

ABSTRACT

ADP stands for annual development programme which is an organized list of projects in various sectors. The ADP is prepared on the basis of the year's development budget approved by the parliament.

Bangladesh's annual development program (ADP) has been moving ahead slowly due to lack of coordination and proper policy guidelines. Moreover the reasons for the lower speed of project implementation also include delay in preparation and approval of projects, lack of human resource and interruption in appointment of project director, consultants and decision of tender documents for procurement and difficulty in acquisition of land.

The government has a practice of revising the ADP every year. Sometimes, the government changes the ADP by inclusion of new or exclusion of some listed projects in the middle of the year. The causes for revision includes delays in approval of projects, procurement related problems and shortage of taka counterpart fund for the projects.

Expected level of economic growth, physical and social infrastructure development and employment generation are the main issues to prepare and implementation of ADP. Poor ADP implementation leads to lower growth rate with limited scope to employment generation. Cost and time overrun will increase the size of ADP as well as increase social cost. In the case of aided project, longer implementation period have high rate of interest and add to more repayment schedule.

The contribution of domestic resources towards financing of ADP shows an upward trend. The increasing trend of allocation and expenditure in socioeconomic and physical infrastructure sector through ADP is consistent with the fiscal policy of the government.

A fiscal year is a period used for calculating or 'close the account' in a country. Fiscal years vary between countries. The reason for not using actual calendar year gives countries an advantage, allowing them to close their accounts at a time which is most convenient for them.

The practice of formulating ADP and implementation thereof started since the First Five-Year Plan (1955-60) of the provincial government of East Pakistan. Like West Pakistan, fiscal year started from July and ended in June. From the First Five Year Plan (1955-60) there was a provision for revision of ADP. Due to rainy season most of the projects fund in East Pakistan was reduced and refinanced West Pakistan's project. In the context of political economy, this failure showed as inefficiency of management as well as no argument exists regarding deprivation with minimum expenditure under ADP. So, fiscal year need to be change for proper ADP implementation in Bangladesh and avoid rainy season as starting point of fiscal year (i.e July).