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 Shamsher: **20 year Plan**

- Mohan Shamsher: **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 Members (35)
   (from different walks of life)
i) NPC Secretary Member-Secretary
Planning Process in Nepal

Remember dev. planning occurs at all levels, we discusses 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 NPCS, Joint secretaries/under secretaries of LM, program directors/planning officers of NPCS, 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
8. Approval of the Approach Paper
9. Involvement of the Ministries and Other Public Agencies
10. Detailing the Plan based on the Approach paper
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

<table>
<thead>
<tr>
<th>Results indicators</th>
<th>Unit</th>
<th>Base year 2015/16</th>
<th>Goal</th>
<th>Sources of information</th>
<th>Responsible agency</th>
<th>Assumptions and risks</th>
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<tbody>
<tr>
<td><strong>Impact</strong></td>
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<td>Contribution to GDP</td>
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<td>a) Industry</td>
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<td>2018/19</td>
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<td>Percentage</td>
<td>5.5</td>
<td>5.6</td>
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<tr>
<td><strong>Outcome</strong></td>
<td></td>
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<tr>
<td>Annual growth in industrial investment</td>
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<td>2017/18</td>
<td>2018/19</td>
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<td></td>
<td></td>
<td>Percentage</td>
<td>15.69</td>
<td>13.8</td>
<td>7.11</td>
<td>8.2</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
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<tr>
<td>Large scale industry registration</td>
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<td></td>
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<td>Number</td>
<td>855</td>
<td>85</td>
<td>90</td>
<td>100</td>
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<td><strong>Programme and Projects</strong></td>
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<td>Included in policy section of the plan document</td>
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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 meddle 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
<table>
<thead>
<tr>
<th>S. N</th>
<th>Indicators</th>
<th>Targets of 14th Plan</th>
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<tbody>
<tr>
<td>1</td>
<td>Annual average economic growth rate (%)</td>
<td>7.2</td>
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<tr>
<td>2</td>
<td>Annual average agricultural growth rate (%)</td>
<td>4.7</td>
</tr>
<tr>
<td>3</td>
<td>Annual average non-agricultural sector growth rate (%)</td>
<td>8.4</td>
</tr>
<tr>
<td>4</td>
<td>Inflation rate (%)</td>
<td>7.5</td>
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<tr>
<td>5</td>
<td>Life expectancy at birth (in years)</td>
<td>72.0</td>
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<td>6</td>
<td>Population Below the Poverty Line (percent)</td>
<td>17.0</td>
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<tr>
<td>7</td>
<td>GDP per capita (in ,000)</td>
<td>105.7</td>
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<td>8</td>
<td>HDI</td>
<td>0.57</td>
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<tr>
<td>9</td>
<td>Gender Empowerment Index</td>
<td>0.58</td>
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<tr>
<td>10</td>
<td>Population with access to basic drinking water (%)</td>
<td>90.0</td>
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<td></td>
<td>Description</td>
<td>Value</td>
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<tr>
<td>11</td>
<td>Population with access to basic sanitation (%)</td>
<td>89.0</td>
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<tr>
<td>12</td>
<td>Net enrolment rate at the secondary level (%)</td>
<td>45.0</td>
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<tr>
<td>13</td>
<td>Number of district headquarters with road connectivity</td>
<td>75.0</td>
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<tr>
<td>14</td>
<td>Access to Internet service population (% 100)</td>
<td>65.0</td>
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<tr>
<td>15</td>
<td>Installed capacity of electricity generation (in MW)</td>
<td>2279.0</td>
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<tr>
<td>16</td>
<td>Population with access to electricity (%)</td>
<td>87.0</td>
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<tr>
<td>17</td>
<td>Irrigation (in lakh hectares)</td>
<td>15.20</td>
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<tr>
<td>18</td>
<td>Forest coverage area (%)</td>
<td>40.0</td>
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<tr>
<td>19</td>
<td>Total length of regional and strategic road transport (km)</td>
<td>29,495</td>
</tr>
</tbody>
</table>
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 Vigilence 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