures, indicating that participants were able to make the links between different sessions (e.g. linking Malaysia’s development planning structure with the integrated approach to Outcome Based Budgeting (OBB)). Participants were also appreciative of the fact that lecturers honestly and directly discussed some of the major challenges which Malaysia now faces (e.g. on the likelihood of Malaysia being able to achieve its zero fiscal deficit target by 2020).

All of the questions and answers generated over the course of the programme were noted down and are provided in the formal minutes of the programme (see Annex 2).

A ‘mini-workshop’ was held at INTAN on Friday, 9th June, in which participants split into three different groups and discussed their findings from the programme and its applicability to the situation in Bangladesh. Each group discussed a separate topic:

- Group 1: The overall PIM system / policy of Malaysia;
- Group 2: Development Planning in Malaysia; and
- Group 3: Budget Formulation System in Malaysia.

The main findings were then fed back to the broader group in a plenary session. These are also captured within the formal minutes of the programme (see Annex 2).

3.3 Site Visits

Three main site visits were organised within the framework of the programme:

- A visit to the Ministry of Energy, Green Technology and Water and the Office of the Malacca State Secretary where they learned about Melaka's Green City policy by the Melaka Green Technology Corporation; and
- A visit to an Urban Transformation Centre in Melaka and Kuala Lumpur where the Delegation got to see how Malaysia's One Stop Shop (OSS) service delivery works. They received a briefing on "Success of a Multi-Department Coordination for a Sufficient Public Service (OSS) in the Urban Area".

All three site visits were highly relevant to the purpose of the programme and well-appreciated by all participants.

3.4 Period of the Tour, Orders of the Trainings and Contents

The programme duration was judged as appropriate. On the one hand, the programme was extremely busy and a lot of ground had to be covered in a short space of time. On the other hand, participants did not feel overwhelmed and were able to keep up with the pace of the programme. Moreover, given the range of responsibilities which participants have back in Bangladesh, it would not have been possible to have extended the duration of the programme.

The programme order was judged as suitable – beginning with a high level overview of the overall PIM system provided by the Economic Planning Unit and the Implementation and Coordination Unit, and subsequently moving on to lectures (on specific topics such as outcome-based budgeting and PPPs) and site visits was appropriate. The mid-week briefing on the project cycle by INTAN was also timely, supporting participants to consolidate their understanding till that point, as well as providing a forum for any clarification questions to be addressed. The contents were appropriate for all participants covering the range of duties performed by all participants in Bangladesh (including plan formulation, execution, project design/appraisal/approval, budgeting, monitoring and evaluation etc.).

3.5 Textbooks or Presentation Materials, Equipment, Facilities

No textbooks or equipment was used during the programme but the presentation materials were all judged as being of high quality (see above). The facilities at the INTAN, where the participants spent a sizeable proportion of the week, were all regarded as being more than sufficient, as were the facilities at the various Malaysian Government offices where the other lectures were held.

4 Participants

4.1 Required Qualifications

Participants in the programme were required to fulfil the following criteria:

- A current position within the GoB which is strongly related to one or more key PIM-related topics;
- A demonstrated involvement in the SPIMS project either through a position within the project's Project Implementation Unit (PIU) or membership of the Working Groups (WGs) or Project Implementation Committee (PIC); and
- Fluent English language skills.

A full overview of all 18 participants, including their current GoB position, is provided in Annex I.

4.2 Participant Motivations

Participants were motivated by a desire to learn from Malaysia's rich experience in national development planning and public investment management since 1961. Whilst most participants had visited Malaysia before on a range of different issues, the visit still presented an opportunity to engage with academic experts and policy practitioners on a range of different PIM-related topics.

In line with their previous backgrounds or current GoB positions, certain participants also expressed a desire to learn more on specific topics such as the interface with budgeting practices or the link with policy challenges such as the environment/climate change or disaster risk reduction.

5 Utilisation of Lessons Learned

5.1 Lessons Learned from the Tour

Numerous lessons were learned from the tour as evidenced both by the rich question and answer sessions within lectures, informal discussions outside of the main programme and the productive mini-workshop which was held on Friday, 9th June 2017. From these various interactions, key learning points can be identified as the following:

The Overall PIM System

- There are a few **key project planning and M&E tools** that the ICU has introduced which Bangladesh could consider to enhance its PIM system, including:
 - ‘Project Implementation Readiness’ - where responsible agencies have to submit a summary of a project’s readiness to commence implementation, focusing on aspects like site readiness, land allocation, etc. While this is still a fairly new initiative in Malaysia (it was only introduced in 2015), it is expected that this will reduce project time overruns, especially during the critical start-up phase where most delays usually occur.
 - ‘Project Occupancy Assurance’ – where, during the handover stage, the ICU implements a test which determines whether a project is ready to transition to usage and operation.
 - ‘Outcome Status Assessment’ – where, after six months of operation, ICU determines whether the planned impact of a project is being achieved. The results of this Outcome Status Assessment are captured in the comprehensive Project Monitoring System (see below) and used to inform project planning and design.
- In addition, Bangladesh could consider adopting an integrated project planning, implementation and M&E system, similar to the ICU’s **comprehensive Project Monitoring System, “SPP II”**. SPP II captures information from project planning all the way through to project evaluation. Through this, ICU generates project implementation status reports of approximately 4000 projects every 2 weeks. Monitoring information is collected both at the Federal (ministry) and state/district levels, and Quarterly Project Implementation Status Reports are discussed at Cabinet Meetings. Recently, a mobile executive reporting system, “IMEX” allows key stakeholders to access real time information on project implementation. Notably, SPP II also captures information pre-project approval – line ministries enter project information, this goes through budget screening, and then information is confirmed by EPU when the project is approved (the whole project approval process takes approximately 6 months). In addition, SPP II also captures information on project outcomes, that is, how projects are contributing to each of the 11th Malaysia Plan’s 120 KPIs, a year after project completion.
- Finally, Bangladesh could also learn lessons on prioritising projects based on Malaysia’s **Creativity Index** (projected project impact divided by cost) which looks at how to deliver on the Strategic Thrusts of the 11th Malaysia Plan at the lowest cost, using ex-ante impact assessments (being developed and refined by the EPU based on international good practice).

Development Planning

- **Making explicit the commitment to have “projects for the achievement of national goals”** – the 11th Malaysia Plan is broken down into 6 overarching Strategic Thrusts, each Strategic Thrust is broken down into Focus Areas, and each Focus Area has 3 – 4 outcomes defined, with its associated Key Performance Indicators (KPIs). This constitutes the National Results Framework. This is complemented by the Ministry Results Framework, where each KPI is to

be achieved by key LM programmes and projects. **All projects need to link up to each of the Strategic Thrusts, through intermediate links to Focal Area outcomes and KPIs.** This way, it will be clear how all projects contribute to National Outcomes and KPIs (the 11th Malaysia Plan has 120 KPIs), which is a new innovation under the 11th Malaysia Plan. While Malaysia implements this link between national goals and individual projects through strategic thrusts and KPIs, Bangladesh is planning to implement this link through Sector Strategy Papers (SSP), and sector KPIs (outlined in the Sector Results Framework section of SSPs).

- Learning from **Malaysia’s process of stakeholder consultation and bottom up planning** – the Bangladesh delegation learned that during the process of formulating the 11th Malaysia Plan, 12 Inter-Agency Planning Groups (IAPGs) were established, with 42 Technical Working Groups (TWGs) and 140 Focus Groups (FGs). Throughout this process, experts from civil society and academia were brought in to provide inputs. Members of the delegation suggested that this broad stakeholder consultation should also be adopted during the process of formulating SSPs in Bangladesh, where sector experts covering a broad range sector thematic issues should be consulted on the draft SSP before it is officially adopted by the government.
- Learning from **Malaysia’s Blue Ocean Strategy Projects** – the Malaysian government has adopted Blue Ocean Strategy in its strategic planning and operations to deliver programs and services to the public that are high impact, low cost, and rapidly executed. The Bangladesh delegation visited two examples of a Blue Ocean Strategy project – the Urban Transformation Centres (UTCs) in Melaka and KL, which are one-stop service delivery centres run by the Ministry of Finance. The spirit of these Blue Ocean Strategy projects appealed to many members of the Bangladesh delegation, who suggested that the GoB should consider how to prioritise high impact, low cost projects as part of its public investment management planning system.

Budget Formulation

- Bangladesh can learn from the Ministry of Finance’s **Output Based Budgeting (OBB) initiative**, which is important not just for budgeting but also for planning, implementation and M&E. In particular, the shift from an emphasis on outputs to an emphasis on outcomes and impact has meant that the Malaysian Government is trying to find a way to clearly link national priorities and ministry level implementation (see the first bullet under the Development Planning section above). Crucially, the integrated program-activity structure of OBB and rigorous vertical alignment ensures that every single activity at the agency level contributes to national outcomes via the results chain (working up, this moves from activity to program to ministry KPI to national level KPI). Bangladesh institutions can similarly use budgeting as a lever to strengthen the planning, implementation and M&E of development projects.
- There are also lessons to be learned from **Malaysia’s integrated results based management system, “MY Results”** – MY Results has a focus on linking Operating Expenditure (OE) to the achievement of outputs and outcomes at the programme, LM and national level. In Malaysia, the Budget call circular is issued in February, with the overall budget objective and annual economic environment, requesting LMs to detail expenditure priorities (from the outset, O&M is declared by MoF as an expenditure priority for each LM). Information is keyed into the “MY Results” system in March, and budget screening takes place from April, and the final budget is placed in Parliament for approval in October. It is important to note that during the process of budget screening, representatives from Treasury, EPU and PSD are all involved to ensure a holistic and comprehensive review.

5.2 How Lessons Learned will be Utilised After Returning Home

The GoB Delegation is expected to distil lessons learned into a presentation at a Joint Sector Working Group (SWG) meeting in July 2017, where the Planning Secretary will be in attendance. This presentation will reflect discussions on the last day of the Programme where participants split into three different groups and discussed their findings from the programme and its applicability to the situation in Bangladesh. In line with the above, lessons learned will be structured around the three topics below:

- Group 1: The overall PIM system / policy of Malaysia;
- Group 2: Development Planning in Malaysia; and
- Group 3: Budget Formulation System in Malaysia.

Beyond this, all participants will be able to share and apply individual elements of learning within their day-to-day responsibilities within the GoB.

6 Training Environment

The training environment was varied, including INTAN, various units of the Prime Minister's Department, Ministry of Finance, as well as sector line ministries. In all cases, the environment was deemed to be conducive to effective learning and discussion, with high quality meeting rooms and suitable refreshment facilities located nearby. The fact that the programme took place in different locations and was interspersed with various site visits was also seen as being better than had participants stayed the whole time in INTAN.

Annex I – Overview of Dialogue Programme Participants

SL	Name	Position	Organization
01	Mr. Monoranjan Biswas	Joint Secretary	Economic Relations Division, Ministry of Finance
02	Mr. Md Khalilur Rahman Khan	Joint Chief	Industry and Energy Division, Bangladesh Planning Commission
03	Mr. Mohammad Manjurul Anwar	Joint Chief	Agriculture, Water Resources and Rural Institutions Division, Bangladesh Planning Commission
04	Mr. Md Sayduzzaman	Joint Chief	Programming Division, Bangladesh Planning Commission
05	Dr. Nurun Nahar	Deputy Chief	Programming Division, Bangladesh Planning Commission
06	Mr. Shah Md Helal Uddin	Deputy Chief	Power Division
07	Mr. Subrata Sikder	Deputy Chief	Rural Development and Cooperatives Division
08	Mr. Sebastin Rema	Deputy Secretary	Planning Division, Ministry of Planning
09	Mr. A M Mostafa Tarek	Deputy Secretary	Dhaka Water Supply and Sewerage Authority (DWASA)
10	Mr. Kazi Absar Uddin Ahmed	Director (System Planning)	Bangladesh Power Development Board (BPDB)
11	Mr. Syed Mahbubur Rahman	Director (Program Planning)	Bangladesh Rural Electrification Board (BREB)
12	Mr. Md Mafizul Islam Bhuiyan	Chief Engineer (Planning & Design), Additional Charge	Dhaka Electric Supply Company, Bangladesh (DESCO)
13	Mr. Muhammad Anwar Uddin	Deputy Chief	Programming Division, Bangladesh Planning Commission

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14	Mr. A H M Kamruzzaman	Sr. Assistant Chief	Local Government Division
15	Mr. Abul Monzur Md Sadeque	Executive Engineer	Local Government Engineering Department
16	Mr. Md Ziaul Hasan	Deputy Director	Bangladesh Rural Development Board
17	Mr. Feroj Al Mamoon	Sr. Assistant Chief	Energy and Mineral Resources Division
18	Ms. Mir Taifa Siddika	Sr. Assistant Secretary	Finance Division, Ministry of Finance

Annex II – Detailed Programme Minutes

Monday, 5th June 2017

The group arrived in Kuala Lumpur, Malaysia in the early morning of 5th June. They travelled directly to their hotel where they had a few hours to recuperate from the journey before heading to the National Institute of Public Administration (INTAN) for the Programme Briefing.

Session: 11:00 – 12:30

The Programme Briefing by INTAN was chaired by Ms Wan Noraini Wan Mansor, Head of the Corporate and International Unit of INTAN. Ms Wan began with an institutional overview of INTAN. INTAN was established in 1959 with Headquarters in Bukit Kiara, and are organised around eight thematic clusters¹, covering six core business areas². Ms Noraina (Ms Noraina Masduki, Deputy Head Cluster) of Project Management Cluster INTAN, then briefed participants on the expected outcomes of the Training Programme, including the requirement that each group of participants present up to five lessons learned (in line with each of the three outcome areas) during the final Group Presentation session on Friday, 9th June. She also provided helpful tips to participants on which visits were particularly relevant for each expected outcome area.

Dr Mami Sato, member of the JET, then presented a short introduction from the SPIMS project, highlighting the Training Programme's focus on lesson learning. Specifically, lessons learned will be distilled into final day presentations at the end of the Training Programme as well as presentations at a Joint Sector Working Group (SWG) meeting in July, where the Planning Secretary will be in attendance.

The Programme Briefing session concluded with individual presentations by each of the participants, focusing on an introduction of their organisation as well as their roles and responsibilities.



¹ The eight thematic clusters are: Public Policy and Governance; Economics and Public Financial Management; Professional Development and Ethics; Management Development and Innovation; Development and Policy Research; Leadership and Executive Development; Expertise Development; and Innovative Management Technology.

² The six core business areas are: Training; Publication; Conferences, Forums and Seminars; Research and Case Studies; Facilitation; and Consultation.

Session: 14:00 – 16:00

Mr Azlan (Mr Azlan Bin Abdul Rashid, Deputy Director), Macroeconomics Section of the Economic Planning Unit (EPU), Prime Minister's Department, began the session by providing an overview of the EPU's four main functions, namely:

1. Strategic Planning (and in-house socio-economic research to support strategic planning);
2. Resource Allocation;
3. Monitoring; and
4. Stakeholder Consultation.

The EPU has over 500 staff spread across 24 sections (19 sections and five sub-sections), including a newly established Human Capital Development Section (established in 2016) which looks at labour policy issues and human capital development for the future. The remainder of his presentation was structured according to three main sections:

1. Development Planning Philosophy and Mechanics, which covered an overview of Malaysia's development philosophy. In particular, he highlighted how Malaysia's development philosophy reflects its federal structure, small but open economy, mixed economy system (free market approach with active government support) as well as multi-ethnic composition.
2. Major Policy Evolution and Malaysia's Development Record, including the evolution of national development policies and major economic reforms from the 1960s to date. This focused on some of the key lessons Malaysia has learned from its development experience, including its strategies for poverty reduction as well as ensuring economic development translates into well-being for its citizens.
3. Highlights of the Eleventh Malaysia Plan, 2016 – 2020, including its six overarching Strategic Thrusts³. Each Strategic Thrust is broken down into Focus Areas, and each Focus Area has 3 – 4 outcomes defined, with its associated Key Performance Indicators (KPIs). This constitutes the National Results Framework.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Manjurul Anwar: Which authority is responsible for approving development projects, PPP projects and agencies' own fund projects?
- A. The EPU approves development projects (projects are formally approved by Government committees upon the EPU's recommendation), PPP projects pass through a separate approval process (managed by the PPP Unit within the Prime Minister's Department), and agencies and Government linked companies (e.g. Petronas) have their own boards which approve projects.
- Q. Mr Muktadir Mazumder: What are the financial thresholds for development project approvals?
- A. Projects with value less than RM50m can be approved by Departments themselves, and projects of value higher than RM 50m go to EPU for approval.
- Q. Mr Sayduzzaman: Where does a Ministry obtain the funds to prepare a project before it is submitted for approval?
- A. The Government provides funds for project preparation, including funds to cover land purchase costs (land purchase costs are low in Malaysia because land is usually Government land or land purchased by the Government under the Government Land Acquisition Act).

³ The six Strategic Thrusts are: inclusiveness; well-being; human capital development; green growth; infrastructure development and economic growth.

- Q. Mr Mahbubur Rahman: How does the EPU assess project proposals, and how does it prioritise projects and decide which to approve?
- A. The EPU assesses proposals primarily based on financial resources available, specifically which can be approved at lower cost and are likely to materialise greater benefits.
- Q. Mr Manjurul Anwar: How does EPU distribute/prioritise development expenditure?
- A. The Government has a focus on the economic and social sectors, but there are no fixed percentages which guide allocations to specific sectors.

The session concluded with a vote of thanks by Mr Helal Uddin on behalf of the Bangladeshi Delegation.



Tuesday, 6th June 2017

Session: 09:00 – 10:30

The session was chaired by Madam Syarifah Intan Syafinaz Tuan Mat Ali, Director, Infrastructure Division, Implementation and Coordination Unit (ICU). Madam Syarifah began the presentation by presenting an overview of Malaysia's national development efforts from 1971 to date, highlighting the crucial role of the private sector in Malaysia's economy, as well as the emphasis on economic growth as a means to an end. Subsequently, she outlined the six Strategic Thrusts of the 11th Malaysia Plan, explaining how each of the 25 ministries in Malaysia charts its vision and mission, and identifies projects and programs in line with the Strategic Thrusts of the 11th Malaysia Plan. Within this system, the ICU is responsible for reporting on progress of approved projects during implementation. In order to perform this role, the ICU works through 14 state branches (State Development Offices) and 2 special units.

ICU undertakes functions at 4 stages of projects, namely planning, implementation, handover as well as usage and operation. Within these stages, it is important to note a few key tools which the ICU uses to ensure projects have minimum exposure to time and cost overruns, and deliver outputs which are fit for purpose. During the planning stage, the ICU has introduced a tool 'Project Implementation Readiness', where responsible agencies have to submit a summary of a project's readiness to commence

implementation, focusing on aspects like site readiness, land allocation, etc. During the project handover stage, the ICU has introduced a test known as ‘Project Occupancy Assurance’, which determines whether a project is ready to transition to usage and operation. Finally, after six months of operation, the ICU undertakes an Outcome Status Assessment to determine whether the planned impact of a project is being achieved.

Madam Syarifah then proceeded to outline ICU’s comprehensive Project Monitoring System, “SPP II” in detail. SPP II captures information from project planning all the way through to project evaluation. Through this, ICU generates project implementation status reports of approximately 4000 projects every 2 weeks. Monitoring information is collected both at the Federal (ministry) and state/district levels, and Quarterly Project Implementation Status Reports are discussed at Cabinet Meetings. Recently, a mobile executive reporting system, “IMEX” allows key stakeholders to access real time information on project implementation. Notably, SPP II also captures information pre-project approval – line ministries enter project information, this goes through budget screening, and then information is confirmed by EPU when the project is approved (the whole project approval process takes approximately 6 months). In addition, SPP II also captures information on project outcomes, that is, how projects are contributing to each of the 11th Malaysia Plan’s 120 KPIs, a year after project completion.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Khalilur Rahman: What are some project M&E best practices from Malaysia which can be replicated across the GoB?
- A. There are a few key tools which ICU uses which could be helpful if introduced in Bangladesh. For example the Project Occupancy Assurance which is undertaken three months prior to project completion, to ensure that projects are ready to operate up to a maximum of three months after handover. In addition, the Outcome Status Assessment is a good check to ensure project deliverables are met and project design outcomes are achieved.
- Q. Mr Manjurul Anwar: In Bangladesh, the Implementation Monitoring and Evaluation Department (IMED) which undertakes M&E of development projects has a role to play in Project Evaluation Committees (PEC). Is ICU similarly represented in project approval processes in Malaysia?
- A. Yes, ICU desk offices bring the results of project outcome evaluations to budget screening discussions chaired by the EPU.
- Q. Mr Sayduzzaman: Is it mandatory for line ministries to follow ICU recommendations? What happens if an agency does not implement ICU’s recommendations?
- A. Though ICU recommendations to improve problematic projects are usually agreed by all concerned stakeholders and come highly endorsed, the execution of these recommendations are a decision of the individual agency and is not mandatory. While ICU has no real legal basis to enforce its recommendations, it can name officials responsible for ‘sick projects’ to the Public Service Department (PSD) so that it is reflected in their annual performance appraisals.
- Q. Dr Mami Sato: How is project approval linked to the 120 national KPIs?

- A. All 4717 development projects are linked up to the 120 national KPIs by sectors. Specifically, at the project level, there is an alignment of projects results frameworks to the national goals, via the 120 national KPIs. There is also a ‘traffic light’ system which checks the performance of existing projects in delivering national KPIs – for example, if a national KPI is ‘amber’ (only partially achieved) and there are existing projects which are planned to be contributing to this KPI, then a gap analysis is undertaken to understand why the KPI is not being achieved, including to see if more, or different, projects need to be adopted.



Session: 11:00 – 12:30

The session was chaired by Mr Mohd Sakeri Bin Abdul Kadir, Deputy Director, National Budget Office, Ministry of Finance. This was a joint session attended also by delegates from the Cambodian Ministry of Economy and Finance. Mr Kadir started the session by presenting an overview of Malaysia’s budgetary reform initiatives from 1957 to date. As part of this, he discussed why there was a need to shift towards Output Based Budgeting (OBB), and highlighted that OBB is important not just for budgeting but also for planning, implementation and M&E. In particular, the shift from an emphasis on outputs to an emphasis on outcomes and impact has meant that the Malaysian Government was trying to find a way to clearly link national priorities and ministry level implementation. Crucially, the integrated program-activity structure of OBB and rigorous vertical alignment ensures that every single activity at the agency level contributes to national outcomes via the results chain (working up, this moves from activity to program to ministry KPI to national level KPI). However, there can be complications, where each activity sometimes contributes to more than one program, and there are often also horizontal linkages between activities.

Mr Kadir also provided an overview of the “MY Results” system (an integrated results based management system), which has a focus on linking Operating Expenditure (OE) to the achievement of outputs and outcomes at the programme, LM and national level. In Malaysia, the Budget call circular is issued in February, with the overall budget objective and annual economic environment, requesting LMs to detail expenditure priorities (from the outset, O&M is declared by MoF as an expenditure priority for each LM). Information is keyed into the “MY Results” system in March, and budget screening takes place from April, and the final budget is placed in Parliament for approval in October. In January, a warrant is issued for budget implementation. It is important to note that during the

process of budget screening, representatives from Treasury, EPU and PSD are all involved to ensure a holistic and comprehensive review.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Khalilur Rahman: Is the budget deficit financed from domestic resources or foreign grants?
- A. Domestic financial accounts for around 95% of Malaysia's budget deficit to avoid foreign exchange risk. Of the remaining internationally financed amount, a majority comes from Islamic bonds.
- Q. Mr Manjurul Anwar: To what extent are stakeholders consulted during the budget preparation process? Does Malaysia practice a system of 'block allocations' besides program allocations?
- A. Budget consultation takes place after budget screening, and all industries, Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs) are invited to consultation sessions (some of which are chaired by the Prime Minister and Finance Minister). In addition, smaller Focus Group Discussion (FGDs) aimed at specific issues raised during the broader consultations are organised, as well as special engagement with Parliament members. Malaysia does not have 'block allocations' but provisions are sometimes made for supplementary budget.
- Q. Mr Ziaul Hasan: To what extent does fund shortage at the line ministry level hinder project implementation, and what measures are taken to rectify this?
- A. Since the start of the 10th Malaysia Plan, there has been a rolling budget process managed by the EPU, with an annual prioritisation of projects and programs at the line ministry level. Once a project is approved, it is submitted for yearly allocation, and once this allocation is made, it is up to the ministry to execute based on the resources it has available (e.g. dealing with fund shortage on a particular project by sacrificing resources from other projects which can be delayed).
- Q. Mr Anwar Uddin: What other countries used OBB and what has the impact been in Malaysia?
- A. OBB is drawn from the Results Based Budgeting (RBB) school, which is being practiced by New Zealand, Canada, Australia, Singapore etc. Still too early in Malaysia to determine the impact of OBB as they are still in a period of transition to OBB.



Session: 14:00 – 16:00

The session was chaired by (Mr Mohd Affandi Abdullah, Financial Adviser), Public Private Partnership (PPP) Unit, Prime Minister's Department. The chair began with an overview of the Malaysian Government's PPP policy, which has been in place since 1983. As part of the PPP model, the government identifies key development areas and the mode of PPP to be adopted – namely privatisation (the Build, Operate and Transfer model) or Public Finance Initiative (PFI), which is the Build, Lease, Maintain and Transfer model. The main advantages of the PPP model is that there are no cost overruns (the private sector bears the risk of cost overruns) and the government can be more assured of timely project completion. Furthermore, quality is assured because of inspection, both of facilities (which require government certification before handover) as well as operations. This allows the government to achieve optimum risk allocation, where most risk is transferred to the private sector, and private investment is encouraged. The chair also provided a detailed overview of the financial model of PPPs, discussing key concepts like the Internal Rate of Return (IRR), Net Present Value (NPV) and Weighted Average Cost of Capital (WACC), all of which are familiar to the GoB delegation.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Anwar Uddin: Has there been any reaction by citizens on the need to pay toll charges?
- A. Yes, of course there has been, but Malaysia has a system of alternative roads (Federal Roads) which are toll free, and availability of alternative roads is always a key consideration before any PPP decision is taken in relation to roads and highways projects.
- Q. Mr Sikder: What is the process of screening and approving PPP projects?
- A. PPP projects pass through screening by three committees – the Privatisation Committee (all relevant line ministries and the Ministry of Finance are represented), PPP Supreme Committee (chaired by the Chief Secretary of State) and Cabinet (a paper is presented to Cabinet for approval).
- Q. Mr Majumder: On average, how much time does it take for a PPP project to be approved?
- A. It depends – usually the process of approval takes around six months to one year (to pass through all three committees above), but the process of concluding an agreement with the private sector provider usually takes around a year and a half or two years.
- Q. Mr Helal Uddin: Does the government encounter resistance from the private sector in having all the risk transferred to them?
- A. The private sector in Malaysia is used to taking on project risks, and furthermore, private sector companies will have undertaken appropriate due diligence on the rate of return on their investment as well as factored in issues like cost escalation, etc.
- Q. Mr Biswas: Since not all PPP projects are profit making, how are losses borne?
- A. In areas where losses are made, the government sometimes enters into renegotiation with concession companies (usually to make a compensation pay out as opposed to raising user fees), or takes the asset back (paying the value of completed works). The Malaysian government adopts a long term view of this, on a principle of flexibility based on fairness (i.e.

the government views itself as being able to collect in the future when a company is profitable).



Wednesday, 7th June 2017

Session: 09:00 – 12:30

Dr Haniff (Dr Haniff Bin Zainal Abiding, Deputy Head Cluster), Cluster of Public Policy INTAN, chaired this comprehensive lecture on the project management cycle in Malaysia. The session began with a definition of project management, and an overview of the three levels of projects in Malaysia (namely at the national, sectoral and project levels) as well as two main categories (physical and non-physical). He then covered the four phases of the project management cycle (initiation/formulation; planning; execution; and closure) in detail, including the main activities at each stage. He also provided a broad overview of the total budget of Malaysia, broken down by OE (roughly US\$50bn per annum) and Development Expenditure (DE) (roughly US\$10bn per annum).

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Mahbulul Rahman: How does Malaysia deal with procurement challenges?
- A. Established a Procurement Unit in every line ministry to overcome delays in preparing tender documents (which is usually where most procurement delays occur), and provided ministries more leeway to sub-contract consultants.

- Q. Mr Ziaul Hasan: Is there any provision for direct procurement?
- A. Yes, for projects below RM0.5m, the government can enter into direct negotiations with sub-contractors. Anything above this threshold must go through competitive tender.

- Q. Mr Sikder: Can you tell us more about the Creativity Index?
- A. This is simply the projected impact of a project divided by the costs, presented in a way which is easily understandable for civil servants. The most challenging aspect of this is identifying and quantifying (in monetary value) the future impact of projects, but Malaysia is learning and developing parameters for impact assessment (e.g. in projecting the impact of school

construction, the government is estimating post-graduation salary of students). This impact evaluation is undertaken from the point of view of users, and the government uses rules of thumb to help in the calculation (e.g. the estimate value of a human life in Malaysia is approximately RM1m).

Session: 14:00 – 16:00

This session was chaired by Mr Zakaria (Mr Hamidi Bin Zakaria, Deputy Secretary Policy), Ministry of Rural and Regional Development (MRRD). The chair began by giving participants a brief overview of the MRRD, including its target groups, organisational chart, constituent Divisions and Agencies as well as overarching ministry objectives. Primarily, MRRD is focussed on increasing human capital and generating employment opportunities in rural areas. The presenter, Ms Nazlinda (Ms Nazlinda Binti Zamani, Principal Assistant Secretary), then gave an overview of rural development in Malaysia, including the MRRD's strategy to 'urbanise the rural areas' (by encouraging reverse migration). She then moved on to discuss key linkages between rural and national development, including a changing perspective to rural development over the years which has seen a shift away from infrastructure to human capital development and income generation. Finally, she concluded with an overview of selected rural development programmes aimed at giving participants a flavour of the work undertaken by MRRD.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Khalilur Rahman: Are there any special programmes for bringing indigenous communities into the mainstream economy?
- A. Yes, the government has run programmes for indigenous communities since the 1960s, aimed at human capital development as well as changing the mind-set of these communities to accept the spread of economic development into the often remote areas they live in.
- Q. Mr Ziaul Hasan: Which organisation established Malaysia's integrated poverty database? How does MRRD manage the development of human capital and income generating activities from the Federal level? Are there any initiatives to encourage networking of entrepreneurs at the village level?
- A. The EPU established the integrated poverty database. MRRD works at the rural and village level to implement its programs – e.g. 21st Century Village Cooperative program works at the village level to target income generating activities, and have KPIs which reflect this (e.g. 10 jobs created from every project which receives funding). Yes, there are events (carnivals, exhibitions), database of rural entrepreneurs, Rural Business Challenge which encourage the networking of rural entrepreneurs.
- Q. Dr Nurun Nahar: What is the size of MRRD's budget?
- A. This year, MRRD received RM9bn overall allocation, divided into OE (RM3.2bn) and DE (RM5.8bn), which puts the MRRD at the second highest recipient of DE (second to the PMO).
- Q. Ms Loke: How does the MRRD translate the 11th Malaysia Plan objectives into its selection of development programmes?

- A. By linking programmes and projects to the Strategic Thrusts which the MRRD works towards, specifically, rural infrastructure development, poverty eradication, human capital development, collaboration on the 'green Malaysia' concept and economic growth.



Thursday, 8th June 2017

Session: 9:00 – 12:30

This session was chaired by Mr Awang (Mr Md Daud Bin Awang, Head Corporate Unit), Urban Transformation Centre (UTC) Melaka. The chair began with an introduction of the UTC Melaka, which is the first UTC in Malaysia and in the world. Following the introduction, Mr Hashim (Mr Abu Hurairah Hashim, Officer) made the presentation about the concept of UTC and the services that are provided at UTC Melaka as one of the 18 UTCs in Malaysia. UTC Melaka was established on 23 June 2012 (services began from 1 February 2015), as part of the National Blue Ocean Strategy which aims to improve the quality of services through strategic partnerships between government agencies and the private sectors. The concept of the UTC is for the Malaysian government to provide urban communities a centralised location for core government agencies, public amenities, and services of private sectors day and night - namely the "One Stop Centre". There are 73 agencies stationed at the UTC Melaka building (10 stories high), and 83 types of services (public and private) are available under the 10 clusters of services. It was also presented that many schools are located near the UTC Melaka, which allows school children to spend their after school time at UTC Melaka, until their parents are back from work. The presentation was followed by a tour of the building, where the delegation group was able to observe the actual services provided at UTC Melaka, which the group took much interest in.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Ms Mir Taifa Siddika: Were there any challenges faced at the start of the UTC, as there are many government agencies and private sectors to coordinate with, and how were they resolved?
- A. As this concept was initiated by the Prime Minister, all agencies were very cooperative for long term coordination. Now that the services are running, with the many agencies in station, it is of much help when handling complaints from the users.

- Q. Mr Monorajan Biswas: Are there any Acts or regulations to control the agencies to have them handle complaints made by the users?
- A. There is no authority to control the agencies, however, there is an authority to collect all the complaints and hand over to the relevant agencies. Then, the agencies are responsible to provide response to the complaints within 48 hours from when the complaint has been made.
- Q. Mr Mohammad Manjurul Anwar: Which ministry does UTC belong to? And regarding the agencies that have offices here at UTC, have they moved their whole office to UTC or are they just stationing some officers?
- A. It is under Ministry of Finance. Regarding the agencies, the UTC office is a branch office for the agencies, where they provide services till night, which is not provided in the main offices of their agencies.
- Q. Mr Mohammad Manjurul Anwar: Are there any plans to establish UTCs in rural areas?
- A. Rural Transportation Centres (RTCs) have already been established. 3 centres in Melaka, which is under the Ministry of Rural and Regional Development.



Session: 14:00 – 16:00

This session was chaired by Datuk HJ Kamaruddin (Datuk HJ Kamaruddin Bin Md Shah, CEO), Melaka Green Technology Corporation. The chair began with a simple introduction of Melaka city itself, including an introduction of Melaka as the leading State in Malaysia for the Green City Initiative, the model city, and the only state with Green Department. Mr Mustaffa (Mr Mohd Hafizam Bin Mustaffa, Operation Manager) then made a presentation on Melaka's state policy towards the Green City. Melaka Green Technology Council was established in 2010, to discuss about the policies of green technology in Melaka, followed by the establishment of Melaka Green Technology Corporation in November 2013 as the leading and responsible body for the green development in Melaka. Melaka is the pilot state under the "Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)" Green City Initiative. Under this initiative, with the coordination of EPU, Melaka has published the "Melaka Green City Action Plan (GCAP)" which is the framework of the action plan in Melaka, including the education for the public. In the presentation, several projects implemented in Melaka were introduced: Melaka Electric Bus; Melaka River rehabilitation; Smart LED Street Lights; Smart

Meter Pilot Project; Zero Waste initiative; and others. Finally, the presentation was concluded with how capacity building is provided for more population to learn about the green technology, and how they are encouraging the public and private institutions, with an annual awards ceremony taking place.

A number of questions were asked by Dialogue Programme participants. Key ones included:

- Q. Mr Syed Mahbubur Rahman: What is the percentage of clean (renewable) energy?
A. 147.92MW is Grid connected (as of 2013). It is less than 5%, and still is developing, as it started around 5 years ago.
- Q. Mr Syed Mahbubur Rahman: How do you deal with the fluctuation of electricity, such as in a cloudy day for the solar panels?
A. There is no battery to store the electricity at present, as it costs more. Thus, all the electricity that are produced during the day time are sold.
- Q. Mr Khalilur Rahman Khan: To produce 1MW of electricity by solar, how much land space is required?
A. Taking the example of the Melaka Electric Bus, to produce 8 MW by solar, they use around 14 acres of land.
- Q. Mr Muktadir Mazumder: What has been arranged for the fisherman who used to use the Melaka River for their living after the Melaka River Rehabilitation?
A. They have been allocated to a different river, and have provided compensation with better living and better location for fishery.



Friday, 9th June 2017

Session: 08:30 – 11:30

During this session, the Dialogue Programme participants were given time to discuss lesson learned from the program in their designated three groups. The original schedule was to begin the session from 8:30am, however due to the transport arrangement, the session began from 9:30am, which gave the

participants only around 1 hour to discuss and prepare the presentation among the groups. However, regardless of the lack of time, each group managed to prepare a presentation slide, which was presented by a representative from each group.

The presenter of Group 1 (The overall PIM system / policy of Malaysia) was Mr A M Mostafa Tarek, and the presentation was focused on the policies of Malaysia, which the participants had learned throughout the visits to many Ministries and agencies. From Group1, the Melaka Green City Initiative was raised which they would like to adopt back in Bangladesh as soon as possible. Also, the UTC was presented as an initiative which they would like to adopt back in Bangladesh. In addition to the presentation, Ms Noraina from INTAN gave a comment on how the UTC initiatives are a high impact, very rapid implementation, and low cost project, due to how the buildings are efficiently used by utilizing the government buildings which are underutilized.

The presenter of Group 2 (Developing Planning in Malaysia) was Mr Syed Mahbubur Rahman, and the long term vision of Malaysia's development from 1991 was introduced, capturing the key government bodies and their roles in the planning. Lessons learned from the programme were also shared, such as the engagement of the private sectors as the engine of growth, translating the national policy by projects, clustering of projects in each Ministry, and on how the projects are prioritized by economic and financial analysis. Ms Noraina raised a question on how the lessons learned can be adopted or introduced to the SPIMS project, to this question, Mr Md Ziaul Hasan replied on how the lessons learned from EPU can be introduced to the SPIMS project's Sector Strategy Paper, which is engaging the wide range of stakeholders as how EPU is implementing through the usage of their websites to collect the voices of the public.

The presenter of Groups 3 (Budget Formulation System in Malaysia) was Dr Nurun Nahar. Her presentation mainly focused on Outcome Based Budgeting (OBB) including the system itself, approaches taken under the OBB, and its implementing structure. As for the lessons learned, the horizontal and vertical linkages that take place within the ministries and as well as the activities to cross check the overlapping of the projects among ministries were raised. Also as an important point, she raised a difference from Bangladesh that Development Expenditure in Malaysia does not include operation and maintenance costs, a situation which Bangladesh is trying to resolve but will take time. Question from Ms Noraina was the possibility of introducing OBB in Bangladesh. Dr Nurun replied with the answer that in the SPIMS project, it is trying to be introduced, with the better project documents made. The floor was then opened to the discussion of introducing the project budget monitoring system in Bangladesh.



Session: 11:30 – 12:00

The Closing Ceremony took place with the presence of Dr Abas (Dr Mohd Gazali Bin Abas, Director) of INTAN, Mr Matsumoto (Mr Kojiro Matsumoto, Chief Representative) of JICA Malaysian Office, and Mr Sarower (Mr Md Rais Hasan Sarower, Minister (Political)) of High Commission for the People's Republic of Bangladesh. The Closing Ceremony proceeded with Ms Anis (Ms Anis Rohayu Remli, Assistant Director) of INTAN being the main presenter, and the closing speech from Dr Abas, and by the representative of the Dialogue Programme participants, Mr Monoranjan Biswas, followed by a movie made by the INTAN Secretariat with the photos during the programme. The closing ceremony finalized with the last session, the certificate presentation. The certificate presentation was implemented together with Dr Abas and Mr Matsumoto, where Mr Matsumoto was the main certificate presenter to the participants.



Saturday, 10th June 2017

Session: 11:00 – 12:30

Before heading to the airport, the Dialogue Programme participants visited UTC KL, in Kuala Lumpur which is open from 8am till 10pm daily. The session was chaired by Mr Perumal (Mr Kaneyasen Perumal, Deputy Director), Ministry of Finance. The chair presented about the overall concept and the background of the UTC, mentioning that the Malaysian government is aiming to establish UTC in every state capital in Malaysia, and also in highly populated cities with high demand. Currently, all states other than Penang has a UTC. As the explanation we received in Melaka, the chair explained the about the building criteria of UTC, which are; strategically located with multiple public transport options and easy accessibility for all, utilizing vacant or underutilized government buildings. The utilization of the already existing government buildings enables the rapid execution as well as the low cost of the UTC establishment. The visit to the UTC was concluded with a visit to several of the offices in the UTC building, where it was observed that many of the offices were full of users waiting for their number to be called at the counter. The delegation group were able to visually observe the need of the community and the necessity of the concept of UTC.

A number of questions were asked by Dialogue Programme participants. Key ones included:

Q. Mr Mohammad Manjurul Anwar: Why is the UTC service regulated under the Ministry of Finance?

A. Ministry of Finance has the power to control all the Ministries, as they look over the budget. Thus the Ministry of Finance is the adequate body to control all the Ministries. The Chief Secretary to the government makes the rounds to the UTCs quarterly.

Q. Mr Mohammad Manjurul Anwar: UTC is an additional service provided by the different ministries and agencies apart from their main office. How are officers stationed for UTC?

A. Under the initiative of UTC, additional staff may not be hired. Therefore, redeployment of the staff are made to utilize the available resources at the government.



Annex A4 Meeting Minutes

1. Third Project Steering Committee
2. National Coordination Committee

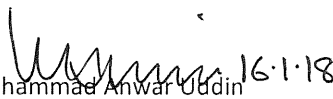
Government of the People's Republic of Bangladesh
Planning Commission
Programming Division
Strengthening Public Investment Management System Project (SPIMS)

No. 20.522.015.00.00.683.2014-459

Date: 16.01.2018

Subject: Minutes of the 3rd Project Steering Committee (PSC) meeting of SPIMS project

Please find attached the minutes of the 3rd meeting of the Project Steering Committee (PSC) of SPIMS project held on 10/01/2018 for your kind information and necessary action, if any at your end.


Muhammad Anwar Uddin 16.1.18
Assistant Project Director
Phone: 9180933

Distribution (not according to seniority):

1. Chief, Physical Infrastructure Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
2. Chief, IMED, Ministry of Planning, Sher-e-Bangla Nagar, Dhaka
3. Director General, Local Government Division, Bangladesh Secretariat, Dhaka.
4. Ms. O. N. Siddiqua Khanam, Additional Secretary, Rural Development and Cooperatives Division, Bangladesh Secretariat, Dhaka.
5. Additional Secretary (Budget), Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka
6. Additional Secretary (Japan wing), ERD, Dhaka.(Attn: Ms. Khadija Parveen, Senior Assistant Chief)
7. Additional Secretary (PT), Planning Division, Sher-e-Bangla Nagar, Dhaka.
8. Mr. Md. Mohsin Ali Khandaker, Joint Chief (OGNR wing), Industry and Energy Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
9. Mr. Sheikh Md. Abdul Ahad, Joint Chief, Power Division, Power, Energy and Mineral Resources, Bidyut Bhaban, Abdul Gani Road, Dhaka.
10. Mr. Mohammad Manjurul Anwar, Joint Chief, Agriculture, Water Resources and Rural Institutions Division, Planning Commission, Dhaka.
11. Mr. Md. Helal Uddin, Joint Chief, ECNEC Wing, Planning Division, Ministry of Planning, Dhaka.
12. Mr. Shamim Ahmed Khan, Joint Chief, SEI Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
13. Mr. Prashanta Kumar Chakraborty, Joint Chief, Programming Division, Planning Commission, Dhaka.
14. Mr. Khandker Ahsan Hossain, Joint Chief, General Economics Division, Planning Commission, Dhaka.
15. Mr. Farid Aziz, Joint Chief and P.S to Minister, Ministry of Planning, Dhaka
16. Mr. Md. Sayduzzaman, Joint Chief, Programming Division, Planning Commission, Dhaka.
17. Mr. Md. Rafiqul Islam, Deputy Chief, Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources, Bangladesh Secretariat, Dhaka.
18. Senior Representative, JICA Bangladesh Office, Gulshan, Dhaka
19. Team Leader, Japan Expert Team, SPIMS project, Programming Division, Planning Commission, Dhaka.

Copy for kind information:

1. PS to Member, Programming Division and Secretary, Planning Division, Sher-e-Bangla Nagar, Dhaka.
2. PO to Chief, Programming Division and Project Director, SPIMS project, Planning Commission, Dhaka

Government of the People's Republic of Bangladesh
Planning Commission
Programming Division
Strengthening Public Investment Management System Project (SPIMS)

Subject: Minutes of the 3rd Project Steering Committee (PSC) meeting of the Strengthening Public Investment Management System (SPIMS) Project

The third meeting of the Project Steering Committee (PSC) of the Strengthening Public Investment Management System (SPIMS) Project was held in the Planning Commission on 10th January 2018. Mr. Md. Ziaul Islam, Member, Programming Division and Secretary, Planning Division chaired the meeting. Members of the PSC from Programming Division (including the Project Implementation Unit (PIU) headed by the Project Director Mr. Md Syeedul Haque) and Sector Divisions of the Planning Commission, Economic Relations Division (ERD), Power Division, Local Government Division, Rural Development and Cooperatives Division, Energy and Minerals Resources Division, Japan International Co-operation Agency (JICA) and the JICA Expert Team (JET) attended the meeting. The full list of participants is appended.

2. The Chairman welcomed the participants and invited Mr. Md. Syeedul Haque, Project Director of SPIMS project to make opening remarks. After initiating a round of participant's self-introduction, Mr. Haque reminded meeting participants the aim of SPIMS project to deliver sustainable improvements to Public Investment Management (PIM) across the Government of Bangladesh (GoB) through four interlinked outputs: (1) Creation of a PIM Unit within Programming Division of the Planning Commission; (2). Improving project formulation and appraisal practices; (3). Strengthening the Annual Development Programme's (ADP) linkages to the Five Year Plan and budget; and (4). Improving M&E at the sector level. He reiterated that SPIMS is being co-financed by JICA and the GoB and it has a unique governance arrangement with a National Co-ordination Committee (NCC) above the PSC and responsible for review and recommend all PIM-related reforms.

3. The Chairman then delivered his welcome address stressing that it may be the last meeting of the PSC for the SPIMS project within its current phase of JICA support as current (first) phase of JICA financing is going to end in February, 2018. Since GoB support will continue up to 2019, and given the importance and relevance of the SPIMS project in the context of overall improvement and management of public investment in Bangladesh, he appraised participants that a request has been made to JICA to extend support for a 2nd phase of the Project which would start implementation immediately after the end of the 1st phase JICA financing. The Chairman expressed his satisfaction that JICA has responded positively and also proposed to extend the first phase up to June 2018 in order to minimize the time gap between the two phases. He expressed his expectation that this proposal will be recommended by the PSC today and mentioned the importance of the second phase to support the actual utilisation of the new PIM Tools within the Pilot Ministries, Divisions and Agencies (MDA) before a wider roll-out to other Ministries, Department and Agencies (MDAs). Expressing satisfaction with the achievements of the 1st Phase (particularly the training component on the new PIM Tools as well as Cost-Benefit Analysis (CBA) and Log Frame Analysis (LFA)) he stressed that a key agenda item of the meeting was to recommend for the government approval of the following new PIM tools :

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

- Sector Strategy Paper (SSP)
- Multi-Year Public Investment Programme (MYPIP)

4. Concluding his welcome Address, the Chairman stressed the participatory way in which these tools had been developed through a series of workshops and an active involvement of the Sector Working Groups (SWGs) and Project Implementation Committee (PIC) and thanked the Project Director, PIU, JET and JICA for their hard work and unwavering commitment to the project. Dr. Toshiyasu Kato, JET Team Leader, was then invited to deliver his presentation.

5. Dr. Kato (JET Team Leader) started by presenting the structure of his presentation (SPIMS' background followed by an overview of its structure and achievements as well as next actions and issues for consideration) and indicating that different elements of the presentation would be delivered by the members of the JET responsible for those outputs.

6. Dr. Kato then detailed the background to SPIMS highlighting the importance of PIM to Vision 2021, key PIM challenges and previous reform initiatives. He then provided an overview of SPIMS outlining its objectives; its focus on the first four of the World Bank's eight 'must-have' features of a successful PIM system; the envisaged new PIM tools; five step project implementation approach; and project governance arrangements. Dr. Kato then proceeded to outline the main support provided under Output 1 (PIM Unit) – including PIM-related inputs into the 7th Five Year Plan and new PFM Reform Strategy and co-ordination with related projects. Before handing over to Ms. Mami Sato who provided an overview of the training and dialogue programmes delivered under SPIMS project.

7. Mr. Ichiro Okumura and Mr. Ryuji Kasahara presented the current situation, key issues and proposed solutions for Output 2 (Project Formulation and Appraisal). The output consists of the Sector Appraisal Format (SAF) and Manual to strengthen the role of Sector Divisions and PEC; Ministry Assessment Format (MAF) and Manual to strengthen the Planning Wing of Ministries and Project Assessment Committees; and Handbook for DPP Preparation (HDP) to enhance project formulation capacity of agencies – all under pinned by an extensive training programme (including training on LFA and CBA). The point was stressed that all new tools are aimed at standardization of current instruments without changing existing project formulation and appraisal structures.

8. Dr. Kato presented the current situation, key issues and proposed solutions for Output 3 (Strengthened linkages of ADP) focused on the introduction of Sector Strategy Papers (SSPs), Multi-Year Public Investment Programmes (MYPIP); as well as *Kaizen* (continuous improvement) approaches and enhanced IT for ADP management with a training programme to build human resource capacity in all these areas.

9. Mr. David Smith presented the current situation, key issues and proposed solutions for Output 4 (M&E at the Sector Level). He stressed the needs to strengthen M&E at the sector level to complement national level (GED-led) and project level (IMED-led) M&E. This is being accomplished through Sector Results Frameworks (SRFs) within SSPs and performance monitoring of MYPIP implementation. Mrs. Sheryl Loke then underlined some of the achievements under Outputs 3 and 4 before presenting more detail the envisaged structure, content and conceptual under pinnings of the SSP. Mr. Albert de Groot then did the same for MYPIPs.

10. Dr. Kato concluded the JET presentation by outlining some of the key actions recommended by the joint GOB-JICA Terminal Evaluation conducted in September 2017 –to implement before completion of SPIMS project (notably official approval of the PIM Unit and approval & dissemination of PIM tools) and after (notably utilisation of PIM tools in pilot sectors and further roll-out plus

further capacity development). He then highlighted the two issues for formal consideration by the PSC, notably whether to recommend to the NCC that:

- The PIM tools (MAF, SAF as well as SSPs and MYPIPs in both the Power & Energy, and Local Government & Rural Development sectors) be approved and utilized within the pilot sectors?
- SPIMS be extended until June 2018 to minimize the gap between the 1st and 2nd Phases and the recommendations of the JICA Terminal Evaluation to be implemented?

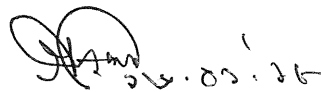
11. Meeting participants were then invited to provide feedback. Participants were generally very appreciative of SPIMS project's efforts over the past four years and expressed enthusiasm about Phase 2. A number of specific points were raised including the need for future dialogue programmes to learn lessons from other middle-income countries; the importance of the work on SSPs being linked to GED's Sector Action Plan (SAP) initiative; and the need for further discussion with Finance Division on the issue of man-power and the link to the PEC. Mr. Okumura (JET member) also further stressed the point that the PIM tools developed under Output 2 are designed to complement existing project formulation and appraisal systems, without any changes to procedures envisaged.

12. Mr. Hitoshi Ara (Senior Representative - JICA Bangladesh) expressed his appreciation of the fruitful discussions held at the PSC and the progress achieved in Phase 1 of JICA financing. He reiterated JICA's commitment both to an extension of Phase 1 and launch of Phase 2 – the design of which will commence in the coming weeks.

13. The Chairman then tabled the two major issues (mentioned at section 10 above) for consideration by the PSC. The proposals were unanimously agreed and the following decisions were taken in the meeting:

- a) PSC recommended New PIM tools for government approval which will be presented in the upcoming NCC meeting for review and consideration; and
- b) PSC recommended the proposed extension of JICA financing (JICA Phase 1) up to June 2018 which will be formally processed by JICA through ERD for necessary amendment of the Record of Discussion (ROD).

14. As there were no other points for discussion, the chairman thanked the members for their constructive participation in the PSC and concluded the meeting .



(Md. Ziaul Islam)

Member, Programming Division
and
Secretary, Planning Division

Annex 1 – List of Participants

(Not in order of seniority)

Government of Bangladesh:

1. Mr. Md. Syeedul Haque, Chief, Programming Division and Project Director (SPIMS Project), Planning Commission, Sher-e-Bangla Nagar, Dhaka.
2. Mr. Md. Samsul Karim Bhuiyan, Chief, Physical Infrastructure Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
3. Mr. Md. Nazrul Islam, Chief, IMED, Ministry of Planning, Sher-e-Bangla Nagar, Dhaka
4. Mr. A S M Mahbubul Alam, Director General, Local Government Division, Bangladesh Secretariat, Dhaka.
5. Ms. O. N. Siddiqua Khanam, Additional Secretary, Rural Development and Cooperatives Division, Bangladesh Secretariat, Dhaka.
6. Mr. Md. Mohsin Ali Khandaker, Joint Chief (OGNR wing), Industry and Energy Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
7. Mr. Sheikh Md. Abdul Ahad, Joint Chief, Power Division, Ministry of Power, Energy and Mineral Resources, Bidyut Bhaban, Abdul Gani Road, Dhaka.
8. Mr. Mohammad Manjurul Anwar, Joint Chief, Agriculture, Water Resources and Rural Institutions Division, Planning Commission, Dhaka.
9. Mr. Md. Helal Uddin, Joint Chief, ECNEC Wing, Planning Division, Ministry of Planning, Dhaka.
10. Mr. Shamim Ahmed Khan, Joint Chief, Socio Economic Infrastructure (SEI) Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
11. Mr. Prashanta Kumar Chakraborty, Joint Chief, Programming Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
12. Mr. Khandker Ahsan Hossain, Joint Chief, General Economics Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
13. Mr. Farid Aziz, Joint Chief and P.S to Minister, Ministry of Planning, Dhaka
14. Mr. Md. Sayduzzaman, Joint Chief, Programming Division, Planning Commission, Dhaka.
15. Mr. Md. Rafiqul Islam. Deputy Chief, Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources, Bangladesh Secretariat, Dhaka.
16. Mr. Muhammad Anwar Uddin, Deputy Chief, Programming Division, Planning Commission,
17. Ms. Khadija Parveen, Senior Assistant Chief, Economic Relations Division (ERD), Dhaka.

JICA Bangladesh:

18. Mr. Hitoshi Ara, Senior Representative, JICA Bangladesh Office.
19. Mr. Hiroki Watanabe, Program Advisor (Governance), JICA Bangladesh Office.

JICA Expert Team:

20. Dr. Toshiyasu Kato, Team Leader, JICA-SPIMS Project.
21. Mr. David Smith, SPIMS Consultant, JICA-SPIMS Project.
22. Mr. Ichiro Okumura, SPIMS Consultant, JICA-SPIMS Project.
23. Mr. Albert de Groot, SPIMS Consultant, JICA-SPIMS Project.
24. Mr. Ryuji Kasahara, SPIMS Consultant, JICA-SPIMS Project.
25. M.A Muktadir Mazumder, SPIMS Consultant, JICA-SPIMS Project.
26. Mr. Mohammad Mesbah uddin, SPIMS Consultant, JICA-SPIMS Project.
27. Ms. Sheryl Loke, SPIMS Consultant, JICA-SPIMS Project.
28. Dr. Mami Sato, SPIMS Consultant, JICA-SPIMS Project.
29. Mr. Syed Afsan Shabab, SPIMS Junior Consultant, JICA-SPIMS Project.
30. Mr. AHM Shahidul Islam, SPIMS Junior Consultant, JICA-SPIMS Project.

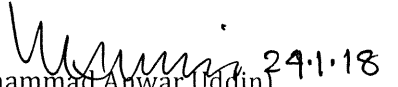
Government of the Peoples' Republic of Bangladesh
Planning Commission
Programming Division

No. 20.00.0000.522.14.009.17- 461

Date: 24.01.2018

Subject: Minutes of the National Coordination Committee (NCC) of the Strengthening Public Investment Management System (SPIMS).

Please find attached a copy of minutes of the above mentioned meeting for your kind information and necessary action.


(Muhammad Anwar Uddin) 24.1.18
Deputy Chief(C.C)
Phone: 9180933
E-mail: anwaruddin71@gmail.com

Distribution (not according to seniority):

1. Sr. Secretary, Internal Resources Division, Ministry of Finance, NBR Bhaban, Segun Bagicha, Dhaka.
2. Member(Sr. Secretary), General Economics Division (GED), Planning Commission, Sher-e-Bangla Nagar, Dhaka.
3. Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
4. Secretary, Local Government Division, Bangladesh Secretariat, Dhaka.
5. Secretary, Rural Development and Cooperatives Division, Bangladesh Secretariat, Dhaka.
6. Secretary, Power Division, Bangladesh Secretariat, Dhaka.
7. Secretary, Energy and Mineral Resources Division, Bangladesh Secretariat, Dhaka.
8. Secretary, Planning Division and Member, Programming Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
9. Member, Socio-Economic Infrastructure Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
10. Member, Physical Infrastructure Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
11. Member, Industry and Energy Division, Planning Commission, Sher-e-Bangla Nagar, Dhaka.
12. Member, Agriculture, Water Resources and Rural Institutions Division, Planning Commission, Dhaka.
13. Secretary, Economic Relations Division (ERD), Sher-e-Bangla Nagar, Dhaka.
14. Secretary, Implementation Monitoring and Evaluation Division, Sher-e-Bangla Nagar, Dhaka.
15. Secretary, Statistics and Informatics Division, Ministry of Planning, Agargaon, Dhaka
16. Chief Representative, JICA Bangladesh, Gulshan, Dhaka.
17. Chief, Programming Division and Project Director, Strengthening Public Investment Management System (SPIMS) Project, Planning Commission,, Sher-e-Bangla Nagar, Dhaka.
18. Team Leader, SPIMS Consultants Team, Programming Division, Planning Commission, Dhaka.

Copy for kind information:

1. P.S. to Hon'ble Minister for Planning, Ministry of Planning, Sher-e- Bangla Nagar, Dhaka.
2. P.S. to Hon'ble State Minister for Ministry of Finance and Ministry of Planning, Sher-e- Bangla Nagar, Dhaka/ Bangladesh Secretariat, Dhaka.

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

Subject: Minutes of the National Coordination Committee (NCC) of the Strengthening Public Investment Management System (SPIMS) Project

A meeting of the National Coordination Committee (NCC) of the JICA assisted Strengthening Public Investment Management System (SPIMS) Project of the Programming Division, Planning Commission was held on 17-01-2018 at Planning Commission, Sher-e-Bangla Nagar, Dhaka. The Honorable Minister for Planning Mr. A H M Mostafa Kamal, FCA, MP and Chairman of the NCC presided over the meeting. Mr. M.A. Mannan MP, State Minister for the Ministry of Finance & Ministry of Planning and Deputy Chair of the NCC, also attended the meeting. The list of participants is appended.

2. At the outset Mr. Md. Ziaul Islam, Secretary, Planning Division and Member, Programming Division, Planning Commission welcomed the participants expressing his honor and privilege to welcome the Honorable Minister for Planning, the State Minister for the Ministry of Finance & the Ministry of Planning and the members of the National Coordination Committee (NCC) of the SPIMS Project. He informed that the SPIMS project is seeking to deliver sustainable improvements in Public Investment Management (PIM) across the Government of Bangladesh (GoB) with strengthened linkages between public investment projects and national development policies and fiscal frameworks. He added that the SPIMS project is managed by the Programming Division, Planning Commission and an international consortium provides technical assistance. Since the 1st phase of the JICA financing in the project comes to an end, it is appropriate time that the NCC appraise the progress of the project, plan of action and other related issues for consideration. He mentioned that the key achievements of the project include development and validation of: (1) a set of PIM tools designed to strengthen project formulation and appraisal practices within both Ministries/Divisions/Agencies (MDAs) and the Planning Commission; (2) Sector Strategy Papers (SSPs) for the two pilot sectors -- Power and Energy (PE) & Local Government and Rural Development (LGRD); (3) Multi-Year Public Investment Programmes (MYPIPs) for the two pilot sectors; and (4) associated manuals, handbook, and guidelines. In addition, the project designed and conducted comprehensive training programmes on all of the above tools and approaches and maintained strong liaison with Public Financial Management (PFM) reform initiatives led by the Finance Division.

3. The Secretary informed that JICA's current support for the project ends in February 2018 whereas the GoB continues the project up to June 2019. Given the importance and relevance of the SPIMS project to improve PIM in Bangladesh, the GoB requested JICA to extend the current support until June 2018, and start Phase 2 of JICA support immediately after the end of the current support. The Secretary was pleased to inform participants that JICA had responded to this request positively, proposing to extend the current support up to June 2018 to minimize the time gap between the two phases. He hoped that these above proposals would be approved by the NCC today and underlined the importance of Phase 2 to support actual utilization of the new PIM tools within the pilot MDAs

before a wider roll-out to the other MDAs. Expressing satisfaction with the achievements of the current phase, Secretary stressed that other key agenda items of the NCC meeting today were to appraise and approve the following new PIM tools:

- Ministry Assessment Format (MAF)
- Sector Appraisal Format (SAF)
- Sector Strategy Paper (SSP)
- Multi-Year Public Investment Programme (MYPIP)

4. The Secretary stressed that these PIM tools had been developed through a series of meetings, seminars, and workshops with the relevant stakeholders and the Sector Working Groups (SWGs) along with validation exercises. After the development and validation, the Project Implementation Committee (PIC) and the Project Steering Committee (PSC) endorsed and recommended the PIM tools for approval by the government. He congratulated the PD and the PIU on their success in producing the new PIM tools and thanked the SPIMS team for their hard work for achieving the progress of the project. He appreciated JICA for its support for the SPIMS project and for being a steady and dependable development partner for Bangladesh since its independence.

5. The Secretary concluded his welcome address with sincere thanks and gratitude to the Honorable Minister for Planning and the Honorable State Minister for the Ministry of Finance and the Ministry of Planning for kindly gracing this meeting with their auspicious presence despite of their busy schedules and other important preoccupations. He observed that the presence of the Honorable Ministers, the Members of the Planning Commission, the Secretaries of various Ministries and Divisions, and other senior officials at the NCC meeting explain the importance of the new PIM tools for improving and strengthening the overall PIM system in Bangladesh, manifesting many stakeholders' keen interest in carrying forward the PIM reforms and applying the PIM tools to make the GoB system more effective and efficient.

6. Mr. Md. Syeedul Haque, Chief, Programming Division, Planning Commission and Project Director of the SPIMS project then took the floor and briefed the distinguished members of the NCC on the present status of the project and the issues for consideration.

7. Mr. Haque joined the Secretary, Planning Division in welcoming the Honorable Minister for Planning, the State Minister for the Ministry of Finance & the Ministry of Planning, and other members of the National Coordination Committee (NCC) of the SPIMS project for their presence and expressed his gratitude to them for boosting the morale of the SPIMS project team by their valuable presence. He reminded the participants that SPIMS' objective is to bring sustainable improvements in PIM across the government through four interlinked outputs: (1) Creation of a PIM Unit within Programming Division of the Planning Commission; (2) Improved project formulation and appraisal practices; (3) Strengthened linkages of Annual Development Programme (ADP) with budget and Five Year Plan; and (4) Improved M&E at the sector level. He reiterated that SPIMS is being co-financed by JICA & the GoB and it has a unique governance arrangement with a National Co-ordination Committee (NCC) sitting above the PSC and responsible for approving all PIM-related reforms. He added that the SPIMS project was approved with an estimated total cost of about Tk. 51.90 crore, of which Project Aid (PA) is Tk. 39.23 crore and GoB contribution is Tk. 12.67 crore. The project

completed activities in Year 1 (July 2014-June 2015) and Year 2 (July 2015-June 2016), Year 3 (July 2016-June 2017) and is currently implementing Year 4 (July 2016-June 2018). As of December 2018, total of Tk. 3209.53 lac has been disbursed, of which GoB amount is Tk 429.77 lac and PA (JICA) is Tk. 2779.76 lac.

8. As for the progress of activities, the Project Director (PD) informed that the project had completed Years 1 and 2 and largely completed Year 3. The Year 3 was supposed to start in July 2016, but an unfortunate incident in Dhaka on 1st July 2016 has had an adverse impact on the project. JICA's security protocol did not allow international consultants' travel to Bangladesh for nearly six months until December 2016. Considering the delay in project implementation, the GoB and JICA had agreed to extend the project period (Year 4) until February 2018. The delay in project implementation has somehow affected disbursement and expenditure of the project. He then briefly explained the output-wise status of the project, and mentioned that the terminal evaluation of the project conducted jointly by JICA and GoB in September 2017 rated the implementation progress as satisfactory albeit with the recommendation that the remaining works need to be completed within the extended period, i.e., June 2018, and that the PIM tools developed by the project should be formalized by the GoB for use and application during Phase-2 support. As for the new PIM tools, he emphasized that these are the joint products of the JICA expert team and the GoB officials, because detailed discussions were held at each stage of their development to improve the tools and make them user-friendly and understandable. The tools presented at today's meeting have incorporated all the suggestions of the concerned GoB officials in the meetings of Sector Working Group (SWG), Project Implementation Committee (PIC), Project Steering Committee (PSC) as well as through a validation process. The issues for consideration at today's meeting are the following:

- 1) Endorsement /approval of the new PIM tools for formalization and application by the MDAs;
- 2) Approval of the extension of JICA support for SPIMS project from February 2018 to June 2018;
and
- 3) Endorsement of JICA's Phase 2 support for SPIMS project from July 2018 immediately after the completion of the current phase in June 2018.

9. Following the PD's remarks and with the kind consent of the Chair of the NCC, Dr. Toshiyoshi Kato, Team Leader of the JICA expert team (JET) delivered his presentation. Dr. Kato started by presenting the structure of his presentation (SPIMS' background followed by an overview of its structure and achievements as well as the next actions and issues for consideration) and indicating that different elements of the presentation would be delivered by the members of the JET responsible for those outputs.

10. Dr. Kato then detailed the background to SPIMS highlighting the importance of PIM to achieve Vision 2021 of the government, key PIM challenges and previous reform initiatives. He then provided an overview of SPIMS outlining its objectives; its focus on the first four of the World Bank's eight 'must-have' features of a successful PIM system; the proposed new PIM tools; five-step approach to project implementation; and project governance arrangements. Dr. Kato then proceeded to outline the main support provided under Output 1 (PIM Unit) – including PIM-related inputs into the 7th Five Year Plan and new Public Finance Management (PFM) Reform Strategy led by the Finance Division and co-ordination with other related projects. Then Mr. Ichiro Okumura presented the current situation, key issues and proposed solutions for Output 2 (Project Formulation and Appraisal). Those

solutions consist of the Sector Appraisal Format (SAF) and its Manual to strengthen the role of Sector Divisions and PEC (Project Evaluation Committee); Ministry Assessment Format (MAF) and its Manual to strengthen the Planning Wings of the Ministries and Project Assessment Committee (PAC); and Handbook for DPP Preparation (HDP) to enhance project formulation capacity of agencies – all underpinned by extensive training programmes including Log Frame Analysis (LFA) and Cost Benefit Analysis (CBA). Mr. Okumura stressed that all the new tools were aimed at standardization with no actual changes to current project formulation and appraisal structures and processes.

11. Dr. Kato took the floor again and presented the current situation, key issues and proposed solutions for Output 3 (Strengthened ADP) with the introduction of Sector Strategy Papers (SSPs) and Multi-Year Public Investment Programmes (MYPIP); Kaizen (continuous improvement) approaches and enhanced IT for ADP management; and training programmes to build human resource capacity in all those areas.

12. Mr. David Smith presented the current situation, key issues and proposed solutions for Output 4 (M&E at the Sector Level). He stressed the need to strengthen M&E at the sector level to complement national level (GED-led) and project level (IMED-led) M&E. This is to be accomplished through Sector Results Frameworks (SRFs) within SSPs and performance monitoring of MYPIP implementation.

13. Ms. Sheryl Loke then underlined some of the achievements under Outputs 3 and 4 before presenting in more detail the envisaged structure, contents, and conceptual underpinnings of the SSP and MYPIPs.

14. Dr. Kato concluded the JET presentation with high appreciation and recognition of the contribution of the members of the SWGs represented by the officials of the MDAs, the Planning Commission and the PIU. He mentioned that the valuable presence of the Honorable Minister for Planning and the Honorable State Minister for the Ministry of Finance & the Ministry of Planning will certainly encourage the SPIMS team to work harder in carrying forward the next steps and achieving the ultimate purpose and goal of the project which is to deliver sustainable improvements in PIM and bringing about structural improvements in PIM capacity, with strengthened linkages between public investment projects and national development policies and fiscal frameworks. He then appealed to the members of the NCC for endorsing the proposals at paragraph- 8 above.

15 At this stage the floor was opened for comments. **Ms. Zuena Aziz, Member, Physical Infrastructure Division, Planning Commission** appreciated the SPIMS efforts for developing the new PIM tools for standardizing the existing project assessment and appraisal practices in the Ministries/Divisions and the Sector Divisions of the Planning Commission and expressed the optimism that their application and actual practices will contribute to making the government system more effective and efficient and improving the quality of DPPs. However, she pointed out that one of the major bottlenecks in timely implementation of projects was the acquisition of land. She wondered if the SPIMS project could flag this issue for solution through the project. **Mr. A S M Mahbubul Alam, DG(Additional Secretary), Local Government Division** appreciated the SPIMS team for developing the new PIM tools and told that these would contribute greatly to achieving national targets and SDGs. He would be looking forward to seeing the practical application of the tools in the government system as soon as possible.

16. The chairman then invited the **Deputy Chair, Mr. M.A. Mannan MP and Honorable State Minister for the Ministry of Finance and the Ministry of Planning** for comments. The Deputy Chair thanked the SPIMS team for a detailed and highly important presentation and stated that government is very grateful to JICA for its sustained and valuable support over many years. He also welcomed SPIMS' initiative to introduce results-based management at the sector level, in support of achieving key sector objectives. He hoped that the new PIM tools would benefit and improve the overall project cycle as anticipated in the SPIMS' design.

17. **The Chairman, Mr. A H M Mostafa Kalam FCA, MP, Honorable Minister for Planning** in his address thanked Dr. Kato and his team for a nice presentation. He reiterated that JICA has been a steady and dependable development partner and a good friend of Bangladesh since its independence in 1971. In this connection he referred to the sad and unprecedented incident of Holy Artisan Restaurant in July 2016 and very highly appreciated the position taken by the Government of Japan at that crucial time and their decision to continue their support for the on-going and upcoming development projects in Bangladesh. He stated that the entire Bangladesh nation was terribly shocked and saddened by this heinous incident and expressed profound grief and sincere apology for the people and Government of Japan. He sincerely hoped that the incidents of this kind would never happen again.

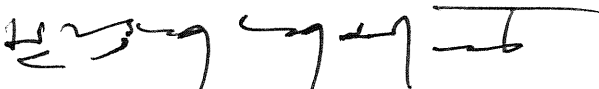
18. **The Honorable Minister** emphasized that government needs Japan's continued support in many areas, both in physical infrastructure and non-infrastructure such as PIM, which crucially underpin the country's development efforts. Specifically, he highlighted that the size of the ADP has increased by two-thirds over the span of the last three years. He attributed this mostly to the increasing Japanese ODA to Bangladesh which has been contributing to robust GDP growth in Bangladesh in recent years. He hoped that, with the support of the SPIMS project, Bangladesh would perform better in PIM.

19. **The Honorable Minister** unequivocally endorsed the PIM tools developed by SPIMS, and their adoption within the pilot sectors of Power and Energy as well as Local Government and Rural Development. Furthermore, he requested JICA to roll out the PIM tools and training to other Divisions within the Planning Commission, so that as many people across the GoB can benefit. He requested JICA to consider this issue in the second Phase of JICA support for SPIMS (2018-2022) in order to further consolidate PIM reform efforts. He ended with the statement that as long as JICA stands by the government, he is confident that Bangladesh will succeed in its vision 2041.

20. Mr. Hitoshi Ara (Senior Representative- JICA Bangladesh) expressed his appreciation of the fruitful discussions at the NCC and the progress of the project in the current phase. He reiterated JICA's commitment both to the extension of the current phase and the launch of Phase 2 – the design of which will commence in the coming weeks. Mr. Ara thanked the GoB for starting the important initiative of public financial management reform which is crucial to the country's development. Specifically, he appreciated the important PIM tools developed by the SPIMS project, which are critical contributors to the overarching PFM reform initiative. Finally, he reiterated that the most important next step now is to implement these tools in a streamlined and sustainable way, so that the potential benefits of the PIM tools can be realized.

21. The following decisions were taken in the meeting:

- I. The new PIM tools developed by the SPIMS project as mentioned at para 3 above are approved for their adoption within the pilot sectors of Power and Energy as well as Local Government and Rural Development.
 - II. The Programming Division and the SPIMS project will initiate immediate actions for application and practice of the new PIM tools in the pilot sectors.
 - III. The proposed extension of JICA support for the SPIMS project from February 2018 to June 2018 is approved.
 - IV. The proposed project period (4 (four) years from July 2018) of Phase 2 of JICA support for the SPIMS project is approved.
 - V. JICA will complete all necessary steps to launch Phase-2 of JICA support for SPIMS project immediately after completion of the current phase in June 2018.
 - VI. The Programming Division and JICA will take steps to expand the PIM tools and training to other Divisions within the Planning Commission.
 - VII. In Phase2 of SPIMS project comprehensive training programmes on the PIM tools will be designed and implemented for capacity building of stakeholders of the MDAs involved in the process of project preparation, assessment and appraisal.
22. As there were no other points for discussion, the Chairman thanked the members for their constructive participation in the NCC and concluded meeting.



A H M Mostafa Kamal FCA, MP
Minister for Planning
and

Chairman, National Coordination Committee
Strengthening Public Investment System (SPIMS) Project

23 JAN 2018

Annex A5 Provision of Equipment

CERTIFICATE OF HANDOVER

To: JICA Bangladesh Office

Re: Strengthening Public Investment Management System (SPIMS) Project
(公共投資管理強化プロジェクト)

This certificate of handover is to certify that the equipment in the attached list, which shall be utilized for the Strengthening Public Investment Management System (SPIMS) Project, have been handed over properly to Programming Division, Planning Commission, Government of the People's Republic of Bangladesh, as of May 9, 2018.

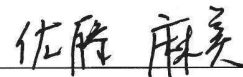
Attached: List of Equipment

May 9, 2018



Md. Syeedul Haque,
Chief, Programming Division and
Project Director, SPIMS Project,
Planning Commission

for witness



for Toshiyasu Kato
Team Leader,
Strengthening Public Investment
Management System (SPIMS) Project

貸与物品リスト
List of Equipment

業務名称 (Name of Project): バングラデシュ国公共投資管理強化プロジェクト
対象国 (Country): バングラデシュ国
事業担当部署 (Division in Charge):

(2018年5月現在)
(As of May, 2018)

物品名称 (Name of Property)	規格・品番 (Standard, Part Number)	個数 (Quantity)	取得価格 (Purchase Price)			検査合格日 (Date of Inspection Passed)	配置場所 (Location)	現況 (Current State)	備考 (Remarks)	事業終了後の 取扱い (After Completion of Project/Handover/Return)
			取得価格 (Purchase Price)	通貨 (Currency)	日本円換算 取得価格 (In Japanese Yen)					
エアコン Aircondition	General ASGA-24	1	88,000	1.57	138,160	2015/4/2	プロジェクトオフィス	稼働中		
エアコン Aircondition	General ASGA-24FMTA	1	89,000	1.3314	118,495	2016/7/12	プロジェクトオフィス	稼働中		
複合機 Xerox printer	Xerox Work Center 7225 J-D042	1	450,000	1.333	599,850	2014/6/18	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	Dell Note Book Model: Vostro 5460 SN: 2NNGY1	1	43,500	1.333	57,986	2014/6/11	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	Model: HP 240 SN: 5CB4151K4X	1	32,800	1.548	50,774	2015/1/14	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 242 SN: 5CG5162FJX	1	32,800	1.597	52,382	2015/7/9	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 242 SN: 5G6S16261P	1	32,800	1.597	52,382	2015/7/9	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 14-d010TU SN: 5CB4191NRM	1	35,500	1.333	47,322		プロジェクトオフィス	稼働中	消耗品	
レーザープリンター Laser Printer	Xerox Phaser 3320 SN: 3221009290	1	26,500	1.342	35,563		プロジェクトオフィス	稼働中	消耗品	
インクジェットプリンター InkJet Printer	Cannon MG 3170 SN: LMJA04781	1	8,000	1.342	10,736		プロジェクトオフィス	稼働中	消耗品	
ビデオカメラ Video Camera	Panasonic HC-WF70M SN: DM5J002689	1	38,741	1	38,741		プロジェクトオフィス	稼働中	消耗品	
デジタルカメラ Digital Camera	Canon IXUS160 SN: 058061021019	1	8,500	1.569	13,337		プロジェクトオフィス	稼働中	消耗品	
プロジェクター Projector	Infocus IN 2124 SN: BKLB 31800348	1	35,000	1.342	46,970		プロジェクトオフィス	稼働中	消耗品	
スクリーン Screen	Focus 70X70	1	4,500	1.342	6,039		プロジェクトオフィス	稼働中	消耗品	
金庫 Safe	HPL 506-203-3-1-22 File Cabinet	1	22,700	1.455	33,029		プロジェクトオフィス	稼働中	消耗品	
【以下、JICAから貸与されている物品 (Property Lent by JICA)】										
エアコン Aircondition	General ASGA-24	1			138,160	2015/4/2	プロジェクトオフィス	稼働中		
エアコン Aircondition	General ASGA-24FMTA	1			118,495	2016/7/12	プロジェクトオフィス	稼働中		
複合機 Xerox printer	Xerox Work Center 7225 J-D042	1			599,850	2014/6/18	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	Dell Note Book Model: Vostro 5460 SN: 2NNGY1	1			57,986	2014/6/11	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	Model: HP 240 SN: 5CB4151K4X	1			50,774	2015/1/14	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 242 SN: 5CG5162FJX	1			52,382	2015/7/9	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 242 SN: 5G6S16261P	1			52,382	2015/7/9	プロジェクトオフィス	稼働中		
ノートパソコン Laptop	HP 14-d010TU SN: 5CB4191NRM	1			47,322		プロジェクトオフィス	稼働中	消耗品	
レーザープリンター Laser Printer	Xerox Phaser 3320 SN: 3221009290	1			35,563		プロジェクトオフィス	稼働中	消耗品	
インクジェットプリンター InkJet Printer	Cannon MG 3170 SN: LMJA04781	1			10,736		プロジェクトオフィス	稼働中	消耗品	
ビデオカメラ Video Camera	Panasonic HC-WF70M SN: DM5J002689	1			38,741		プロジェクトオフィス	稼働中	消耗品	
デジタルカメラ Digital Camera	Canon IXUS160 SN: 058061021019	1			13,337		プロジェクトオフィス	稼働中	消耗品	
プロジェクター Projector	Infocus IN 2124 SN: BKLB 31800348	1			46,970		プロジェクトオフィス	稼働中	消耗品	
スクリーン Screen	Focus 70X70	1			6,039		プロジェクトオフィス	稼働中	消耗品	
金庫 Safe	HPL 506-203-3-1-22 File Cabinet	1			33,029		プロジェクトオフィス	稼働中	消耗品	

佐藤麻美

Annex A6 PIM Policy Note (Draft)

Policy note:
Public Investment Management

The management of public finances in Bangladesh is concentrated in the hands of two key central agencies, the Finance Division (FD) and the Planning Commission (PC), which also play the dominant role in inter-sectoral allocations. While the FD is responsible for the non-development budget (NDB) and the PC for the development budget (DB), the FD has the delegated responsibility of guiding and coordinating the overall budget preparation and implementation process. Bangladesh operates a dual-budgeting system, in which the development budget, through the Annual Development Programme (ADP) finances investment projects and technical assistance projects. There is scope to strengthen the coordination between the two budget processes. This will also contribute to strengthening Public Investment Management (PIM) and the smooth implementation of public investment projects.

Key Issues and Challenges:

Project proliferation and limited attention to strategic frameworks at sector level might undermine the strategic coherence of public investment. The capacity and incentives to conduct high quality appraisal at Ministry/Division and PC level are in general limited. Furthermore, independent reviews of project appraisal are not firmly embedded as a result of system overload with too many approved projects and unclear demarcation of responsibilities. ECNEC mainly focusses on the approval of individual ADP projects while a high-level, strategic role of ECNEC for portfolio-based oversight has not been fully developed.

Improving the quality of the ADP is a key aspect in improving expenditure prioritisation and better linking the DB and NDB budgets. The ADP needs to be better linked to national priorities stated in the 7th Five Year Plan (7FYP) and translated into more detailed sector-level strategic plans (such as the Sector Strategy Papers being piloted). It is widely acknowledged that the connection between higher-level, multi-year development plans such as 7FYP and actual allocation of resources to projects in the ADP are weak. As project appraisal capabilities are still facing challenges, the selection of projects is mainly based on Ministry/Division/Agency (MDA)'s demands which might not be necessarily consistent with budget constraints. This results in insufficient allowance for O&M cost in project planning and overruns in cost and time. Limited consideration of O&M cost during project formulation and appraisal also undermines the quality of the project cycle as completed projects have the risk of becoming unsustainable and/or rapidly deteriorating quality.

Better project formulation, appraisal and approval would improve the quality of investment projects. Strengthening project formulation and appraisal capacities and procedures could be accompanied by stricter project assessment and appraisal practices at ministry and PC level, respectively. The projects which are not aligned with wider strategies in the portfolio, unaffordable or have design weaknesses could be rejected more systematically – irrespective of their institutional or political support. To strengthen project formulation and appraisal, Ministry Assessment Format (MAF) and Sector Appraisal Format (SAF) have been developed and will be piloted in two of the 14 sectors in the 7FYP--(i) Power and Energy, and (ii) Local Government and Rural Development. The manuals for those new tools have been also developed, and officials will be trained to use those tools.

As underlined in the PFM Strategy, an overall priority of PIM reforms is to improve the links among policies, planning and budgeting. As such, these reforms are macro-level reforms that

complement development projects at the micro level. They are highly complementary as more emphasis on strategic priorities, portfolio consistency and availability of funding could strengthen the scope to enforce the quality of individual projects. A priority action is to strengthen the strategic linkage of the ADP with the FYP and Medium Term Budget Framework (MTBF) by introducing Sector Strategy Papers (SSPs) and Multi-Year Public Investment Programmes (MYPIPs). The SSPs will clarify sectoral priorities, provide clear strategic guidance to Ministries, Divisions and Agencies (MDAs) and PC in designing, assessing and appraising development projects, and thereby improving the quality of projects considerably. The MYPIPs will enable more informed decision in allocating resources for public investment projects by estimating the impact of a decision on fiscal space in the medium-term. The introduction of MYPIP will be closely linked to ongoing MTBF reform efforts in the FD, in particular, the introduction of Forward Baseline Estimates (FBEs). The upgrading of the ADP management information system is also essential to make the ADP process more efficiently.

The establishment of a dedicated PIM Unit within the Programming Division of the PC is another priority action. The PIM Unit could operate as a reform anchor and be responsible on the side of the PC for close coordination and communication among PIM stakeholders, in particular with the FD and the General Economics Division (GED). The PIM Unit could provide data and support on core PIM processes, carry out periodic assessments of investment efficiency and effectiveness, and coordinate training programmes for officials involved in PIM. The Unit might concentrate resources, facilitate policy-dialogues on PIM reforms and ensure an effective counterpart function for future DP-supported projects.

Monitoring and Evaluation (M&E) has a critical role to play in strengthening results-orientation in PIM. There could be a shift of M&E away from the current focus on inputs and expenditure toward a stronger focus on development results in the future. Strengthening the use of and the demand for M&E are key elements, but they are not the only aspects. Giving more attention to the expected results within the project formulation (e.g., through better Logical Framework Matrices) and subsequent implementation phases is also of crucial importance for laying the groundwork for subsequent M&E. The introduction of M&E framework in SSPs will strengthen sector-level M&E.

Immediate:

- Strengthen project formulation, assessment and appraisal process through MAF and SAF to ensure high quality, affordable projects.
- Introduce handbooks for Agencies for the preparation of project proposals, and manuals for Ministry/Division and PC, respectively, for carrying out project appraisal.
- Introduce SSPs in two pilot sectors to establish link between FYP, MTBF and projects.
- Introduce MYPIPs in two pilot sectors to enable more informed decision in allocating resources for projects.
- Establish PIM Unit in Programming Division tasked to coordinate PIM reforms in the Government.

Medium to Long-term:

- Develop and implement PIM capacity improvement programmes for MDAs and PC officials on project formulation, assessment and appraisal.
- Roll out SSPs and MYPIP to the other sectors
- Review the existing business processes and management information systems and databases, and introduce further automation in the planning, programming, and budgeting processes.

Annex A7 PIM Matrix (Draft)

Act #	PFM reform activity title	Why this activity? (underlying problem/challenge)	Activity/sub-activities description	Activity details				Measurement			Accountability	
				Cost estimate US\$ '000	Duration (Months)	Planned Benefits	Start date	Indicator	Baseline (2017)	Target (2023)	Ministry/Division	Wing/Section
1.	Strengthen PIM Unit as the anchor organisation for PIM reform	There is no institutional 'home' for PIM reform initiatives	<ul style="list-style-type: none"> - Support PIM Unit to develop, implement and monitor an Operational Plan - Provide on-the-job mentoring to PIM Unit staff to lead on all functional areas, including key PIM reform activities - Support the PIM Unit to create political momentum and engage with key stakeholders for change, including support on specific technical areas (e.g. developing a draft combined budget calendar, designing an O&M cost template, advising on the organizational change implications of harmonized sector classification, etc.). - Support the PIM Unit to effectively coordinate across related IT initiatives, conduct IT-related studies, and integrate MYPIP requirements to the ADP MIS - Provide on-the-job mentoring to PIM Unit staff to understand change management, including providing the space to discuss and debate the value of, and how to operationalize, change management - Support the PIM Unit to analyze and report on PIM performance, including developing a methodology/tools for assessing compliance with procedures and guidelines for each stage of the project cycle - Support rolling out 'kaizen' approaches to PIM reforms 		48	Consolidates leadership on PIM reform and allows clear and consistent implementation and monitoring of PIM reform activities	Aug 18	Number of staff members hired and trained for the PIM Unit			Planning Commission	Programmin g Division COORD: MoF GED IMED
2.	Improve public investment formulation, appraisal and approval processes	Due to capacity constraints, identification, design and preparation of projects by LMs is weak and needs to be strengthened in order to fully adopt new templates	<ul style="list-style-type: none"> - Fully introduce MAF/SAF in two pilot sectors (PE & LGRD) - Introduce MAF/SAF in the other sectors - Conduct baseline and end-line studies to measure the usage level of MAF/SAF - Develop approaches to integrate PIM tools and methods – e.g. using SSPs and indicative expenditure profiles in the project formulation and approval process and consider introducing “Project Concept Note” for screening prior to the project formulation and approval process. - Develop a procedure to capture future recurrent cost implications in the revenue budget at the project appraisal stage - Review and strengthen the criteria used for project 		48	Improving the quality of project formulation, appraisal and approval will have a positive impact on public investment planning and management	Aug 18	% progress in the usage of MAF/SAF (based on baseline and end-line studies)				

Act #	PFM reform activity title	Why this activity? (underlying problem/challenge)	Activity/sub-activities description	Activity details				Measurement			Accountability	
				Cost estimate US\$ '000	Duration (Months)	Planned Benefits	Start date	Indicator	Baseline (2017)	Target (2023)	Ministry/ Division	Wing/ Section
			selection, enforce the inclusion of recurrent costs in project appraisal									
3.	Strengthen strategic linkages between the ADP, FYP and MTBF	Linkages between the FYP and project formulation and appraisal are weak, and there is limited consideration of the future costs of the ADP portfolio	<ul style="list-style-type: none"> - Organize dissemination of PE & LGRD SSPs and MYPIPs in pilot sector MDAs - Design and deliver classroom training on SSP & MYPIP (rationale, contents, how to use it); Provide hands-on support for the use of SSP (e.g., how to use the SRF as a 'live' document, as well as to use the mid-term review of the SSPs to feed into the 8FYP development process) - Provide hands-on support for MDAs to submit FBE information and support Sector Divisions to process this FBE information for the development budget. - Support Programming Division to develop (and update) the MYPIP and use it as part of the budget process, including aligning timeframes with the MTBF - Strengthen GoB structures and coordination arrangements critical to SSP & MYPIP formulation - Design and deliver SSP & MYPIP Training of Trainers - Co-deliver training on SSP & MYPIP development to other sectors - Support development of new SSPs (in two pilot sectors, so they are consistent with the 8FYP, as well as in new sectors) - Update the SSP Guidelines & MYPIP Guidelines 		48	SSP strengthens sector level planning and acts as a 'bridge' between national level planning and MDA level planning. More reliable ceilings available for MTBF preparation due to FBE process MYPIP aligns with the MTBF and provides a more strategic and performance-based approach. Clearly identified resource envelope available for investment in new projects.	Aug 18	Formal adoption and use of SPP and MYPIP No. of staff trained No. of trainers ready to give training	SSP and MYPIP approved for use in two pilot sectors (PE & LGRD)	SSP and MYPIP approved and used in all sectors	Planning Commission	Programming Division COORD: Sector Divisions GED ECNEC MDAs
4.	Strengthen capacity development	Weak capacity in planning, budgeting and project cycle	<ul style="list-style-type: none"> - Review current PIM-related training programs of GoB training institutions, identify gaps, and propose strategies to strengthen the PIM capacity development system 		48	Developing greater capacity will have a	Aug 18	#of officials trained			Planning Commission	Programming Division

Act #	PFM reform activity title	Why this activity? (underlying problem/challenge)	Activity/sub-activities description	Activity details				Measurement			Accountability	
				Cost estimate US\$ '000	Duration (Months)	Planned Benefits	Start date	Indicator	Baseline (2017)	Target (2023)	Ministry/ Division	Wing/ Section
	system for public investment management	management	<ul style="list-style-type: none"> - Develop a PIM capacity development plan - Develop and update PIM training curriculum and materials - Conduct Training of Trainers to create a resource pool of trainers - Deliver PIM training programs for officers of MDA Planning Wings and Planning Commission (on project appraisals, cost benefit analysis, logical framework analysis, formulation of SSPs and MYPIPs, etc.) 			positive impact on public investment planning, budgeting and management		Increase in capacity of trainees as measured by pre- and post-tests				COORD: NAPD BCS Economic Academy