



## Bangladesh Strengthening PFM Program to Enable Service Delivery (P167491)

SOUTH ASIA | Bangladesh | Governance Global Practice | Requesting Unit: SACBD | Responsible Unit: ESAG1  
IBRD/IDA | Program-for-Results Financing | FY 2019 | Team Leader(s): Suraiya Zannath, Khuram Farooq, Nazmus Sadat Khan

Seq No: 9 | ARCHIVED on 21-Oct-2022 | ISR53431 | Created by: Aleksandar Kocevski on 16-Oct-2022 | Modified by: Aleksandar Kocevski on 20-Oct-2022

## Program Development Objectives

Program Development Objective (from Program Appraisal Document)

The Program Development Objective (PDO) is to improve fiscal forecasting, budget preparation and execution, financial reporting and transparency to enable better resource availability for service delivery in selected Ministries, Departments, and Agencies.

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory

## Implementation Status and Key Decisions

**Despite the challenges imposed by the ongoing COVID-19 pandemic with series of lockdowns, the ongoing Public Financial Management (PFM) Program for Results (PforR) is making progress.** Key progress to date with 51 percent disbursement ratio includes: (i) the *macro-forecasting model* which will improve the realism of the budget with more attainable revenue projections and spending estimates; (ii) *Debt Bulletin* is now periodically published to improve debt transparency; (iii) publication of *budget execution reports*; (iv) the reduction of three to one month for *release of budget* from departments to frontline service delivery units will improve budget execution for critical services to the citizenry; (v) 100 percent *electronic funds transfer (EFT) to pensioners*; (vi) approval of State-owned Enterprises (SOE) Independent Performance Evaluation Guideline that will be used to develop *turnaround strategies*; (vii) policy and procedures to monitor SOEs' debt and contingent liabilities (DCL) will provide *fiscal space* for strategic budget allocation to critical infrastructure and social services; and (viii) comprehensive database of financial and non-financial data to *monitor SOEs* including publication of audited financial statement. At the Program implementation midpoint, 22 percent or ten out of the forty-five Disbursement Linked Results (DLRs) have been verified as fully achieved. Ten DLRs (i.e., 22 percent) have been partially achieved; twenty DLRs (i.e., 44 percent) are in progress, and five DLRs (i.e., 11 percent) are off-track.

- **The Institute of Public Finance (IPF) needs to make and sustain progress towards becoming a knowledge hub for PFM reforms.** The World Bank advised IPF to finalize and implement the high-level draft roadmap developed at the workshop on "driving the knowledge agenda through an IPF roadmap, knowledge exchanges and PFM research" held at Cox's Bazaar (February 8-9, 2019).

- **Evaluation of training activities.** Currently evaluation of training is limited to obtaining feedback on the content, arrangement and delivery by facilitators. Evaluation of the training program can be improved by focusing on measuring four kinds of outcomes that should result from a highly effective training program: (i) *Reaction*: what participant thinks of training (ii) *Learning*: improvements to knowledge and capability; (iii) *Behavior*: improvements to work performance; and (iv) *Results*: impact on the organization.

**Change management, citizen engagement and strategic communication.** While all Program stakeholders acknowledge the importance of change management, PITs have included relevant activities to varying degrees. PITs will benefit from planning their change management activities more systematically and strategically. Stakeholder engagement approaches tend to rely heavily on workshops and information dissemination. The Program is yet to link citizen engagement, outreach and communication of results achieved under the Program. COVID-19 restrictions impeded organization of in-person events that would have included the Program beneficiaries, donors, civil society, and non-state actors. Thus, the Program has relied heavily on its website to share information about the Program. Going forward, PITs will need to consider more proactive engagement and determine where champions need to be mobilized, particularly to address more challenging issues, inter-agency coordination, and other issues that could catalyze implementation and expedite achievement of results. Furthermore, the Program could strengthen channels for communicating achievements (Disbursement Linked Results achieved and why it matters) to the "demand side", such as citizens and civil society groups that would articulate demand for PFM reforms, transparency, and be the ultimate beneficiary of greater resources being directed towards service delivery. Shifting behavior to achieve the PFM reform objectives requires not only technical actions (e.g., laws, standards, technology, training) but considerations of the political economy dynamics in the policy arena (e.g., incentives, power relationships, interest, influence) which will require appropriate actions (cooperation, commitment, coordination) to provide the enabling environment. A clear implementation plan using the responsible, accountable, consult and inform (RACI) model will help to pinpoint accountability for the expected results.



### Data on Financial Performance

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P167491	IDA-63680	Effective	USD	100.00	100.00	0.00	51.51	49.71	51%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P167491	IDA-63680	Effective	01-Mar-2019	27-Jun-2019	03-Jul-2019	30-Jun-2024	30-Jun-2024

#### DLI Disbursement

DLI ID	DLI Type	Description	Coc	DLI Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for DLI
<b>Loan: IDA63680-001</b>							
1	Regular	DLI1 Use of Imp Fis Proj Bud Making	XDR	7,250,000.00	Partially Achieved	1,812,500.00	25 %
2	Regular	DLI2 Imp Bud Align, Bttr Perf of BMCs	XDR	10,100,000.00	Not Achieved	0.00	
3	Regular	DLI3 Red No of days DDO to rc budg inMDA	XDR	4,350,000.00	Partially Achieved	3,640,950.00	84 %
4	Regular	DLI4 Rel Pymt of Sal, TSA Auto Pymnts	XDR	6,500,000.00	Partially Achieved	1,511,665.00	23 %
5	Regular	DLI5 Impr Pen Ser Facili of Pymnts EFT	XDR	7,250,000.00	Partially Achieved	6,500,000.00	90 %
6	Regular	DLI6 SOE Auto Bod Debt Cont Liab Pol Mak	XDR	5,050,000.00	Partially Achieved	1,450,000.00	29 %
7	Regular	DLI7 Impr Perf SOE Sec Red Subs Pc Total	XDR	7,950,000.00	Partially Achieved	1,450,000.00	18 %
8	Regular	DLI8 Bud Hold MDA eff n trans use FI	XDR	8,700,000.00	Partially Achieved	4,944,500.00	57 %
9	Regular	DLI9 Act tak Int Ext Audit in MMDAs, PP	XDR	5,050,000.00	Not Achieved	0.00	
10	Regular	DLI10 PFM Action Plan Implementation	XDR	10,100,000.00	Partially Achieved	2,416,666.67	24 %

#### Program Action Plan

<b>Action Description</b>	Ensuring establishment of the PECT and PITs (within three months of the Effective Date) and that these are maintained throughout the Program implementation				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>



Technical		Finance Division	Recurrent	Continuous	Completed
<b>Completion Measurement</b>	PECT and PITs are in place throughout the Program implementation				
<b>Comments</b>	Seven Program Executive and Coordinators (PECs) are in place as of February 2022. State Owned Enterprises' Governance (component 9) and PFM Reforms Leadership, Coordination, and Monitoring (component 14) are jointly managed by one PEC.				

<b>Action Description</b>	Strengthen IPF as PFM Learning Hub by recruiting three permanent staff within six months of the Effective Date				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		Finance Division	Recurrent	Continuous	Completed
<b>Completion Measurement</b>	IPF strengthened with the addition of three permanent staffs				
<b>Comments</b>	The IPF has appointed more than three permanent staffs				

<b>Action Description</b>	DLI technical notes are reviewed and amended from time to time in consultation with the Bank				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		Finance Division	Recurrent	Yearly	Completed
<b>Completion Measurement</b>	DLI technical notes are periodically updated, in consultation with the Bank team.				
<b>Comments</b>	DLI technical notes are being updated based on lessons learnt at mid-point and to reflect course correction.				

<b>Action Description</b>	Arrange DLI verification by the OC&AG, the Cabinet Division and through a third-party verification agent (to be appointed no later than 3 months after the Effective Date)				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		Finance Division	Recurrent	Yearly	In Progress
<b>Completion Measurement</b>	Submission of DLI verification reports acceptable to the Bank and disbursement completed.				
<b>Comments</b>	FD has so far submitted two verification reports each to Office of Comptroller and Auditor General (OCAG) and PricewaterhouseCoopers (PwC).				

<b>Action Description</b>	Assign separate organizational budget codes to the FD wings responsible for Program implementation (macro-economic, SOE, Debt, Expenditure etc.) to enhance managerial accountability of funds allocated to deliver on the specific DLI schemes				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		Finance Division	Due Date	30-Jun-2019	Completed
<b>Completion Measurement</b>	The Program budget for FY20 be distributed by FD wings				



<b>Comments</b>	Under code 10901 for Secretariat, Finance Division, there is a specific code [3200002] for overall Program with scheme-wise separate organizational/implementation unit budget codes assigned.
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<b>Action Description</b>	Program to use the separate standard document for procurement of permitted works through e-GP system, which does not have the provision of rejecting bids based on above/lower than the estimated cost				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		Finance Division	Recurrent	Continuous	In Progress
<b>Completion Measurement</b>	eGP used for all Program procurements				
<b>Comments</b>	There aren't any new works under the program. Use of specific documents will be ensured in case of any rehabilitation work. Regular procurement of operational items such as computer equipment, printing materials are done through eGP.				

<b>Action Description</b>	For each bid/proposal under the Program, form Bid/Proposal evaluation committees consisting of members with the appropriate knowledge and experience of procurement of similar goods/services				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		Finance Division	Recurrent	Continuous	In Progress
<b>Completion Measurement</b>	Procurement committees are suitably qualified/experienced				
<b>Comments</b>	Procurement committee includes experienced staff members. Some procurement packages have been prepared and published for all DLIs).				

<b>Action Description</b>	Assign one trained Government official as procurement focal point within six months of Effective Date				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		Finance Division	Recurrent	Continuous	In Progress
<b>Completion Measurement</b>	Trained officer designated as the Procurement Focal Point				
<b>Comments</b>	Procurement cell established but recruitment of a procurement specialist is pending. Two junior consultants and the evaluation committees for the procurement process have been notified. In addition, one PEC is assigned as procurement focal point.				

<b>Action Description</b>	Maintain a publicly accessible website where all disclosable procurement data will be available and regularly updated				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		PECT	Recurrent	Continuous	In Progress
<b>Completion Measurement</b>	Website with disclosable procurement data				
<b>Comments</b>	Publicly accessible Program website ( <a href="http://www.spfms.gov.bd/forms/form/1/-">http://www.spfms.gov.bd/forms/form/1/-</a> ) with different procurement sections was launched in January 2021. Annual procurement plan is uploaded in the website and needs to be updated with the latest procurement data				



<b>Action Description</b>	FD seeks the advice of environmental and social expert(s) for the Program, as needed for Program activities				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems		Finance Division	Recurrent	Continuous	Not Yet Due
<b>Completion Measurement</b>	Either in-house capacity built or assistance sought from IMED				
<b>Comments</b>	So far no need seems to be has arisen, but the Bank team will speak with PECT on this.				

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Substantial	--	<input type="checkbox"/> Substantial
Macroeconomic	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Moderate
Sector Strategies and Policies	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Moderate
Technical Design of Project or Program	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Moderate
Fiduciary	<input type="checkbox"/> Substantial	--	<input type="checkbox"/> Substantial
Environment and Social	<input type="checkbox"/> Low	--	<input type="checkbox"/> Low
Stakeholders	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Moderate
Other	--	--	--
Overall	<input type="checkbox"/> Moderate	--	<input type="checkbox"/> Substantial

#### Comments

This is an interim ISR in which all Program risk ratings are maintained as per the previous (April 2022) ISR. The task team will file a full-fledged ISR by end November, upon fielding an implementation support mission for the Program, and update the risk ratings as necessary.

## Results

### PDO Indicators by Objectives / Outcomes

Improve fiscal forecasting and resource allocation consistent with Government priorities			
▶ Use of improved fiscal projections for budget-making (Yes/No, Custom)			
Baseline	Actual (Previous)	Actual (Current)	End Target



Value	No	No	No	Yes
Date	31-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>The requirements for the Macroeconomic model have been finalized and approved by the Finance Division in June 2021. The full dataset of macroeconomic variables for the real, monetary, external and fiscal sectors has been completed. Training program is ongoing on the macroeconomic model for improved projections. It is expected that model will be used for FY2022-23 budget preparation.</p> <p>The Debt Bulletin has been published - <a href="https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin">https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin</a>. The Medium Term Debt Strategy (MTDS) will be published soon.</p>			
<b>► Improved budget alignment with development strategy through better performance of BMCs (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>Consultative workshop to finalize the Peer Review Guideline for the Budget Management Committee (BMC) Scorecard was held on December 2, 2021. The Peer Review Guideline sets the principles to assess performance of BMCs of ministries/divisions/other institutions. Objectives of peer review are as follows:</p> <ul style="list-style-type: none"> <li>• Measure performance of BMCs of ministries/divisions using a scorecard;</li> <li>• Share the best practices among the ministries/divisions/other institutions;</li> <li>• Improve the functioning of the BMCs in the areas such as, budget preparation, execution and monitoring, disposal of audit objections and capacity development.</li> </ul> <p>The scorecard is designed on the assumption of linking policy, planning and budgeting under medium-term budget framework (MTBF). For this reason, the functions of BMCs are divided in four areas: (a) Alignment of MTBF with policies and strategies, (b) Budget Review &amp; Approval (c) Monitoring, Evaluation &amp; Audit Disposal; and (d) Capacity Development of BMCs and Miscellaneous.</p>			
<b>► Reduced number of days for DDOs to receive budget in selected MDAs (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	56.97	56.97	60.00
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>56.97 percent of Drawing and Disbursing Officers' (DDOs) FY2021-22 budget was released by July 31, 2021. 59.99 percent and 67.99 percent were released up to September and December 2021 respectively.</p>			
<b>Improve budget execution in service delivery MDAs</b>				
<b>► Timely and reliable payments of salaries and vendor invoices with a strengthened TSA and automated payment system (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	EFT used for officers' salaries only. No online bills submission. Stock take of special accounts & EBFs will be done.	- 85% (1.3 million) transactions are done through EFT. EFT is used mainly for pay bill and pension purposes. During the mission the team reiterated that DDO online bill submission includes vendor invoices on which there has been limited progress so far.  - 21,000 of the 36,000 DDOs are submitting staff pay bill online. The task for developing a full-fledged DDO with provision for submitting all types of bills online is on-going.	- 85% (1.3 million) transactions are done through EFT. EFT is used mainly for pay bill and pension purposes. During the mission the team reiterated that DDO online bill submission includes vendor invoices on which there has been limited progress so far.  - 21,000 of the 36,000 DDOs are submitting staff pay bill online. The task for developing a full-fledged DDO with provision for submitting all types of bills online is on-going.	- 40% EFT - 30% DDOs submitting online bills - Number of new (outside TSA) special accounts opened annually reduced by 40%
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	One of the benefits of improving cash management through the Treasury Single Account (TSA) is that the impact on the determination of borrowing requirements will be improved by consolidating cash balances. Reduction in costs of borrowing to the government will increase fiscal space for allocation to service delivery and prompt settlement of government obligations will increase confidence in the payment system. DLI 4 will enable the reduction of cash held outside of the TSA and modernize payment processes.			
Promote enhanced transparency of the budget execution and enable timely accountability				
► Budget holders in selected MDAs effectively and transparently use financial information (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	70.00	50.00
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	Budget execution reports are available for 70 percent DDOs. Need to assess the ease of generation and use of budget execution reports (BERs) by a sample group of users from "selected MDAs.			

**Intermediate Results Indicators by Results Areas**

Improve budget execution in service delivery MDAs				
► SOE and autonomous bodies' debt and contingent liabilities statement prepared and submitted to the policy makers (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	- SOE debt and contingent liabilities are not effectively controlled - Partial data of SOEs profitability published in the annual Economic Survey of Bangladesh	- Virtual stakeholder workshop held on June 28, 2021 and November 28,2021 in presence of the Senior Secretary of FD to finalize the Procedure to Regulate	- Virtual stakeholder workshop held on June 28, 2021 and November 28,2021 in presence of the Senior Secretary of FD to finalize the Procedure to Regulate	- Policy and procedures to regulate SOEs' debt and contingent liabilities (including an upgraded framework for reporting by SOEs to



	<p>- Fiscal risks assessments have not been conducted</p>	<p>the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs)/Autonomous Bodies (ABs). Finally, the procedure was approved by the Senior Secretary of FD on 28 December 2021 and official Government Order (GO) issued on December 30, 2021.</p> <p>- As of November 2021, SOE-MC provided a list of 84 SOEs for which validation is ongoing to ascertain publication of their financial statements on individual websites.</p>	<p>the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs)/Autonomous Bodies (ABs). Finally, the procedure was approved by the Senior Secretary of FD on 28 December 2021 and official Government Order (GO) issued on December 30, 2021.</p> <p>- As of November 2021, SOE-MC provided a list of 84 SOEs for which validation is ongoing to ascertain publication of their financial statements on individual websites.</p>	<p>the Finance Division) have been drafted and issued by MoF.</p> <p>- 100 SOEs and autonomous bodies have published their audited financial statements (covering the relevant Fiscal Year for which the DLR is being assessed).</p> <p>- SOE debt and contingent liabilities statement (covering the relevant Fiscal Year for which the DLR is being assessed) has been prepared by MoF for all SOEs and submitted to policy makers.</p>
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>Currently, financial information on a few number of SOEs is published in the annual Economic Survey of Bangladesh, SOE fiscal risks are not assessed and debt and contingent liabilities are not effectively controlled. This indicator seeks to improve the monitoring and reporting of SOEs.</p>			
<p>► Improved performance of the SOE sector and reduced subsidies as a percentage of total public sector spending (Text, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>SOEs are not classified as commercial and non-commercial. There is some performance monitoring of SOEs, but not systematic and independent. Grants to SOEs are not divided into different categories. Partial data of SOEs profitability published in the annual Economic Survey of Bangladesh.</p>	<p>- Independent Performance Evaluation Guideline (IPEG) that will cover 166 SOEs/ABs has been approved and Government Order was issued in March 2021.</p> <p>- Membership of the Independent Performance Evaluation Committee (IPEC) for conducting the independent performance evaluation was officially approved on November 14, 2021 and evaluation is expected to start on the first set of 10 SOEs/ABs.</p> <p>- The following 10 SOEs have been selected to undergo an independent performance evaluation in accordance with the approved SOE independent</p>	<p>- Independent Performance Evaluation Guideline (IPEG) that will cover 166 SOEs/ABs has been approved and Government Order was issued in March 2021.</p> <p>- Membership of the Independent Performance Evaluation Committee (IPEC) for conducting the independent performance evaluation was officially approved on November 14, 2021 and evaluation is expected to start on the first set of 10 SOEs/ABs.</p> <p>- The following 10 SOEs have been selected to undergo an independent performance evaluation in accordance with the</p>	<p>- SOE performance evaluation guidelines have been developed by the Finance Division, with clear scoring criteria.</p> <p>- A policy and procedures manual that enables an effective review of grants to SOEs has been drafted and issued by the Finance Division.</p> <p>- At least 10 SOEs have undergone an independent performance evaluation, in accordance with the SOE performance evaluation guidelines developed.</p> <p>- Turnaround strategies have been developed for at least 10 non-performing SOEs.</p>





		<p>performance evaluation guidelines (IPEG).</p> <ol style="list-style-type: none"> <li>1. Chittagong Port Authority (CPA)</li> <li>2. Bangladesh Bridge Authority (BBA)</li> <li>3. Bangladesh Overseas Employment and Service Limited (BOESL)</li> <li>4. Khulna Development Authority (KDA)</li> <li>5. Bangladesh Inland Water Transport Authority (BIWTA)</li> <li>6. Bangladesh Small and Cottage Industries Corporation (BSCIC)</li> <li>7. Bangladesh Power Development Board (BPDB)</li> <li>8. Bangladesh Petroleum Corporation (BPC)</li> <li>9. Bangladesh Shipping Corporation (BSC)</li> <li>10. Bangladesh Forest Industries Development Corporation (BFIDC)</li> </ol>	<p>approved SOE independent performance evaluation guidelines (IPEG).</p> <ol style="list-style-type: none"> <li>1. Chittagong Port Authority (CPA)</li> <li>2. Bangladesh Bridge Authority (BBA)</li> <li>3. Bangladesh Overseas Employment and Service Limited (BOESL)</li> <li>4. Khulna Development Authority (KDA)</li> <li>5. Bangladesh Inland Water Transport Authority (BIWTA)</li> <li>6. Bangladesh Small and Cottage Industries Corporation (BSCIC)</li> <li>7. Bangladesh Power Development Board (BPDB)</li> <li>8. Bangladesh Petroleum Corporation (BPC)</li> <li>9. Bangladesh Shipping Corporation (BSC)</li> <li>10. Bangladesh Forest Industries Development Corporation (BFIDC)</li> </ol>	<p>- The ratio of SOE transfers to total public spending (in the relevant Fiscal Year in which the DLR is being assessed) has been reduced by 15%.</p>
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	While there is some performance monitoring of SOEs there is no systematic and independent monitoring. DLI7 seeks to improve the monitoring and evaluation of SOEs through the completion of independent performance evaluation.			

Promote enhanced transparency of the budget execution and enable timely accountability				
► Improved pension service (disaggregated by gender) through the EFT no later than the following pension payment cycle after retirement (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>- Long process often results in a significant delay after retirement to prepare a Pension Payment Order</p> <p>- All pension and GP fund records are manual and prone to human errors</p>	<p>- The Pension Service and GPF Module of iBAS++ have been implemented and is operational. Disbursement for partial achievement has been made. Verification for the next disbursement is in process.</p> <p>- Disbursement has been made on the</p>	<p>- The Pension Service and GPF Module of iBAS++ have been implemented and is operational. Disbursement for partial achievement has been made. Verification for the next disbursement is in process.</p> <p>- Disbursement has been made on the</p>	<p>- The GP Fund Module and the Pension Service Module of iBAS++ have been implemented and are operational.</p> <p>- A centralized pension roll with EFT payment capability has been established and is operational.</p> <p>- A government-wide annual GPF and</p>



	<p>achievement of all the DLRs' except DLR 5.3. The CAO Pension &amp; Fund Management team has been generating GPF and Pension reports which will be submitted to OCAg for verification soon.</p> <ul style="list-style-type: none"> <li>- All the new pensioners have been linked to the employee/payroll database and their monthly pension and allowances are paid through EFT from the first month of retirement.</li> <li>- Using NID, electronic Pension Payment Order (ePPO) has been made fully operational.</li> <li>- Deduction of GPF Subscription and Loan Repayment are linked with Budget Execution Module.</li> <li>- Pension backlog has been reduced and at present the of cases are less than 200.</li> </ul>	<p>achievement of all the DLRs' except DLR 5.3. The CAO Pension &amp; Fund Management team has been generating GPF and Pension reports which will be submitted to OCAg for verification soon.</p> <ul style="list-style-type: none"> <li>- All the new pensioners have been linked to the employee/payroll database and their monthly pension and allowances are paid through EFT from the first month of retirement.</li> <li>- Using NID, electronic Pension Payment Order (ePPO) has been made fully operational.</li> <li>- Deduction of GPF Subscription and Loan Repayment are linked with Budget Execution Module.</li> <li>- Pension backlog has been reduced and at present the of cases are less than 200.</li> </ul>	<p>Pension Service report has been produced.</p> <ul style="list-style-type: none"> <li>- The number of cases of delayed pension payments is reduced by 50%.</li> <li>- 90% of new pensioners are paid through EFT no later than the pension payment cycle following their retirement.</li> </ul>	
Date	01-Nov-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>This indicator measures the timely processing of pension cases and expedient and convenient payment through EFT. Pension processing is cumbersome for both the Government of Bangladesh (GoB) and the pensioners, there is an urgent need to modernize the system through (i) establishment of a dedicated pension office (ii) the use of EFT and (iii) strengthened accounting and monitoring systems by linking with (IBAS++), this IR seeks to streamline pension processing and payment system by undertaking immediate priority and interdependent actions which are necessary for improved service delivery concerning civil servant pension.</p>			
<p>► Action taken on internal and external audit reports in Selected MDAs and post-procurement reviews in the Finance Division (Text, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>Internal audit units are not effective. Internal audit activities consist primarily of ex-post reviews focused on financial compliance.</p>	<p>- It was agreed that internal audit units will be established at departmental-level starting with high-risk and high-spending departments. MOF held a virtual sensitization meeting followed by a</p>	<p>- It was agreed that internal audit units will be established at departmental-level starting with high-risk and high-spending departments. MOF held a virtual sensitization meeting followed by a</p>	<p>- The Model Internal Audit Charter and the Risk-based Internal Audit Manual have been issued by the Finance Division. - A system for annual procurement planning and post-review has</p>



face to face workshop to discuss the objective of the intervention and to understand the current IA practices in the pilot departments and their challenges. Recruitment process of consultants is on to provide strategic guidance to the departments and to prepare Audit Charter and Risk based Audit Manual. The departmental internal audit units will report functionally to the Principal Accounting Officer (PAO), who according to section 19(a) of the 2009 Public Moneys and Budget Management Act (PMBMA) is responsible "to ensure efficient and transparent financial management and internal control processes at the relevant Ministry or Division or Other Institution".

- The internal audit 'structure' established at Finance Division, will be responsible for the development of a model internal audit charter, guidelines, risk-based audit manual, quality assurance and continuous training. A consulting firm will be hired to provide technical assistance including conduct of post-procurement reviews.

- It was agreed that post-review of procurement will be conducted at the procurement cell, established in the program office under SPFMS program and entrusted for entire procurement of the program.

face to face workshop to discuss the objective of the intervention and to understand the current IA practices in the pilot departments and their challenges. Recruitment process of consultants is on to provide strategic guidance to the departments and to prepare Audit Charter and Risk based Audit Manual. The departmental internal audit units will report functionally to the Principal Accounting Officer (PAO), who according to section 19(a) of the 2009 Public Moneys and Budget Management Act (PMBMA) is responsible "to ensure efficient and transparent financial management and internal control processes at the relevant Ministry or Division or Other Institution".

- The internal audit 'structure' established at Finance Division, will be responsible for the development of a model internal audit charter, guidelines, risk-based audit manual, quality assurance and continuous training. A consulting firm will be hired to provide technical assistance including conduct of post-procurement reviews.

- It was agreed that post-review of procurement will be conducted at the procurement cell, established in the program office under SPFMS program and entrusted for entire procurement of the program.

been established by the Finance Division and training on the system has been conducted.

- Internal audit reports, prepared in accordance with the Model Internal Audit Charter and the Risk-based Internal Audit Manual issued, have been issued to the heads of departments and principal accounting officers of any two departments in any of the Selected MDAs.
- The relevant Audit Committees resolve 50% of: (i) audit recommendations for each of the Selected MDAs, other than the Finance Division and (ii) audit recommendations and procurement post-reviews in Finance Division, based on the stock of total audit recommendations and procurement post-reviews, as applicable, pending for each of the relevant Selected MDAs and the Finance Division respectively, at the beginning of the relevant Fiscal Year in which the DLR is being assessed.



Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	<p>Internal audit (IA) is ad hoc and unstructured with isolated single audits and the applied standards are not based on International Standards for the Professional Practice in Internal Audit issued by The Institute of Internal Auditors (IIA ). Focus is more on pre-audit of documents and transactions for accuracy and compliance; outputs are dependent upon the skills of specific individuals holding the position as part of the larger organizational unit with no specific professional practices and capabilities established; funding is approved by management as needed; enabling infrastructure is absent with no or minimal use of information technology. DLI 9 seeks to establish a modern internal audit function in selected large spending and high-risk departments as part of the suite of internal controls using risk-based audit methods concentrating on systemic issues and providing independent and objective advice to management.</p>			

Establish an enabling environment for improved PFM outcomes				
► PFM Action Plan implementation is effectively led through an adequate governance structure and an effective change management approach (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>PFM reform implementation, monitoring, and course-correction are not adequately coordinated, and a comprehensive change management approach needs to be implemented</p>	<ul style="list-style-type: none"> <li>- Three PFM Action Plan Semi-annual progress report has been approved by the SC.</li> <li>- All three Independent Verification Agencies are on board.</li> <li>- IPF has finalized 5 research topics. REoI was published in September 2021, EoI received for three research papers and technical sub-committee of 3 members headed by Dr. Md. Tarique, Director, Bangladesh Institute Governance &amp; Management (BIGM) is ongoing.</li> <li>- A consortium led by the CIPFA engaged to support the IPF has delivered: (i) the development of a PFM Competency Framework; (ii) a training needs assessment (TNA) and; (iii) a Code of Conduct for PFM professionals.</li> <li>- Field inspection - How to Note has been approved and circulated.</li> <li>- Five field inspections to Natore, Kishorgonj, Khulna, and Bagerhat have been conducted.</li> <li>- Nine ISCs have been assigned with the</li> </ul>	<ul style="list-style-type: none"> <li>- Three PFM Action Plan Semi-annual progress report has been approved by the SC.</li> <li>- All three Independent Verification Agencies are on board.</li> <li>- IPF has finalized 5 research topics. REoI was published in September 2021, EoI received for three research papers and technical sub-committee of 3 members headed by Dr. Md. Tarique, Director, Bangladesh Institute Governance &amp; Management (BIGM) is ongoing.</li> <li>- A consortium led by the CIPFA engaged to support the IPF has delivered: (i) the development of a PFM Competency Framework; (ii) a training needs assessment (TNA) and; (iii) a Code of Conduct for PFM professionals.</li> <li>- Field inspection - How to Note has been approved and circulated.</li> <li>- Five field inspections to Natore, Kishorgonj, Khulna, and Bagerhat have been conducted.</li> </ul>	<ul style="list-style-type: none"> <li>- Two PFM Action Plan progress reports (prepared on a semi-annual basis in a Fiscal Year) have been submitted by the PECT to the Steering Committee.</li> <li>- Two PFM Action Plan stakeholder retreats conducted to review the respective semi-annual PFM Action Plan progress reports prepared under DLR 10.1 in a Fiscal Year.</li> <li>- The PFM Learning Hub has produced at least 3 research papers on PFM reform lessons and published the said reports through its website.</li> <li>- 6 field inspections to government service delivery centers to identify PFM-related issues have been carried out.</li> <li>- The PECT has prepared a report evaluating the performance of coaches, facilitators and/or implementation support consultants engaged to support the implementation of the PFM Action Plan.</li> <li>- 100 civil servants (with data disaggregated by gender) have completed specialized</li> </ul>



		responsibilities of 14 components of PFM Action Plan.	- Nine ISCs have been assigned with the responsibilities of 14 components of PFM Action Plan.	PFM-related courses/certifications.
		- 19 officials have enrolled for master's degree in different universities.	- 19 officials have enrolled for master's degree in different universities.	
Date	01-Oct-2018	14-Mar-2022	16-Oct-2022	30-Jun-2024
Comments	DLI 10 supports a series of change management activities that are carefully articulated to analyze and learn from both successes and failures during the program implementation and improve approach to tackle the PFM problems. These change management activities include the key elements of program's governance, implementation, and M&E systems, such as enabling progress reports to the Steering Committee and that these are reviewed in a broad-based program retreat encouraging results monitoring and mutual accountability. DLI10 also seeks to establish a sustainable PFM learning environment with strengthened capacity of the Institute of Public Finance as a learning hub and institutionalizing the PFM research, field inspections, and problem-solving facilitation/ coaching. Annual performance reviews and DLI verification will enable a qualitative analysis of the enabling environment for PFM reforms so evolved and recommend improvements, as appropriate.			

**Disbursement Linked Indicators**

► DLI 1 Use of improved fiscal projections for budget-making (Outcome, 10,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	Static revenue and expenditure estimates restrict effective policy making.	<ul style="list-style-type: none"> <li>- The macroeconomic model requirements have been finalized (DLR 1.1) and approved by the Finance Division in June 2021.</li> <li>- The full dataset of macroeconomic variables for the real, monetary, external, and fiscal sectors has been completed. A training has been conducted on the use of World Bank's Macro-Fiscal Model (MFMOD). The procurement of the software is ongoing.</li> <li>- The Debt Bulletin has been published - <a href="https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin">https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin</a>. The Medium Term Debt Strategy</li> </ul>	<ul style="list-style-type: none"> <li>- The macroeconomic model requirements have been finalized (DLR 1.1) and approved by the Finance Division in June 2021.</li> <li>- The full dataset of macroeconomic variables for the real, monetary, external, and fiscal sectors has been completed. A training has been conducted on the use of World Bank's Macro-Fiscal Model (MFMOD). The procurement of the software is ongoing.</li> <li>- The Debt Bulletin has been published - <a href="https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin">https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin</a>. The Medium Term Debt Strategy (MTDS) will be published soon.</li> </ul>	DLR 1.5 Projections from the upgraded Macro-Economic Model have been used for MTMF and budget preparation.



		(MTDS) will be published soon.  - Stakeholder consultation on the draft Medium Term Debt Strategy was held on January 12, 2022. A second workshop on the final draft was held on February 17, 2022. The MTDS will be finalized within next two months.	- Stakeholder consultation on the draft Medium Term Debt Strategy was held on January 12, 2022. A second workshop on the final draft was held on February 17, 2022. The MTDS will be finalized within next two months.
Date	--	14-Mar-2022	16-Oct-2022 --
Comments	A training has been conducted on the World Bank's Macro-Fiscal Model (MFMod). An initial model has been prepared in this regard using the current macro data. Second round of the training is planned for June 2022. After the model will be completed and adopted.		

► DLI 2 Improved budget alignment with development strategy and gender, social, and climate considerations through better performance of BMCs (Outcome, 14,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	BMCs are not fully functional and require additional capacity and empowerment. Gender disaggregated budget summary is produced. Average spending on the Social Infrastructure for last two years is 28.87%.	- ToRs of BMCs and BWGs approved and Government Order issued in June 2021.  - Consultative workshop to finalize the Peer Review Guideline for the Budget Management Committee (BMC) Scorecard was held on December 2, 2021.  - Most recent available public data for FY2019-20 show 24.32 percent spending on social infrastructure that is within the boundary of the Financing Agreement definition of social sector. Data on actual spending for FY2019-20 is 24.3 percent.	- ToRs of BMCs and BWGs approved and Government Order issued in June 2021.  - Consultative workshop to finalize the Peer Review Guideline for the Budget Management Committee (BMC) Scorecard was held on December 2, 2021.  - Most recent available public data for FY2019-20 show 24.32 percent spending on social infrastructure that is within the boundary of the Financing Agreement definition of social sector. Data on actual spending for FY2019-20 is 24.3 percent.	DLR 2.4 The average performance score of BMCs evaluated through inter-ministerial peer-reviews has improved by at least 25% (\$2.5m) DLR 2.5 The Government's expenditure on Social Sectors has increased to 29.25% of total actual public expenditure (\$2.5m)
Date	--	14-Mar-2022	16-Oct-2022	--
Comments	The peer review guideline should be approved by March 2022. So, by June 2022, it is possible to have 15 percent of BMC that have undertaken inter-ministerial peer-reviews for DLR 2.2. to be achieved by September 30, 2022.  Allocation for the medium-term will need to be increased to achieve the target of 29 percent actual spending on Social Sectors compared to total actual public expenditure. Since different MDAs contribute to social sector, the Budget Speech needs to incorporate the comprehensive list from a functional perspective so that			



execution reports can be consistent with the Budget Speech. As part of the proposed restructuring, the definition, baseline, and targets for social sector spending will need to be reviewed and more precisely defined based on standardized government classifications.

► DLI 3 Reduced number of days for DDOs to receive budget in selected MDAs (Outcome, 6,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	Currently the budget release and distribution to DDOs takes around 2 months for the first quarter. Budget release from the MoF to line ministry is no longer required from this year. Average budget release delay for quarter 3 and 4 is 2.3 months for health sector	- A circular was issued on 12 April, 2020 to ease the fund release process for 4th tranche of the 'grant in aid' given to autonomous bodies and private institutions under Operating Budget.  - 56.97 percent of DDOs FY2021-22 budget was released by 31 July 2021. 59.99 percent and 67.99 percent were released up to September and December 2021 respectively.	- A circular was issued on 12 April, 2020 to ease the fund release process for 4th tranche of the 'grant in aid' given to autonomous bodies and private institutions under Operating Budget.  - 56.97 percent of DDOs FY2021-22 budget was released by 31 July 2021. 59.99 percent and 67.99 percent were released up to September and December 2021 respectively.	--
Date	--	14-Mar-2022	16-Oct-2022	--
Comments	Design the iBAS++ monitoring report on budget release status by sector and disaggregated line-directors/DDOs. Conduct awareness and hands-on training for the line-directorates on budget distribution/release reiterate that budget utilization report is not a mandatory requirement for budget release.			

► DLI 4 Timely and reliable payments of salaries and vendor invoices with a strengthened TSA and automated payment system (Outcome, 9,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	EFT used for officers' salaries only No online bills submission	- DLR 4.2 (At least 50% government payment transactions are made through EFT) has been partially achieved. EFT is used mainly for pay bill and pension purposes. DDO online bill submission includes vendor invoices on which there has been limited progress so far.  - Initial data on bank deposits of government	- DLR 4.2 (At least 50% government payment transactions are made through EFT) has been partially achieved. EFT is used mainly for pay bill and pension purposes. DDO online bill submission includes vendor invoices on which there has been limited progress so far.  - Initial data on bank deposits of government	DLR 4.4 The number of new special accounts (outside the TSA) opened (in the relevant Fiscal Year in which the DLR is being assessed) has been reduced by 50%



		sector collected revealed 454,823 bank accounts.  - 21,000 of the 36,000 DDOs are submitting staff pay bill online. The task for developing a full-fledged DDO with provision for submitting all types of bills online is on-going.	sector collected revealed 454,823 bank accounts.  - 21,000 of the 36,000 DDOs are submitting pay bill online. The task for developing a full-fledged DDO with provision for submitting all types of bills online is on-going.
Date	--	14-Mar-2022	16-Oct-2022 --
Comments	By June 2022, report from the bank account portal on comprehensive stock-take of government bank accounts and balances including extra-budgetary funds and donor-funded projects by June 2022. DDO online bill submission to include vendor invoices. Implement Procure-to-Pay (P2P) through integration with eGP to support end-to-end digitalization of vendor transactions – See Figure 2 on page 17 of June 2021 aide memoire.		

► DLI 5 Improved pension service (disaggregated by gender) through the EFT no later than the following pension payment cycle after retirement (Outcome, 10,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	Long process often results in a significant delay after retirement to prepare a Pension Payment Order All pension and GP fund records are manual and prone to human errors	- The Pension Service and GPF Module of iBAS++ have been implemented and is operational. Disbursement for partial achievement has been made. Verification for the next disbursement is in process.  - 69.40% pension back log cases have been resolved.  - Since September 1, 2019, all the new pensioners have been linked to the employee/payroll database and their monthly pension and allowances are paid through EFT from the first month of retirement.  - Using NID, electronic Pension Payment Order (ePPO) has been made fully operational.  - Deduction of GPF Subscription and Loan Repayment are linked with Budget Execution Module.	- The Pension Service and GPF Module of iBAS++ have been implemented and is operational. Disbursement for partial achievement has been made. Verification for the next disbursement is in process.  - 69.40% pension back log cases have been resolved.  - Since September 1, 2019, all the new pensioners have been linked to the employee/payroll database and their monthly pension and allowances are paid through EFT from the first month of retirement.  - Using NID, electronic Pension Payment Order (ePPO) has been made fully operational.  - Deduction of GPF Subscription and Loan Repayment are linked with Budget Execution Module.	DLR 5.5 90% of new pensioners are paid through EFT no later than the pension payment cycle following their retirement





Date	--	14-Feb-2022	16-Oct-2022	--
Comments	<p>To raise awareness on new streamline and expedited pension processing procedures, several outreach programs are planned to include the use of communication tools such as electronic and social media. An educational film/video will be prepared explaining the pension payment process.</p> <p>Like the cumulative balance shown on the GPF Summary Slip, for consistency, the GPF Statement and Subsidiary Ledger reports should be improved to also show the cumulative balance. <i>The updated report will be used for the purpose of verification.</i></p> <p>Gradually rest of the pensioner (264,398) will be brought under the supervision of CADO-F&amp;FM. The target is to complete this process for 70,000 pensioners initially.</p> <p>The face detection-based Life Verification App that is under piloting phase at more than 100 Pay-points for checking accuracy and performance to be made operational by June 2022.</p> <p>Determine the pension service standard and communicate same to pensioners.</p>			

<p>► DLI 6 SOE and autonomous bodies' debt and contingent liabilities statement prepared and submitted to policy makers (Output, 7,000,000.00, 0%)</p>				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	<ul style="list-style-type: none"> <li>- SOE debt and contingent liabilities are not effectively controlled</li> <li>- Partial data of SOEs profitability published in the annual Economic Survey of Bangladesh</li> <li>- Fiscal risk assessments have not been conducted</li> </ul>	<ul style="list-style-type: none"> <li>- Virtual stakeholder workshop held on June 28, 2021 and November 28, 2021 in presence of the Senior Secretary of FD to finalize the Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs)/Autonomous Bodies (ABs). Finally, the procedure was approved by the Senior Secretary of FD on 28 December 2021 and official Government Order (GO) issued on December 30, 2021.</li> <li>- As of November 2021, SOE-MC provided a list of 84 SOEs for which validation is ongoing to ascertain publication of their financial statements on individual websites. As at time of the mission in February 2022, 46 SOEs have uploaded audited financial statements for FY2020/21 on their respective websites.</li> </ul>	<ul style="list-style-type: none"> <li>- Virtual stakeholder workshop held on June 28, 2021 and November 28, 2021 in presence of the Senior Secretary of FD to finalize the Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs)/Autonomous Bodies (ABs). Finally, the procedure was approved by the Senior Secretary of FD on 28 December 2021 and official Government Order (GO) issued on December 30, 2021.</li> <li>- As of November 2021, SOE-MC provided a list of 84 SOEs for which validation is ongoing to ascertain publication of their financial statements on individual websites. As at time of the mission in February 2022, 46 SOEs have uploaded audited financial statements for FY2020/21 on their respective websites.</li> </ul>	--



Date	--	14-Mar-2022	16-Oct-2022	--
Comments	<p>The draft comprehensive database of financial and non-financial data and financial monitoring template to be approved by March 2022. Populate database as part of transition to the web-site system.          SOE-MC to prepare a <b>Debt and Contingent Liability Statement (DCLS)</b> for the SOEs/ABs using their audited financial statements <u>within nine months of end of each FY.</u></p>			

<p>► DLI 7 Improved performance of the SOE sector and reduced subsidies as a percentage of total public sector spending (Outcome, 11,000,000.00, 0%)</p>				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	<ul style="list-style-type: none"> <li>- SOEs are not classified as commercial and non-commercial</li> <li>- There is some performance monitoring of SOEs, but not systematic and independent</li> <li>- Grants to SOEs are not divided into different categories</li> <li>- Partial data of SOEs profitability published in the annual Economic Survey of Bangladesh</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Performance Evaluation Guideline (IPEG) that will cover 166 SOEs/ABs has been approved and Government Order was issued in March 2021.</li> <li>- Membership of the Independent Performance Evaluation Committee (IPEC) for conducting the independent performance evaluation was officially approved on November 14, 2021 and evaluation is expected to start on the first set of 10 SOEs/ABs.</li> <li>- The following 10 SOEs have been selected to undergo an independent performance evaluation in accordance with the approved SOE independent performance evaluation guidelines (IPEG).               <ol style="list-style-type: none"> <li>1. Chittagong Port Authority (CPA)</li> <li>2. Bangladesh Bridge Authority (BBA)</li> <li>3. Bangladesh Overseas Employment and Service Limited (BOESL)</li> <li>4. Khulna Development Authority (KDA)</li> <li>5. Bangladesh Inland Water Transport Authority (BIWTA)</li> <li>6. Bangladesh Small and Cottage Industries Corporation (BSCIC)</li> <li>7. Bangladesh Power Development Board (BPDB)</li> <li>8. Bangladesh Petroleum Corporation (BPC)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>- Independent Performance Evaluation Guideline (IPEG) that will cover 166 SOEs/ABs has been approved and Government Order was issued in March 2021.</li> <li>- Membership of the Independent Performance Evaluation Committee (IPEC) for conducting the independent performance evaluation was officially approved on November 14, 2021 and evaluation is expected to start on the first set of 10 SOEs/ABs.</li> <li>- The following 10 SOEs have been selected to undergo an independent performance evaluation in accordance with the approved SOE independent performance evaluation guidelines (IPEG).               <ol style="list-style-type: none"> <li>1. Chittagong Port Authority (CPA)</li> <li>2. Bangladesh Bridge Authority (BBA)</li> <li>3. Bangladesh Overseas Employment and Service Limited (BOESL)</li> <li>4. Khulna Development Authority (KDA)</li> <li>5. Bangladesh Inland Water Transport Authority (BIWTA)</li> <li>6. Bangladesh Small and Cottage Industries Corporation (BSCIC)</li> <li>7. Bangladesh Power Development Board (BPDB)</li> <li>8. Bangladesh Petroleum Corporation (BPC)</li> <li>9. Bangladesh Shipping Corporation (BSC)</li> </ol> </li> </ul>	<p>DLR 7.5 The ratio of SOE transfers to total public spending has been reduced by 15%</p>



		<p>9. Bangladesh Shipping Corporation (BSC) 10. Bangladesh Forest Industries Development Corporation (BFIDC)</p> <p>- Data collected for establishment of baseline to reduce the ratio of SOE transfers to total public spending by 15% by FY22. Ascertaining the comprehensiveness of the raw data collected to match with the 166 SOEs that are within the scope of SOE-MC.</p>	<p>10. Bangladesh Forest Industries Development Corporation (BFIDC)</p> <p>- Data collected for establishment of baseline to reduce the ratio of SOE transfers to total public spending by 15% by FY22. Ascertaining the comprehensiveness of the raw data collected to match with the 166 SOEs that are within the scope of SOE-MC.</p>
Date	--	14-Mar-2022	16-Oct-2022 --
Comments	<p>Stakeholder sensitization workshops to be conducted on the Independent Performance Evaluation Guideline (IPEG). Sufficient number SOEs/ABs to be evaluated so that five SOEs can be rewarded and ten SOEs can be selected for turn around strategies.</p>		

► DLI 8 Budget holders in MDAs effectively and transparently use financial information (Outcome, 12,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	<p>-The previous classification chart limits financial reporting and analysis; and budget controllers do not use financial reports effectively</p> <p>-As at June 2018, the monthly report (in pdf. format) on fiscal position available on FD website was for December 2017 (six months behind).</p> <p>-Annual Accounts are produced with a significant delay and follow the old templates of finance and appropriation accounts</p>	<p>- Budget of FY2018-19, 2019-20 and 2020-21 released using new BACS. The option in the accounting tab named "DDO Budget release status" shows that budget had been released through iBAS++ in DDO's end.</p> <p>- iBAS++ Interfaces completed with Bangladesh Bank, Sonali Bank, MoPA, Social Safety net. Work is ongoing to interface with eGP and NID/TIN databases.</p> <p>- A technical report on eGP interface with brief System Requirements Specification (SRS) has been prepared and several meetings have been arranged between iBAS++ and eGP (CPTU).</p> <p>- At present, there is backlog of three years for submission of annual</p>	<p>- Budget of FY2018-19, 2019-20 and 2020-21 released using new BACS. The option in the accounting tab named "DDO Budget release status" shows that budget had been released through iBAS++ in DDO's end.</p> <p>- iBAS++ Interfaces completed with Bangladesh Bank, Sonali Bank, MoPA, Social Safety net. Work is ongoing to interface with eGP and NID/TIN databases.</p> <p>- A technical report on eGP interface with brief System Requirements Specification (SRS) has been prepared and several meetings have been arranged between iBAS++ and eGP (CPTU).</p> <p>- At present, there is backlog of three years for submission of annual financial statements to the</p>	<p>DLR 8.6 60% of Budget Holders generate 10 or more monthly iBAS++ reports for budget execution decisions</p>



	<p>financial statements to the Office of the Comptroller and Auditor General of Bangladesh (OCAG). Finance Account for FY2017/18 was submitted to OCAG in November 2021 (i.e., 41 months after the year-end). Civil Audit Directorate conducting audit on Finance Accounts for FY2016-17 and FY2017-18. New format of Finance Accounts was approved by Honorable President on December 28, 2021.</p> <p>- Six SAEs use iBAS++ on a real-time basis with detailed transaction capturing; these SAEs are Public Works Department; Roads and Highways; Department of Public Health Engineering; Controller General of Defense Force; Forest Department and Railways. In addition to the SAEs, Bangladesh missions in Abu Dhabi, Dubai, New Delhi and Singapore are now using iBAS++.</p> <p>- FD has started publishing budget execution reports on MoF's official website (<a href="https://mof.gov.bd/site/reports/a4cf6d30-2002-492e-97eb-ba3e42840ab6">https://mof.gov.bd/site/reports/a4cf6d30-2002-492e-97eb-ba3e42840ab6</a>).</p>	<p>Office of the Comptroller and Auditor General of Bangladesh (OCAG). Finance Account for FY2017/18 was submitted to OCAG in November 2021 (i.e., 41 months after the year-end). Civil Audit Directorate conducting audit on Finance Accounts for FY2016-17 and FY2017-18. New format of Finance Accounts was approved by Honorable President on December 28, 2021.</p> <p>- Six SAEs use iBAS++ on a real-time basis with detailed transaction capturing; these SAEs are Public Works Department; Roads and Highways; Department of Public Health Engineering; Controller General of Defense Force; Forest Department and Railways. In addition to the SAEs, Bangladesh missions in Abu Dhabi, Dubai, New Delhi and Singapore are now using iBAS++.</p> <p>- FD has started publishing budget execution reports on MoF's official website (<a href="https://mof.gov.bd/site/reports/a4cf6d30-2002-492e-97eb-ba3e42840ab6">https://mof.gov.bd/site/reports/a4cf6d30-2002-492e-97eb-ba3e42840ab6</a>).</p>
Date	-- 14-Mar-2022	16-Oct-2022 --
Comments	<p>Need to monitor that budget is released consistently by July 31 of each year to front-line service units. Improve the interface with NBR for use in importing data related to revenue receipts of the government. Also establish interface to improve Revenue Accounting at the Taxpayer level by facilitating reconciliation between VAT returns and collections recorded in the Integrated VAT Administration System (IVAS). Improve the timeliness of submission of annual government-wide financial statements for FY2021/22 to within six months of the year-end and improve thereafter to within three months of each year-end. Roll-out the Integrated Budget and Accounting System Project Management Accounting Portal (IBAS-PMAP) for donor-funded projects and establish API with iBAS++ to support seamless generation of comprehensive financial reports. Improve timeliness, user-friendliness, and level of disaggregation of the published budget execution reports. To facilitate budget execution decisions and assurance of accuracy and comprehensiveness of financial</p>	



reports, this DLR will be assessed against PEFA PI 28 'in-year budget reports' to meet the following minimum requirements: (i) coverage and classification of data allows direct comparison to the original budget; and (ii) budget execution reports are prepared quarterly and issued within four weeks from the end of each quarter.

►DLI 9 Action taken on internal and external audit reports in Selected MDAs and post-procurement reviews in the Finance Division (Output, 7,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	<p>-Internal audit units are not effective.</p> <p>-Internal audit activities consist primarily of ex-post reviews focused on financial compliance</p> <p>-Audit follow-up takes long time</p>	<p>- It was agreed that internal audit units will be established at departmental-level starting with high-risk and high-spending departments. The departmental internal audit units will report functionally to the Principal Accounting Officer (PAO), who according to section 19(a) of the 2009 Public Moneys and Budget Management Act (PMBMA) is responsible "to ensure efficient and transparent financial management and internal control processes at the relevant Ministry or Division or Other Institution".</p> <p>- The internal audit 'structure' established at Finance Division, will be responsible for the development of a model internal audit charter, guidelines, risk-based audit manual, quality assurance and continuous training. A consulting firm will be hired to provide technical assistance including conduct of post-procurement reviews.</p> <p>- It was agreed that post-review of procurement will be conducted at the procurement cell, established in the program office under SPFMS program and entrusted for entire procurement of the program.</p>	<p>- It was agreed that internal audit units will be established at departmental-level starting with high-risk and high-spending departments. The departmental internal audit units will report functionally to the Principal Accounting Officer (PAO), who according to section 19(a) of the 2009 Public Moneys and Budget Management Act (PMBMA) is responsible "to ensure efficient and transparent financial management and internal control processes at the relevant Ministry or Division or Other Institution".</p> <p>- The internal audit 'structure' established at Finance Division, will be responsible for the development of a model internal audit charter, guidelines, risk-based audit manual, quality assurance and continuous training. A consulting firm will be hired to provide technical assistance including conduct of post-procurement reviews.</p> <p>- It was agreed that post-review of procurement will be conducted at the procurement cell, established in the program office under SPFMS program and entrusted for entire procurement of the program.</p>	--



Date	--	14-Mar-2022	16-Oct-2022	--
Comments	Finalization and approval of Model Internal Audit Charter and Risk Based Internal Audit Manual by June 2022. Analysis of different options for recruitment of Internal Auditors and decision on the right mix of expertise and sourcing. Need to meet with all the selected MDAs to sensitize them on the formation of Internal Audit Units.			

► DLI 10 PFM Action Plan implementation is effectively led through an adequate governance structure and an effective change management approach (Output, 14,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY2022
Value	PFM reform implementation, monitoring, and course-correction are not adequately coordinated, and a comprehensive change management approach needs to be implemented	<ul style="list-style-type: none"> <li>- Three PFM Action Plan Semi-annual progress report has been approved by the SC.</li> <li>- All three Independent Verification Agencies are on board.</li> <li>- IPF has finalized 5 research topics. REoI was published in September 2021, EoI received for three research papers and technical sub-committee of 3 members headed by Dr. Md. Tarique, Director, Bangladesh Institute Governance &amp; Management (BIGM) is ongoing.</li> <li>- A consortium led by the CIPFA engaged to support the IPF has delivered: (i) the development of a PFM Competency Framework; (ii) a training needs assessment (TNA) and; (iii) a Code of Conduct for PFM professionals.</li> <li>- Field inspection- How to Note has been approved and circulated.</li> <li>- Five field inspections to Natore, Kishorgonj, Khulna, and Bagerhat have been conducted.</li> <li>- Nine ISCs have been assigned with the responsibilities of 14 components of the PFM Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>- Three PFM Action Plan Semi-annual progress report has been approved by the SC.</li> <li>- All three Independent Verification Agencies are on board.</li> <li>- IPF has finalized 5 research topics. REoI was published in September 2021, EoI received for three research papers and technical sub-committee of 3 members headed by Dr. Md. Tarique, Director, Bangladesh Institute Governance &amp; Management (BIGM) is ongoing.</li> <li>- A consortium led by the CIPFA engaged to support the IPF has delivered: (i) the development of a PFM Competency Framework; (ii) a training needs assessment (TNA) and; (iii) a Code of Conduct for PFM professionals.</li> <li>- Field inspection- How to Note has been approved and circulated.</li> <li>- Five field inspections to Natore, Kishorgonj, Khulna, and Bagerhat have been conducted.</li> <li>- Nine ISCs have been assigned with the responsibilities of 14 components of the PFM Action Plan.</li> </ul>	DLR 10.6 100 civil servants (with data disaggregated by gender) have completed specialized PFM-related courses/certifications.



		- 19 officials have enrolled for master's degree in different universities.	- 19 officials have enrolled for master's degree in different universities.	
Date	--	14-Mar-2022	16-Oct-2022	--
Comments	Automation of annual work plan process to ensure effective monitoring of the implementation progress. Arrange for the 2nd PFM Action Plan stakeholder consultation. Select the firm(s) to support the Institute of Public Finance (IPF) to publish at least 3 research papers on PFM reform lessons.			