Workshop on “Public-Private Partnerships (PPPs) for Infrastructure Development in Myanmar”

Infrastructure Planning Process in Myanmar

*(Project Selection, Appraisal and Approval):*

Current Institutional Arrangements

Project Appraisal and Progress reporting Department

Ministry of National Planning and Economic Development

26-11-2014 Nay Pyi Taw
Agenda of the presentation

- (1) History of Project Management in Myanmar

- (2) Project Selection

- (3) Project Appraisal and Monitoring (Project Management at PAPRD)
  - Proposal Submission Process to PAPRD
  - Two additional forms submission to PAPRD
  - Submission to higher authorities from PAPRD

- (4) Project Approval

- (5) Conclusion
(1) History of Project Management in Myanmar

- Project appraisal and monitoring function were started last 40 yrs ago.
- PAPRD was firstly established for the duty of appraisal & monitoring since 1974.
- 7 steps project circle (Appraisal, Preparation, Implementation, Amendment/Modification, Review and Evaluation)
- Stopped PAPRD’s main function in 1988.
- Project management duty was reassigned to PAPRD at the new government regime
- At present, PAPRD is responsible
  - Government Funded projects for Appraisal and Monitoring
  - Private investment projects for Appraisal
(2) Project Selection

- The selection process is based on The National Investment Plan

- **Respective line ministries** - Projects formulation and Submission to PAPRD

- **PAPRD** - Analyze the project especially from the economic aspect and reply back to the respective ministry.

- **Selection** - based on the combination of National Investment Plan, and also based on the economic analysis recommendation of PAPRD.
3. Project Appraisal and Monitoring (Project Management at PAPRD)

- **Project Appraisal** – public sector projects (new and extension projects) and private investment projects.

- **Analysis** – only for the economic aspect / whether the projects are economically viable or not.

- **Criteria for analysis** – Internal rate of return, Payback period and Benefit Cost ratio.

- **Other consideration in project appraisal process** – responsible for other respective ministries.

- **After Analyzing** – reply to the respective agency or department.
Process for submitting project proposal (Public Project)
Process for submitting investment proposal (Private Investment)

PAT - Proposal Assessment Team
DICA – Directorate of Investment and Company Administration Department
Two additional forms submission to PAPRD

- the two kinds of submission forms: namely Form A and Form B to PAPRD.
- **From A:** submission to PAPRD together with the proposal of the project.
  - **Contain:** objectives of the project, economic and social benefits, implementation period, life of the project, man power, raw material, water and fuel requirements of the project, total project cost, source of financing, Investment Programme, Loan/aid utilization programme and schedules on construction of building and procurement and installation of machinery and equipment.
- **Form B:** quarterly progress report on the implementation of the project. The implementing agency submits progress of the implementation of project quarterly to PAPRD.
  - **Contain:** quarterly capital expenditure, utilization of loans and grants, construction of building, procurement and installation of machinery and equipment.
  - **Objective:** (1) to see whether the implementation is carried out according to schedule, (2) to analyze the causes of delay and (3) to indicate the necessary measures.
Submission to higher authorities

- **Prepare** “brief analytical report” by checking quarterly report submitted by implementing agency.

- **Submits** to the higher authorities with the Departments remarks and suggestions through Ministry of National Planning and Economic Development.

- **The report includes** - physical progress such as construction of buildings, procurement and installation of machinery and equipment.
3. Project Appraisal and Monitoring (Project Management at PAPRD)

- **Monitoring**: public on-going projects during their implementation

- **Reassigned**: to PAPRD after the economic transformation.

- **On paper checking is not enough**: We need to give information to higher authorities.

- **Started on-sight inspections**: in 2013–14 budget year, and report the finding from on-sight inspections to higher authorities.

- Higher authorities can provide guidance and suggestion to respective agency, and concerned ministry.
Project Approval

- **public projects** – by the higher authorities

- **Private project** – Myanmar Investment Commission (MIC) is authority body for decision of approving the projects.
Conclusion

Future plan

- To fulfill capacity building for appraisal and monitoring system
- To conduct Project appraisal workshop and training course by ADB expert.
- To get project appraisal specialist and monitoring and evaluation specialist.
- To provide more effective appraisal recommendation for government funded projects.
- To improve capacity for appraisal of public investment proposals.
Thank you for your attention