

Methods and Techniques of Planning

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Learning Objectives

- Explain different methods and techniques of planning
- Analyze and apply planning tools in planning process

Content of the Presentation

- Introduction to Development Planning
- Plan formulation process
- Institutions for Development Planning
- Evolution of Development Planning
- Goal and objectives setting
- Issues and New Dimensions of Planning
- Conclusions and Suggestions

They will feature here and there in this presentation

Active Learning

Discuss these questions and Answer them in a Group:

- List some of the Methods of development planning?
- What are the factors to be considered in development planning ?
- Prepare a **Sample 15th Development Plan** of Nepal?

Note down your answers and make a short and sweet presentation – You have 25 minutes for this all.

Development Planning

- Development planning is the systematic management of resources for the purpose of achieving definite targets or desirable objectives within a specific period of time.
- This is a deliberate effort of the government to influence in the major socio-economic variables like GDP, consumption, savings, investment, prices and employment etc, of a country for a specific period of time to achieve its desired objectives

Questions to be addressed by planning

- i. **Where are we now?** – Current socio-economic status of the country. (requires sound data and information)

- ii. ***Where do we want to go?*** What do we want to achieve ?
(articulation of medium term goals/objectives, based on the long term vision of the country)

- iii. ***How can we get there?*** The strategy to achieve the objectives and goals including policies and programs.
(analysis of the options available and choosing the most appropriate and efficient option, and identification of the policies and programs that best suits to carry out the strategy)

Planning Context

Planning does not happen in a vacuum. We need to analyze the followings:

- a) Geography: Biophysical diversity; ecology
- b) Society: Population and its dynamics;
- c) Economy: Resources, Livelihoods; Growth; Trade
- d) Politics: Driving force; Political culture; stability
- e) Bureaucracy: Implementation capacity, ethics
- f) Political-economy: National, regional and global

Types of Plan/Planning

- Constitution – Articulates the aspirations people
- Long term vision/goal: set out to achieve in a time period of say 15 to 20 years
- Periodic: A medium term plan provides medium-term vision of the country
- Programme/project planning
- The annual plan: translate the periodic plan into action

Why Development Planning?

- Development efforts with a direction
- State accords priority to the real needs
- State knows the best
- Focus and perspective
- Poverty reduction and building prosperity
- Sustainable and Inclusive development
- Efficient resource mobilization
- Foreign aid mobilisation
- Best use of resources
- Better distribution of resources and outputs
- Market failure
- Development in all areas including input management to outputs and impacts feasible
- Saves time, energy and resources
- Private sector development
- Market development
- Coordination
- Development of remote and deprived areas

Evolution of Development Planning

- Begins since 1928 from the then Soviet Union
- Adopted and spread after 1940's in the developing world in view of adoption of mixed economy.
- Nepal introduced economic plan about 6 decade ago.
- Juddha Shamsheer: **20 year Plan**
- Mohan Shamsheer: **15 year Plan**. Declared that Nepal will follow planned development
- **The First Plan (2013-2018) was introduced in 1956 (BS 2013).**
The development base was almost nil.
- So far, 9 five-year plans and 5 three-year plans have been implemented.
- 14th Plan in under implementation.

In this Planning Journey.....

- More **participatory approaches** has been followed than before.
- Both “**top down**” and **bottom up**” approach has been followed.
- Started to formulate more **strategic and result based plan**.
- Prioritization of projects and programs has been started since the Tenth Plan

Institutions for Development Planning

- *Planning Commission* was constituted for the first time in Nepal in 1956 under the Chairmanship of the Prime Minister.
- *Yojana Mandal* was set up under Yojana Mandal Act, 1957 for formulating the socio-economic development plans;
- *National Planning Council* 1960 was formed and chaired by the King. It was the highest authority in the sphere of economic planning and policies. Ministry of Economic Affairs 1962, carried out the functions of the RYP's Secretariat;
- *National Planning Commission* 1991 was headed by the Prime Minister and consisted of a full time Vice-Chair with five Members and a Member-Secretary.
- The Chief Secretary and the Finance Secretary were included as the Ex-officio Members.

National Planning Commission (NPC)

NPC is the advisory body of the GON responsible for formulating development plans and policies of the country under the directives of the National Development Council.

Role of the NPC

- explores and allocates resources for the socio-economic development and works as a central agency for monitoring and evaluation of the development plans, policies and programmes;
- facilitates the implementation of development policies and programmes;
- provides a platform for exchange of ideas, discussion and consultation pertaining to the socio-economic development of the country; and
- serves as an institution for analyzing and finding solutions to the problems of civil societies, non-governmental organizations and the private sector.

Composition

NPC is composed of 12 Members as under:

- | | |
|---------------------------|------------------|
| a) Prime Minister | Chair |
| b) Vice Chair of NPC | Vice Chair |
| c) Chief Secretary of GON | Member |
| d) Members of NPC | Members (7) |
| e) Finance Secretary | Member |
| f) NPC Secretary | Member-Secretary |

Major Tasks Performed by the NPC:

- a) Advice the GON on development issues;
- b) Formulate/ prepare Perspective Plans, Periodic Plans, Rolling Plans, Annual Plans;
- c) Inter-ministerial/agency coordination;
- d) Coordination with the Public sector, Private sector, Cooperatives, Civil Society and the Development partners with regard to the country's development;
- e) Monitoring and Evaluation of the development programs/ projects; and
- f) Program approval/amendments etc.

National Development Council (NDC)

It deliberates on the Plan proposals prepared by the NPC and then instructs NPC to submit it to the Cabinet for approval.

NDC is composed of the following Officials:

- | | |
|---|------------------|
| a) Prime Minister | Chair |
| b) Vice Chair of NPC | Vice Chair |
| c) Members of NPC | Members (7+2) |
| d) Ministers/State Ministers | Members (26!) |
| e) Leaders of Parliamentary Parties | Members (31!) |
| f) Chairs of the Parliamentary Com. | Members (7) |
| g) Governor of NRB | Member |
| h) NPC nominees
(from different walks of life) | Members (35) |
| i) NPC Secretary | Member-Secretary |

Planning Process in Nepal

Remember dev. planning occurs at all levels, we discuss NPC planning only here.

1. Traditional Approach:

- Basically “top down”- little involvement of stakeholders and beneficiaries
- Planning Experts and high-ranked formulate plans

2. Modern Approach:

- **A participatory and more “bottom up”**: VDC, DDC, Regional and National Level Consultations
- **More inclusive participations**: gender, ethnic groups, Dalits, Madhesis, disabled, youth, political parties, development partners, NGOs/INGOs etc.

Institutional Arrangements

1. **Steering Committee chaired by VC NPC**

members of NPC and secretaries of Line Ministries

2. **Sectoral Committees chaired by members of NPC**

3. **Sectoral Technical Committees:**

Chair-Joint Secretary of NPCCS, Joint secretaries/under secretaries of LM, program directors/planning officers of NPCCS, experts, advisors

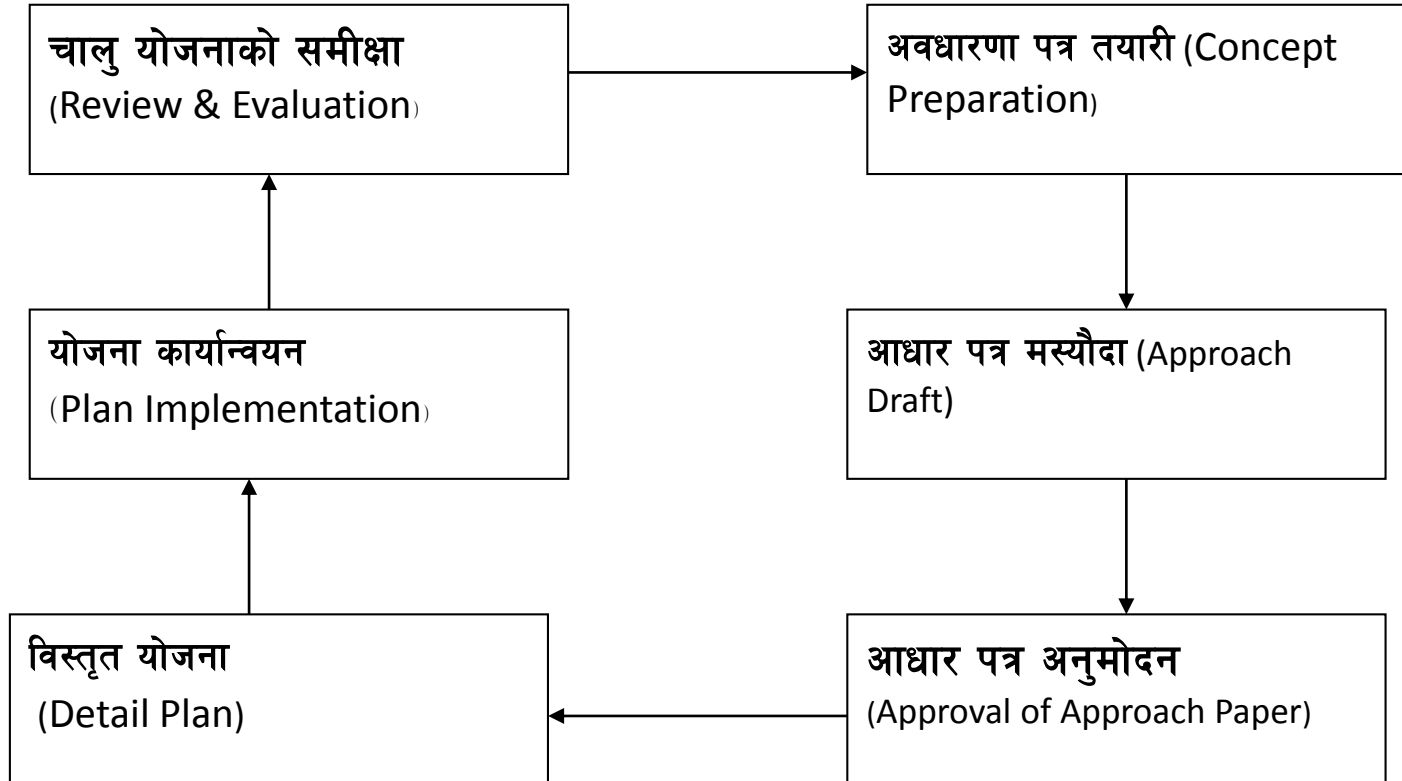
4. **Task Force: Line Ministries**

Chair –Secretary of respective LMs,
department heads, joint secretaries/under secretaries/section officers of LM

Functions of these Committees

1. Preparation of Long Term Vision
2. Preparing a Macroeconomic Framework
3. Approach Paper Preparation
4. Interaction at the central level
5. Regional Level Interactions
6. Experts' Suggestions
7. National Development Council Directives
8. Approval of the Approach Paper
9. Involvement of the Ministries and Other Public Agencies
10. Detailing the Plan based on the Approach paper

Planning Process



Technical Work

Macroeconomic Framework formulation

- GDP Targets
- Total investment requirements : public and private
- Estimation of required resources
- Revenue forecasting
- Public expenditures
- External sources: grants and loan
- Domestic borrowings

Others

- MTEF
- Results Framework – Results-based planning
- Programme/Project Prioritization

Result Framework: Industry

Results indicators	Unit	Base year 2015/16	Goal			Sources of information	Responsible agency	Assumptions and risks
			2016/17	2017/18	2018/19			
<u>Impact</u> Contribution to GDP a) Industry	Percentage „	5.5	5.6	5.5	5.4	National accounts and MIS	MoI	
<u>Outcome</u> Annual growth in industrial investment	Percentage	15.69	13.8	7.11	8.2	„	„	
<u>Output</u> Large scale industry registration	Number	855	85	90	100	MIS	MoI	No problem in labor relations Act and regulations are approved in time
<u>Programme and Projects</u>	Included in policy section of the plan document							

Program/Project Prioritization Criteria

- a) Pro-poor, broad-based economic growth (15);
- b) Peace building/promotion (10);
- c) Sustainable Development Goals, SDGs (10);
- d) Gender Equality and Social Inclusion, GESI (geographical, social and sexual) (10);
- e) Productive employment (15);
- f) Participatory (people, local bodies, private sector) (10);
- g) Creating physical asset (10);
- h) Environmental sustainability (pollution control, climate change, biodiversity, disaster mitigation, soil control) (10);
- i) Ongoing projects including operation & maintenance (10).

Factors to be considered in National Planning

- Directive Principles and Policies of the Constitution
- Manifesto of the winning political party in the general election
- Common Minimum Programme of the Coalition Government
- Other sectoral perspective plans
- SDGs and other Government commitments, and
- Domestic economic issues (like inflation, low growth, unemployment etc)
- Contemporary international issues
- Nepal's commitments in international fronts

Goal, Objectives, Strategy and Target Setting:

a) Goal setting

- ❖ helps to gain a better understanding before the development tasks begin in relation to the underlying problems to be solved.
- ❖ facilitates to conceive a desirable scenario/ vision.
- ❖ helps to establish *specific, measurable, achievable, relevant, and time-bounded* (SMART) objectives.

b) Objective Setting

- ❖ A specific result aimed at achieving within a time frame and available resources.
- ❖ Objectives are more specific and easier to measure than the goal.
- ❖ Objectives are basic tools that underlie all planning and strategic activities.

c) Identifying Strategies

- ❖ Strategy is a method chosen to bring about a desired future, such as achievement of a goal or solving a problem.
- ❖ Strategy is the art as well as a science of planning and marshalling the resources for their most economic, efficient and effective use.
- ❖ Strategies help to look for the alternative course of action.

Goals are broken down into indicators and associated targets

The Fourteenth Plan (2016/17-2018/19)

Vision

- Self- reliant, prosperous and socialism oriented national economy and affluent Nepalese people.

Goal

- To reach the level of middle income country through welfare state with social justice.

Objective

- To achieve economic and social transformation by rapid poverty reduction through high economic growth rate along with employment oriented and just distribution.

Strategy

- Following five key strategies: Increase in Production, Infrastructure, human development, Good Governance, Institutional Capacity

Indicators and Targets – Next Slide

S. N	Indicators	Targets of 14 th Plan
1	Annual average economic growth rate (%)	7.2
2	Annual average agricultural growth rate (%)	4.7
3	Annual average non-agricultural sector growth rate (%)	8.4
4	Inflation rate (%)	7.5
5	Life expectancy at birth (in years)	72.0
6	Population Below the Poverty Line (percent)	17.0
7	GDP per capita (in ,000)	105.7
8	HDI	0.57
9	Gender Empowerment Index	0.58
10	Population with access to basic drinking water (%)	90.0

11	Population with access to basic sanitation (%)	89.0
12	Net enrolment rate at the secondary level (%)	45.0
13	Number of district headquarters with road connectivity	75.0
14	Access to Internet service population (% 100)	65.0
15	Installed capacity of electricity generation (in MW)	2279.0
16	Population with access to electricity (%)	87.0
17	Irrigation (in lakh hectares)	15.20
18	Forest coverage area (%)	40.0
19	Total length of regional and strategic road transport (km)	29,495

Planning for Plan Implementation

- Annual program/budgeting
- Institutional arrangement
- manpower/ role definition
- Action plan/procurement plan
- Activities conduction
- Coordination mechanism
- Political and social resource mobilization

Monitoring Evaluation process

Doing Right and Doing Right Things

- Enhance Decision effectiveness
- Enhance accountability
- Facilitation and learning
- Capacity Development

Tools and Techniques in M&E

- Work Plan
- Field visit/inspection
- Monitoring Plan
- Stakeholders meeting
- Joint Review
- Systemic Reporting
- Terminal report
- Internal/External Evaluation

Institutional arrangement for M&E

- National Development Action Committee (NDAC)
- Ministerial Level Dev. Action Committee (MDAC)
- District Level Dev. Action Committee (DDAC)
- M&E Division (NPC)
- Sectoral Divisions (NPC)
- Planning and Monitoring Divisions (ministries)
- M&E Supervision committee
- OPMCM
- Third Parties Monitoring/evaluation
- National Vigilance Center
- Joint Missions
- Policy Advisory and Co-ordination Committee.....

Issues in Development Planning

- a) Balanced Development
- b) Sustainable Development Goals (SDGs) 2016-30
- c) LDC Graduation 2022
- d) Reconstruction and Rehabilitation
- e) Poverty eradication (bringing <3%) by 2030)
- f) Middle Income Country by 2030
- g) Sustainable Energy for All (SE4All) by 2030
- h) Conflict/ peace/disaster sensitive Development Planning
- i) Infrastructure development
- j) Securing balanced development by region/provinces and the social groups
- k) Reducing *poverty* and securing *prosperity*
- l) *Monitoring, Evaluation, learning and Accountability*

New Dimensions in Planning

- Participative Planning – **Voices of the Poor**
- Top down and Bottom up Planning
- Market based Planning – Business Plans
- Planning by Inducement / Indicative Planning
- Result Based Planning (RBP)/ Strategic Planning
- Inclusion
- Good governance
- Growth with equity
- PPP
- SDG

Conclusion and Suggestions

- Planning is a techno-political exercise
- It shows the destination and the ways to reach there
- Development planning has become more participative
- Success of planning lies both in realistic planning and honest implementation – garbage in, garbage out
- Plan should be based on more realistic resource forecast and implementation capacity
- Political stability and commitment is crucial for successful implementation of plan
- There is a real need to strengthen M & E
- There is a need to establish and institutionalize planning mechanisms at the provincial and local level

Now Review Your Earlier Presentation to assess
your Learning Outcomes!

Thank You