

Projects to get partial fund before ECNEC approval

Guideline finalised

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THE government has finalised the guideline for selecting projects for partial budget allocation before they are placed at the ECNEC meeting, to expedite the pace of project implementation, as part of measures to speed up annual development programme.

Under the guideline, which is awaiting a go-ahead from the cabinet meeting, only projects included in the ADP or revised ADP without allocations, and those

that are a part of the government's medium term budgetary framework document, will be eligible for the pre-approval fund.

Both investment and technical projects will get project preparation funds ranging from Tk five crore to Tk 50 crore, the guideline added. The fund will be released before the particular projects are approved by the executive committee on national economic council.

Finance minister, AMA Muhith past week approved the guideline drafted by a

panel of experts from the ministries of finance and planning, and those from the cabinet division, sources said.

The heads for prior funding include land acquisition, project design, building design, rehabilitation cost due to land acquisition, economic analysis on projects, pre-feasibility study, technical study, environmental impact analysis, preparation of development project proforma and preparation of bidding documents.

The guideline will address the longstanding ob-

stacle to land acquisition related hindrances and other pre-project level tasks that often hold back or slow down the implementation of development projects, eventually leading to a downsizing of the ADPs, which irk foreign lenders occasionally, a senior finance ministry official told New Age on Tuesday.

The guidelines on 'fund allocation and management guidelines on project preparation and readiness' have been finalised after long six

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months of intensive consultations among finance and planning officials, he added.

The guideline said a head called 'project preparation and readiness' will be created by the finance division under the development expenditure against which an allocation will be made in every fiscal budget in favour of ministries concerned.

Recruitment of new manpower and procurement of machinery for projects under the guidelines' purview have been barred.

In case the land price exceeds the Tk 50 crore

threshold, seeking approval from the Prime Minister will be mandatory, the guideline said further.

An inter-ministerial committee composed of representatives from the ministries of finance, planning and line ministries will recommend the allocation to be finally approved by the finance division under the ministry of finance.

The allocated budgetary fund from the domestic resource has to be spent within six months by the ministries or divisions concerned, the guidelines said, elaborating that the timeframe would

be applicable only for heads other than land acquisition.

The deadline is nine months for funds to be channelled from external source or foreign funds.

Regardless of origin of funds, the deadline for land acquisition has been set at nine months.

A senior planning ministry official said the size of ADP has increased nearly three times from 2011 to 2015 in the country, as the traditional project implementation procedures have proven inadequate in speeding up the implementation pace.