

Workshop held to Finalize 3rd PFM Reform Strategy 2025–2030

The Finance Division (FD) has finalized the draft of Bangladesh's Third Public Financial Management (PFM) Reform Strategy 2025–2030, charting a new phase of fiscal reforms aimed at building a more integrated, accountable, and governance-driven public finance system to strengthen fiscal discipline and sustainable development.

The Workshop on 3rd PFM Reform Draft Strategy 2025–30 was held on 7 September 2025 at the Multipurpose Hall of the Finance Division, Bangladesh Secretariat, Dhaka as part of the finalization process.

The event was organized under the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS).



Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division, attended as the Chief Guest, while S. M. Moin Uddin Ahmed, Chief Executive Officer (Secretary) of the Bangladesh Public Procurement Authority (BPPA), and Bilquis Jahan Rimi, Additional Secretary, Finance Division, were present as Special Guests. The session was presided over by Dr. Ziaul Abedin, Additional Secretary and National Program Director of SPFMS, and the keynote presentation was made by Dr. Navin Bulusu, International PFM Consultant at the Policy Research Institute (PRI).

Senior officials of the Finance Division actively participated in the open discussion, sharing insights and recommendations to refine the draft strategy further.

In his presentation, Dr. Bulusu noted that the new strategy builds upon the earlier reform phases initiated in 2007 and later consolidated under the SPFMS Program. He observed that while earlier reforms brought measurable improvements in procurement oversight, internal audit, and financial reporting, they also revealed persistent structural challenges. Tools such as the Medium-Term Budgetary Framework (MTBF) and iBAS++ financial management system delivered progress but were hampered by weak enforcement, limited ownership, and fragmented implementation across government agencies.



The workshop discussions highlighted several enduring bottlenecks in the country's fiscal governance architecture. Policy engagement, participants observed, remains limited — with the Cabinet typically afforded only a few days to review budget ceilings and macro-fiscal priorities, compared with weeks of deliberation in many OECD countries. Similarly, the absence of formal fiscal rules on debt and deficit limits, coupled with capacity shortages of trained PFM professionals, continues to constrain reform momentum.

The upcoming 3rd PFM Strategy seeks to bridge these gaps through an institutionalized, outcome-oriented, and governance-anchored approach. A high-level empowered committee will steer implementation and ensure political and administrative ownership. Each reform activity will be tied to measurable outcomes and follow an iterative process of piloting, monitoring, and scaling up.

Unlike earlier project-style efforts, the new plan integrates legal, institutional, systemic, and human resource dimensions into a cohesive framework. A major conceptual shift recognizes that recurrent expenditures, such as operations and maintenance, are integral to national development and should be prioritized alongside capital investments. The strategy also underscores the need to mainstream and sustain iBAS++ as core national financial infrastructure rather than a time-bound project.

The Finance Division emphasized that reforms will be institutionalized within line ministries, reducing dependency on external consultants and nurturing a domestic cadre of PFM specialists. Improved integration of fiscal data systems, sectoral costing, and multi-year investment planning will reinforce the evidence base for policymaking.