Government of People's Republic of Bangladesh
Finance Division, Ministry of Finance

IMPLEMENTATION GUIDELINE OF THE PFM ACTION PLAN (2018-2023)

Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)

Scheme on PFM Reforms Leadership, Coordination and Monitoring

IMPLEMENTATION GUIDELINE OF THE PFM ACTION PLAN (2018-2023)

Version	Version Date	Author	Rationale/Status
0.5	1/23/2020	PECT	Draft for PFM Stakeholder Retreat – consultation/discussion
0.6	7/13/2020	PECT	Virtual workshop to complete the draft guidelines
1.0	7/22/2020	PECT	First issued version of the guidelines

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Background and objectives

The Bangladesh Public Financial Management (PFM) Action Plan (2018-23) has been recently approved, to support effective implementation of the PFM Reform Strategy (2016-21). The Action Plan fulfills the need for an operational document, and as such it is consistent and should be read with the Strategy to get a complete understanding of the PFM reforms in Bangladesh.

The Finance Division has established the PFM governance structure which is led by a Steering Committee (SC) chaired by the Secretary of Finance. Additional Secretary Budget-1 has been appointed as the National Program Director responsible for coordinating the smooth implementation of the PFM Action Plan and is supported by the Program Execution and Coordination Team (PECT) established for the implementation of component 14 of the Action Plan dealing with the overall reforms coordination and change management. Seven Project Implementation Teams (PITs) have been established in the Finance Division, while PIT equivalent teams are being set up in six other institutions leading the implementation of the respective components of the PFM Action Plan. So there are thirteen implementation teams that benefit from the 14th component on 'PFM reforms Leadership, Coordination and Monitoring' and thereby PECT. Each of the thirteen teams will be supported by a full-time Implementation Support Consultant (ISC) who will play a crucial role in supporting successful execution of tasks and in facilitating learning.

This PFM Action Plan - Implementation Guideline has been developed as a quick reference for PIT members, ISCs and other stakeholders who will implement or coordinate the delivery of the PFM Action Plan. It aims at helping implementers understand where to start and what are the key processes involved to implement the reform activity. It also points to areas to pay attention to in terms of incentives, enabling environment or team collaboration.

The Guideline is composed of eight sections corresponding to eight broad types of activities in the PFM Action Plan as described below. These sections are preceded by a section on the importance of developing annual workplans and followed by an annex describing briefly the public procurement process.

Introduction section: Developing workplans
1. Analytical activities, studies, surveys
2. Training
3. Communication and knowledge sharing
4. Advocacy
5. Drafting/revising laws, strategies, regulations, framework, procedures
6. IT systems acquisition
7. Consultations, forums, citizen participation
8. Execution of reformed PFM process

Annex: Public procurement process

This guide is intentionally drafted in a concise manner to provide an overview of the 'how'. Links to resources are offered to deepen knowledge on the topic.

Introduction: Managing Implementation of the PFM Action Plan

1 - PURPOSE

- In order to manage the smooth implementation and timely monitoring, the action plan activities and sub-activities need to be further divided into steps/tasks that could be assigned to the individual implementers in the PIT or other officials of the implementing institutions. This is being done through an Annual Work Plan (AWP).
- Work planning is the process that guides the day-to-day activities of an organization or project. It is the process of planning what needs to be done, when it needs to be done, by whom it needs to be done, and what resources or inputs are needed to do it.

2 – PROCESS STEPS

ANNUAL WORK PLAN YEAR 1
FOR
C-9: STATE OWNED ENTERPRISES' GOVERNANCE (SOE WING & MONITORING CELL)

**Activity Type: 1. Analytical activities, studies, surveys; 2. Training; 3. Communication and knowledge sharing; 4. Advocacy; 5. Drafting/revising laws, strategies, regulations, framework, procedures; 6. IT systems acquisition; 7. Consultations, forums, citizens' participation; 8. Execution of reformed PFM process (such as functioning of BMC or carrying out performance evaluation of SOEs)*

(a)	Serial (b)	PFM Action Plan - Activity Title (c)	Sub-activity (d)	Activity Type* (e)	Key Steps / (Current Status & Achievements) (f)	PIT member/ other official responsible (g)	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Incremental cost lac BDT (i)	Results (j)
WORK PLAN (CY20)	C9 – Activity 29	Strengthen accountability and transparency of SOEs through improved reporting and public disclosure	1.2 Review and update the current financial statement/ reporting template and develop a harmonized SOE reporting framework which specifies the key financial and non-financial information required, the formats, and ensure regular and timely submission	Drafting / revising laws, strategies, regulations, framework, procedures	a) Conduct study on current reporting system and best practices in comparable countries	Mr. Shibli and Mr. Khalid (support from BETF requested)	✓				-	Study report
					b) Create TOR for hiring expert consultant to update financial reporting template and build SOE reporting framework	Mr. Hakim		✓			200	Scope of sub-activity finalized
					c) Publish EOI and hire consultants for updating templates and developing SOE financial reporting framework	Mr. Hakim		✓			500	Consultants engaged
					d) Collect feedback on the framework and template and get approval from Secretary of Monitoring Cell	Mr. Hakim			✓		200	Approved SOE reporting framework
ACTUAL PROGRESS (Q2)			1.2 Review and update the current financial statement/reporting template and develop a harmonized SOE reporting framework which specifies the key financial and non-financial information	Drafting / revising laws, strategies, regulations, framework, procedures	a) Study on current reporting system and best practices in comparable countries was completed through participation in the SOE network meetings in Manila and video conference with Korea Institute of Public Finance complemented with desk study of OECD Guidelines on Financial Reporting and Corporate Governance and desk study of other countries including Pakistan, Kazakhstan, Portugal, and Bhutan	Mr. Shibli and Mr. Kahlid	✓	✓			-	- Report on network meetings - Participation in a workshop on OECD Guidelines -

(a)	Serial (b)	PFM Action Plan - Activity Title (c)	Sub-activity (d)	Activity Type* (e)	Key Steps / (Current Status & Achievements) (f)	PIT member/ other official responsible (g)	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Incremental cost lac BDT (i)	Results (j)
			required, the formats, and ensure regular and timely submission		b) TORs for hiring expert consultant to update financial reporting template and build SOE reporting framework have been drafted but yet to be finalized.	Mr. Panna		✓			-	- Draft ToRs
					c) Publication of EOI will be done after the finalization of the ToRs.	Mr. Panna			✓			
					d) To be done	Mr. Panna				✓		

How to use the above AWP template for planning and reporting:

(a) The AWP template combines both the planning and actual progress reporting. The first line represents the annual plan for each PFM Action Plan sub-activity with detailed key steps. The second line would capture the actual progress against the plan. The annual plan, once approved by the PIT head, will be frozen for the six-months of implementation after which a new annual plan will be approved on a rolling basis. The new annual plan will drop the first two quarters of the previous plan and include the subsequent two quarters. So the rolling annual plan will either end on Dec 31 or June 30. The actual progress line will be used to capture the detailed status, achievements, progress, and challenges that may include deviations from the plan. These reports prepared by the PITs will be used by the PECT as an input to prepare the **semi-annual progress report** on the implementation of the PFM Action Plan and discussion in the **semi-annual retreats**.

(b) The serial number of the activity is taken straight from the PFM Action Plan. No change can be made in this.

(c) The title of the activity is also taken straight from the PFM Action Plan. No change can be made in this too.

(d) Initially the sub-activities are derived from the PFM Action Plan, however, the Plan allows the flexibility to the implementers to redefine, add, or subtract sub-activities as appropriate to achieve the activity objective.

(e) The AWP maps each of the PFM Action Plan sub-activities among the 8 activity types given below. These activity types have been distinctly identified based on their nature and how different they are in terms of a detailed design and implementation (i.e. science of delivery). Later, the respective section of this guideline provides useful advice on how to approach each activity type to obtain the maximum return on investment of public funds in that reform activity while meeting the activity objective. At times, it can be challenging to map a sub-activity to a particular type as it may contain elements of two or more activity types. In that case, the driving purpose will determine the activity type, for example, if the primary purpose of sub-activity is to bridge the lack of information or knowledge among certain audience, then the activity type is 'communication and knowledge sharing', whereas if the purpose is to convince the audience or change their behavior/attitude, then the suitable activity type is 'advocacy' which may include elements of communication as well. At times, it may be appropriate to divide a sub-activity into two consecutive sub-activities of different activity

types when there are two equally important driving purposes. Please note that this is in line with the intent of the PFM Action Plan that provides flexibility to the implementers to change/adjust sub-activities as appropriate during the implementation as described above.

1. Analytical activities, studies, surveys
2. Training
3. Communication and knowledge sharing
4. Advocacy
5. Drafting/revising laws, strategies, regulations, framework, procedures
6. IT systems acquisition
7. Consultations, forums, citizens' participation
8. Execution of reformed PFM process (such as functioning of BMC or carrying out performance evaluation of SOEs)

The benefits of mapping sub-activities by activity types will enable aggregate reporting by their nature in the PFM Action Plan progress report and enable PECT to encourage cross-learning among PITs based on their respective experience with each activity type.

(f) Key steps are the discrete actions planned to implement the sub-activity that can be assigned to an individual within the PIT or the implementing institution and may include the focal points nominated in other institutions by the PIT. The planned key steps are analyzed to see if they can be started and completed in parallel or if they need to be sequenced. If parallel processing is possible, then perhaps it is best to assign them to different individuals. This column of the actual progress rows would be used to report actual achievements/progress made on that key step by the end of the respective quarter covering all details from the beginning of that sub-activity. This report should be detailed enough to give a good understanding of the progress and challenges to the readers. In some cases, it is possible that the planned steps were to be adjusted due to evolving circumstances or additional knowledge becoming available during the implementation. For example, it was planned that a training module will be developed afresh but during implementation a suitable module was found. In that case, development of a new module could be replaced with adaptation of the existing training module. Nevertheless, the approved plan shall never be amended, and all such adjustments are reflected in the actual progress.

(g) This column will capture the individual responsible for the respective key step by name and designation (position/level of officer).

(h) Check the respective quarters for plan and the actual progress as applicable. All the quarters where the activity is expected to be carried out should be checked including both the start time and end time.

(i) The cost column will only capture the incremental cost of the key step and should not include the cost of existing staff/facilities.

(j) Results include both outputs and outcomes. Outputs are products of the key step such as report, communication materials, advocacy position paper, training course, procedure or guideline written, workshop report etc. The outcomes capture the impact or behavior change resulting from the series of activities such as increased knowledge, increased awareness of a subject. Generally, the outcomes will only be measurable on completion of several sub-activities/key steps.

3 - AUDIENCE

Who should be involved in an action planning process?

- PECT and PIT members for brainstorming and planning sessions
- Then engage with all the people who have a role to play, including administrative staff.

The process ensures ownership and good execution of the plan as participants have developed together the list of tasks to perform, negotiated who is in charge, what are the resources and time required.

4 - MEASUREMENT AND INDICATORS

The AWP template provides clear outputs and timeline. PIT and PECT members use the AWP to review progress and manage actively the implementation of activities by organizing:

- **PECT and PIT regular meetings** to check on progress, constraints, risks faced by their teams in the implementation of the tasks and elaborate jointly solutions to address these.
- **PIT quarterly reporting to the PECT** so that issues can be scaled up appropriately to the hierarchy for resolution.
- Lessons learned from implementation will be useful to share across PITs and other implementation teams.

Entity leadership and ministers refer to the workplans and reporting to assess implementation progress, identify and address problems and review the ongoing relevance and priority of the initiative.

5 - INCENTIVES

It is often difficult to mobilize teams to develop workplans. It ensures accountabilities and commitment as a focal point is assigned to each sub-task and participants see their volume of work increase when workplans become more detailed. Recognizing accomplishments in public encourages staff to achieve their goals and increase their confidence that they can do more. Recognition of accomplishment may be in the form of letter of appreciation, promotion, salary increment, executive-level training.

6 – ENABLING ENVIRONMENT

- Commitment of higher authority (preferably Director and above) is needed to ensure participation of staff.
- The exercise develops teamwork as members understand the complexity of operations, discuss their feasibility, the timeline and resources.
- It ensures joint responsibilities of PITs, PECT members and the Ministry leadership towards the success of the full plan.

7 - DOS AND DON'TS

DOS	DON'TS
Include all relevant stakeholders in developing the plan	Planning to do too much in too short a time
Hire a facilitator to help with the process	Not planning your activities in enough detail
Use PostIt™ to write tasks and put on a white board or a piece of paper to develop the work breakdown structure. Tasks written on PostIt™ cards can be easily moved around as we develop a WBS.	Not working out timelines to make sure that your sequencing and scheduling makes sense
Post-It™ cards are useful to write tasks and put on the board to brainstorm an activity sequence. For sequential convenience, the cards may be numbered.	Not making it absolutely clear who has responsibility and authority for making sure that all the steps get done
Flexibility is encouraged and any deviation from the plan are not seen as something negative. Any rational choices made during implementation are recorded as part of the progress.	Not thinking through the resourcing implications rigorously

8 - RESOURCES

Australian National Audit Office:
https://www.effectiveservices.org/assets/Implementation_of_Programme_and_Policy_initiatives_Making_implementation_matter_Better_Practice_Guide.pdf
https://www.pmc.gov.au/government/policy-implementation

Tasmania Project Management Guidelines:
http://www.egovernment.tas.gov.au/project_management/tasmanian_government_project_management_guidelines

Project Management Institute
https://www.pmi.org/learning/tools-templates

Section 1 – Analytical activities, studies, surveys

1 – PURPOSE

The PFM action plan includes several analytical activities and operational research. It is important to have a basic understanding of what is what (research; studies; evaluation) and how analytical work can support this and; who can do what.

Research is a systematic process of the collection of data and information on Public Financial Management, in order to generate new knowledge, to answer a specific question or test a hypothesis. Methodology must be sufficiently documented to permit assessment and replication. Such as the activity 50 of PFM Action Plan: Based on the Government's previous action plans and from other sources (including research items nominated by partners) prepare an annual research agenda for distribution to GoB and partners

Studies are initiatives to establish current knowledge around a specific topic through the descriptive summarization, interpretation or assessment of information and data. Studies are generally descriptive in nature and address immediate needs of a PFM intervention, like activity 36 of PFM Action Plan, *Conduct detailed study on internal audit options*

Evaluations are a systematic and objective effort to determine the relevance, appropriateness, effectiveness, efficiency, impact and sustainability of development efforts, based on agreed criteria and benchmarks among key partners and stakeholders Please refer activity 46 of PFM Action Plan, 'IMED to conduct review of the current and future data needs to ensure the e-GP platform and current PMIS system supports the ongoing and future monitoring and evaluation needs.'

Cross-cutting these concepts are the strategies applied (quantitative; qualitative or mixed methods) and design options (e.g. experimental; longitudinal; case study; survey).

Data collection and data analytical activities are crucial and are processes of examining data sets in order to draw conclusions about the information they contain, increasingly with the aid of specialized systems and software.

UNICEF TAXONOMY FOR RESEARCH, EVALUATION AND STUDIES

Master terms and their typologies

1. RESEARCH	2. EVALUATION	3. STUDY
Typologies	*Typologies*	*Typologies*
1.1 Theoretical	2.1 Formative evaluation	3.1 Research-informing
1.2 Applied/Operational	2.2 Meta-evaluation	3.2 Programme-informing
1.3 Methodological & analytical tools development	2.3 Summative evaluation	3.3 Evaluation-informing

Cross-cutting technical terms (valid for one or more master terms)

4. STRATEGIES (Quantitative, qualitative, mixed-method)

5. DESIGN OPTIONS (E.g. Experimental, longitudinal, case study, survey, ...)

6. METHODS	
6.1 Data Collection (E.g. Ethnography, focus-groups, self-completion methods...)	**6.2 Data Analysis** (E.g. Statistical, thematic...)

7. OUTPUTS	
7.1 Contribution to published, peer-reviewed literature (E.g. Journal article, book...)	**7.2 Contribution to grey literature** (E.g. Discussion paper, policy brief)

2 – PROCESS STEPS

Guiding principles:

- PFM research, studies and analytical work should be prioritized and resourced (Agenda coordination).
- Relevant to more effective public financial management in Bangladesh.
- Should meet agreed upon quality standards.
- Accessible to all in principle (open access, unless there is sensitive information) and in an easy manner (database).
- Findings should be communicated widely with provision for comment/observation within a deadline and where possible academically published.

Important is to select the right institution(s) to perform the work needed. Research is usually done by universities, research centers or specific agencies. IPF is responsible for coordinating a PFM research agenda and for quality assurance guidance and training. Research and Studies and even analytical work are often outsourced to competent individual/organization by the Government, so it is important to provide clear guidance on a) objectives, strategy and principles; b) suggested design; c) data collection and ownership; duration and cost; d) outputs expected.

3 – AUDIENCE

Outputs can be produced for different audiences. Generally speaking, we distinguish:

- Grey literature: e.g. working paper; discussion paper; policy brief; research brief; country thematic report; program evaluation report; donor report.
- Published, peer reviewed literature: e.g. working Paper (peer-reviewed, published); Discussion Paper (peer-reviewed, published); Flagship Publication; Policy Brief (peer-reviewed, published); Research Brief (peer-reviewed, published); Journal Article; Book.

4 - MEASUREMENT AND INDICATORS

- Central database for research, studies and evaluations
- Compliance with procedures
- Additional quality assurance of significant research products
- Annual Research Report by IPF with # of reports and indication of use

5 - INCENTIVES

- Appropriate attribution of the source of the research/data analytical activity
- Invitation to share reports and work in conferences and seminars
- Research grants

6 – ENABLING ENVIRONMENT

- PFM Strategy and governance
- PEFA assessments
- Align capabilities with Competency Framework

7 - DOS AND DON'TS

DOS	DON'TS
• Consider data analytical capabilities inside the government on PFM (people that outsource work need to have basic skills and understanding of research/analytical work)	• Ignore the research coordination function of IPF
• Set standards for quality assurance for research and analytical work	• Keep important findings in a drawer
• Collaborate with universities and other research centers	

8 - RESOURCES (links, documents, etc.)

www.adb.org/data/main
www.odi.org.uk/rapid/Tools/Definitions.html
www.whqlibdoc.who.int/publications/2009/9789241547727_eng_Chapter5-end.pdf
www.wto.org/english/res_e/reser_e/reser_e.htm
www.ec.europa.eu/euraxess/index.cfm/rights/definitions#a17 8.
www.ilo.org/global/research/land--en/index.htm
www.worldbank.org

Section 2 - Training

1 – PURPOSE

Training activities are part of the larger umbrella of capacity building (CB). CB consists of activities, approaches, strategies, and methodologies to help organizations, groups and individuals obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently, improve their performance, generate development benefits and achieve their objectives. It allows individuals and organizations to perform at a greater capacity.[1] CB in a broader sense is about change and transformation. When regarded as a holistic system that works together, it aims at improving at policy level, Institutional level and Individual level[2].

Training activities seek to **obtain, improve and retain skills at individual/workforce level to improve the performance of staff according to specific, defined competencies.**

Examples of Training Activities

There are several types of training we can provide for employees:

- technical training
- quality standards training
- skills training, soft (behavior) skills
- leadership and managerial training.

These can be:

- short-term
- long-term
- or continuous training
- Online/virtual training
- in-country or overseas.

They lead to obtaining:

- a certificate of participation/attendance
- a certificate
- a diploma
- an executive education certificate
- or an advance degree.

In the context of the PFM Action Plan, the training activities mostly address the lack of technical skills in using new systems combined with an overall change management process to ensure stakeholders embrace the new approach.

Let's take the example of "training and capacity building program for IBAS++ and e-GP interface", from the reform activity "Enhance Digitization of Public Procurement" in component C-13 Procurement.

[1] http://lencd.org/learning/capacity-summary-core-concepts-levels-types-themes
[2] https://openei.org/w/images/8/80/Best_Practices_in_Capacity_Building_Approaches.pdf

Forms of delivery of training activities

Training staff for IBAS++ and e-GP interface can be done through different manners[3]. They include:

- **Classroom training with instructors:** Participants attend training where an instructor presents material and there is an opportunity for interaction and hands-on learning or practice.
- **One-on-one tutorial:** Instructor provides individual instruction to one learner.
- **E-learning, facilitated:** Instruction delivered electronically with an instructor or facilitator who sets the pace and/or offers interaction (e.g., webcasts or scheduled Internet instruction).
- **E-learning, Self-paced:** Training delivered electronically (e.g., computer-based via the Internet or with CD-ROMs) in which learner sets own learning pace.
- **Self-paced Learning, Non-electronic**: Learner follows a course of study, setting own learning pace (e.g., with printed materials such as books or manuals, not via the Internet).
- **Blended Learning:** Combines e-learning with instructor-led classroom training or one-on-one instruction.

In addition, learning also happens on the job, with mentoring and knowledge exchange activities.

2 – PROCESS STEPS

To implement this training activity, you will have to undertake the following steps:

a) **ANALYSE**: identify the target group (who should be trained) and competency requirements (what do they need to know, what behavior is expected), conduct a training needs analysis (what do they know so far, what is the gap between organizational present and future needs). TNA may be done through structured questionnaire circulated among the prospective trainees.

b) **DESIGN**: define the learning objectives and outcomes and select instructional design strategies (how will this be delivered).

c) **DEVELOP:** develop course materials and activities, validate the learning resources.

d) **IMPLEMENT:** prepare learning environment and implement the learning solution.

e) **EVALUATE:** assess the effectiveness of the training activity including the teaching evaluation.

For any of these steps, you have the option to:
- Execute internally all or part of the steps,
- Outsource all the steps to a third party (public, private or not-for-profit organization),
- Outsource each step to different suppliers (public, private or not-for-profit organization).

In any of the case, you ought to do some homework and be clear with your team (PIT or PECT) about the objectives of the training activities: target groups (homogeneous or not), competency gap to address,

[3] http://web.mit.edu/training/trainers/guide/deliver/train-guide-matrix-full.pdf

learning outcomes as well as indication on preferred delivery channels. Your understanding is captured in the terms of reference that you will need to draft to recruit the supplier(s).

In the context of the PFM reform action plan, a Competency Framework is being developed and should be used as a reference document to identify the gaps and develop the required training. The Competency Framework lists the required technical skills and their level. In addition, it is provisioned that the Institute of Public Finance develop over time the identified training course materials, so this makes it easier for civil servants to access to customized knowledge that will strengthen their skills.

3 - AUDIENCE

Beneficiaries of training need to be carefully selected so that it benefits both the employees and the organization. They can afterwards apply the new skills to their work so that the organization's objective can be met. In the example of IBAS++, beneficiaries include Disbursement and Drawing Officers (DDOs).

4 - MEASUREMENT AND INDICATORS

Training professionals often use Kirkpatrick's Four-Level Training Evaluation Model to help answer questions on effectiveness measurement. It can be used it to objectively analyze the impact of training, to work out how well trainees learned, and to improve their learning in the future. The four levels are: reaction (are happy with the event), learning (have acquired the intended knowledge/skills), behavior (are applying what they have learned), results (have produced impact on the organization).

For purpose of monitoring, output indicators tracked include:

OUTPUTS	INTERMEDIATE OUTCOMES	IMPACT
Number of training workshop Training materials Number of training days Number of participants trained Number of training days/person Number of women trained	[check against objectives of the training] Learners able to apply skills learned Learners use the new system	Use of new processes leading to increased efficiency or improved results (examples: disbursement, speed of supplier payment)

5 - INCENTIVES

Staff will be proud to provide better services to citizens and organizations, paying government suppliers in time while working less as the system will be automatize. Training activities can also be used wisely as a reward for committed employees as they can be relieved of the pressure of day-to-day work to get professional and personal skills in a pleasant environment.

6 – ENABLING ENVIRONMENT

An enabling environment plays a key role in supporting staff's learning and development. It is well recognized that learners learn and develop best in supportive environments which respond to their individual needs, allowing them to explore and apply what they have learned. The capacity building provided in the PFM action plan will have higher chances to be effective as cohorts of staff will be trained and work together, rather than learning individually. Shared learning enables organizations to increase their staff' abilities quicker and solve problems more efficiently.

7 - DOS AND DON'TS

DOS	DON'TS
Have a competency framework that defines the skills needed for that position/work	Provide general training that is not in relation to the organization / job's objective
Conduct a training needs assessment (TNA)	Hire unqualified persons as training providers, learners will not acquire the skills needed
Establish selection criteria of trainees	Send staff who are unrelated to the work to join a training session
Define the objectives of the training	
Define the indicators of success / acquisition of skills	
Require training providers to set up a monitoring framework that will track if learners apply their skills	
Reinforce learnings with a support system (help desk)	
Establish criteria for selection of training suppliers	

8 - RESOURCES

Pretorius, C., Quist, R., Dendura, J., Dehove, M. (2011). *Supporting Capacity Development in PFM - A Practitioner's Guide Volume I and Volume II.* Paris. OECD.
https://europa.eu/capacity4dev/public-cd-tc/document/supporting-capacity-development-pfm-%E2%80%93-practitioner%E2%80%99s-guide-volume-i

https://www.oecd.org/dac/effectiveness/48782733.pdf

Community of practice website: Learning Network on Capacity Development
http://lencd.org/learning/capacity-summary-core-concepts-levels-types-themes

Section 3: Communication and knowledge sharing

1 – PURPOSE

Communication is the process by which people transmit or passage information or message to other people. It takes place upward, downward and laterally throughout the organization.

The objectives of communication can be manifold:

- to explain government's goals, decisions, actions and activities
- to keep people up to date with their rights and obligations
- to give people instructions on how to act towards reform
- to increase awareness of public administration
- to have accountability.

The ultimate goal of communication is to facilitate a change in behavior rather than merely to disseminate information. Such change in behavior among specific client and stakeholder groups is critical to the achievement of management objectives such as the PFM action plan.

Strategic communication takes a client-centered approach. It involves the development of programs designed to influence the voluntary behavior of target audiences to achieve management objectives (Cabañero-Verzosa and Garcia, 2011). Therefore, the process of communication must be a continuous and dynamic interaction.

In the PFM action plan, communication activities are planned for groups of civil-servants, entity leadership, broad stakeholder groups and the public at large aiming at changing their behavior to adopt new procedures or engaging them to co-create policies and services. This how-to note provides a guideline to public officials, in charge of steering and implementing reforms, on effective communication tools and techniques.

Let's take two examples:

1. To improve the quality of the Medium-term Debt Strategy (MTDS), design a communication platform for multiple agencies involved. (Activity 5 – PFM action plan)
2. To ensure greater openness and transparency of the Annual Performance Agreement (APA) process, develop and implement a communication strategy targeted at key stakeholders to make the citizens aware of the objective of APA and how it can translate into impacts in their lives. (Activity 17 – PFM Action plan)

2 – PROCESS STEPS

The process of communication is cyclic. It begins with the sender and ends with the sender in the form of feedback. The effectiveness of communication across public sector and civil societies depends on the following steps:

1. **Identifying the objectives** that the communication or advocacy campaign seeks to achieve is a crucial step. Examples could include:

    - Internal objectives:
        - Ensure that public officials are **aware** of the reform and understand how it will affect their work.
        - Encourage public officials to **adopt and participate** in the reform.
        - Ensure that public officials are **effective** and can speak positively about these.
        - ***This is the objective of our first example***: ensure that multiple agencies understand the why of the reform, see what they can benefit from and participate voluntarily in the development of the MTDS.
    - External objectives:
        - Ensure that **citizens understand** why the reform is established and what it will deliver.
        - Encourage a **cultural change** in favor of reform principles.
        - **Raise awareness** amongst citizens of the role that they can play in supporting the reform and the opportunities available to engage in public life.
        - ***This is the case for our second example***: in communicating the commitments made by ministries to improve their service delivery, citizens understand what they can expect from their government, make her accountable and can shape the APAs going forward. It informs citizens about How Bangladesh Manages its Public Money (PFM Handbook).

2. **Setting targets and milestones** to ensure that the communications plan is built around clear, realistic and achievable targets. ***In the second example***, the PFM action plan already provisions target indicators: outcomes and results are published and posted; at least 200 suggestions received from the public on APAs; The next PEFA PI-9 rating is B.

3. **Setting responsibilities** for accountability and transparency is also a key component. Following things should be clearly identified:
    - which institution and individuals are responsible for the delivery?
    - who must provide input and approval, as well as the timeline for doing so?
    - Clear feedback channels in place for participants to raise questions and concerns and to take measures.

4. **Identifying audiences** for choosing the right communication channels and delivering the right message to the target group. This identification can be done in following way:

    - Stakeholder mapping and prioritization: simple methods exist to identify who is the target audience for your communication activity (for example Netmap: http://www.mspguide.org/tool/netmapping). Once the various audience groups have been identified, the next stage is to determine what aspects of open government communication are likely to be most important or relevant to them; the desired outcome in communicating with them; and their importance for the success of the communication and advocacy.

5. **Identifying the channel** to reach different audiences: It is important to bear in mind how the key messages and communication initiatives can best be deployed to reach the various audiences outlined above. An example could be:

Target group/ Audience	Channel
Public service officials	• Official events & gatherings (trainings, workshops, seminars, dialogues) • Government orders • Print and electronic media
Private sector representatives & Broad stakeholder groups	• Official meetings (one-to-one briefings, seminars, roundtables) • Print and electronic media and events outlined below
Civil society actors	• Inclusion in multi-stakeholder platforms • Official events & gatherings (conferences, seminars, dialogues)
Media	• Special briefings • Press releases
General public (identified target group)	Print and electronic media and events outlined below

Print Media	Electronic	Events	Television	Radio
• Reports • Pamphlets • Booklets • Brochures • Fact sheets • Comics • News stories • Feature stories • Supplements • Advertisements • Hoarding	• Social media (Facebook, WhatsApp, YouTube): Contents, Blogging, Live events. • Websites • E-learning platform • E-mails • SMS – text mail	• Community gathering • Conference • Workshops, • Seminars • Public fora • Retreats • Field visits	• News • Feature stories • Documentaries • Talk shows • Public • Service • Announcements (PSAs) • Local dramas • Soap operas	• Talk shows • News • Call-in shows • Radio drama • Religious programs • Advertisement • PSAs Jingles • Community radio

6. **Developing Key Message:** A series of key messages should be developed, based on the objectives of the communication and advocacy initiatives. These key messages should be simple, clear and concise, and adapted to the interests of the different audiences targeted.

7. **Content Development:** A range of content should be developed to support the campaign. These contents can incorporate case studies, spokespeople, impact reports, short videos and data visualizations, fact sheets, brochures, webinars etc. Brand identity and guideline with logo, fonts, colors and style guide should be followed throughout to ensure that all communication on open government strategies or initiatives are easily identifiable and reflect the values of the campaign.

8. **Monitoring & Evaluation** with qualitative and quantitative indicators to identify the reach and effectiveness of the campaign.

What can be procured?

The PIT and PECT team should broadly understand the first three steps described above**:** what is the objective of the communication activity and whom are we trying to influence; how would we know if this objective has been achieved (setting up targets and milestones); who should be involved internally to provide input and feedback to the activity. This understanding will help develop the terms of reference for outsourced tasks.

You can be assisted for Step 4 to 8 by a service provider expert in communication. This can be a public relation firm, an advertising agency. They usually manage the whole contract and work with a web of specialists (in-house or independents) such as: graphic designers, web designers, printers, media producers. They will buy advertising spaces when needed or develop relations with journalists or bloggers to amplify your message.

3 – AUDIENCE

The beneficiaries for communication and advocacy include: government officials and decision-makers, private sector, media, civil society, think tanks/ academia, policymakers, community leaders, local community organizations, international multilateral organizations, donor organizations, international businesses, international government officials, general public etc.

4 - MEASUREMENT AND INDICATORS

- Central database for monitoring and evaluations
- Annual communication & advocacy report highlighting qualitative outcomes such as number of campaigns with case studies; and qualitative outcomes such as:
    - Public officials: clear understanding of the reforms and their implementation; ability to communicate the reforms effectively to citizens they interact with.
    - Civil society: co-create related policies and initiative; reach out to specific stakeholders.
    - Thinks tanks/ academia & private sector: support for approach and understanding of the reforms; collaboration and endorsements.
    - Media: incorporate key messages in their reporting and share successes; provide platform for official spokespeople and third-party influencers to share messages.
    - Citizens: participate in citizen dialogues; adapt to the behavioral change related to the reform; support the approach and understanding of reform.

5 - INCENTIVES

- Identified as agents for change within government.
- Representing the country in different platforms.

6 – ENABLING ENVIRONMENT

- Agility within the team to validate, implement and adapt various ideas.
- Increasing the appetite for risk-taking.
- Extending the partnerships with civil society, private sector, citizen groups, youth organizers to amplify the reach of campaign and promote influencers and endorsers beyond Government.
- Focusing more on qualitative outcomes.

7 - DOS AND DON'TS

DOS	DON'TS
• Leverage digital tools & contents	• Get bogged down with old ways of communication
• Collaborate with stakeholders in design and implementation phase	• Try to address multiple problems with one campaign
• Collect regular feedback	• Do everything by yourself, communication is a profession
• Maintain regular touchpoints with stakeholders	• Rely totally on the advertising agency, you should know how to measure their performance
• Extend partnerships with influencer groups such as civil society, innovation hubs, youth organizations, private sector etc.	
• Monitor and evaluate progress towards the attainment of objectives on a continuous basis	
• Manage carefully the advertising agency if the tasks are procured	
• Write clear tasks and deliverables in the terms of reference	

8 - RESOURCES (links, documents, etc.)

Engaging with the Public: 12 lessons from DAC Peer Reviews and the Network of DAC Development Communicators
https://www.oecd.org/dac/peer-reviews/12%20Lessons%20Engaging%20with%20the%20public.pdf

The World Bank Annenberg Summer Institute: a summer training program to support change agents and reform initiatives in developing countries:
https://exed.annenberg.usc.edu/program/world-bank-annenberg-summer-institute-0

Training materials from the Communication for Governance and Accountability Program (CommGAP)
http://siteresources.worldbank.org/EXTGOVACC/Resources/CommGAPBrochureweb.pdf
http://siteresources.worldbank.org/EXTGOVACC/Resources/CommunicationGovernanceTGedition2.pdf

Cabanero-Verzosa, C.; Garcia H. (2009). *Building Commitment to Reform through Strategic Communication: The Five Key Decisions.* World Bank Training. World Bank. https://openknowledge.worldbank.org/handle/10986/2677 License: CC BY 3.0 IGO.

Cabañero-Verzos C., Garcia H.. 2011. *People, Politics and Change: Building Communication Capacity for Governance Reform*. World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/20188 License: CC BY 3.0 IGO.

Governance and Social Development Resource Centre website:
https://gsdrc.org/topic-guides/communication-and-governance/communication-for-governance-reform/

Section 4: Advocacy

1 – PURPOSE

As PIT and PECT members, you will be expected to speak favorably about the PFM action, to explain what the reforms are about, what the planned activities are, to disseminate information and encourage DDOs and other stakeholders to implement the actions. Concurrently, there are also citizens, community groups, non-governmental organizations who are demanding public participation in the budgeting process, transparency and fair use of public money. In both cases, this is about advocacy.

Advocacy is the act of influencing and supporting a policy or an action on behalf of a group or an organization. Thus, policy advocacy involves speaking in favor of and gathering support for particular positions concerning specific public policies, which affect groups of stakeholders. The position might be to approve, repeal, reject or amend a given policy. Advocacy encompasses several activities which organizations, or individuals can take to exert pressure for change in a specific policy or behavior of a government, institution, organization, companies or possibly groups of individuals (such as pensioners) or government employees (such as DDOs).

Ultimately, in the context of the PFM strategy, advocacy seeks to address the underlying causes of ineffective public financial management, by promoting solutions identified in the PFM action plan that will remove the obstacles to adopting systems, processes and behavior to serve better the citizens and achieve sustainable growth. Advocacy can include research and policy analysis, lobbying, media work and campaigning.

Let's take two examples,
Activity 26, PFM Action Plan

- Review pending cases with the concerned line ministries through the divisional and district officials and prepare monthly progress reports (to be submitted to FD) to help ministries proactively clear their backlog of cases

Activity 36, PFM Action Plan

- Conduct awareness/sensitization of Principal Accounting Officers (PAO) on the relevance of Internal Audit that will support PAOs in meeting their duties and responsibilities under Section 19 of the Public Moneys and Budget Management Act,2009

2 – PROCESS STEPS

Phases	Diagnose	Design	Develop	Deploy	Debrief
Key Questions	Who are the winners and losers of the reform? What are potential levers?	With whom do we want to build relationships? What is the outcome we want to achieve?	What channels are most appropriate to reach target audiences? What is the best timing?	Are we prepared to implement activities? Are we managing conflict and risk appropriately?	Did our advocacy efforts achieve its/their goals? How can we achieve greater support in the future?
Activities	▸ Identify key stakeholder audiences ▸ Survey stakeholders ▸ Analyze stakeholders issues and perceptions ▸ Conduct stakeholder mapping exercise ▸ Assess communications environment and channels	▸ Set advocacy objectives ▸ Prioritize stakeholder groups and determine approaches ▸ Identify stakeholder messages ▸ Define success indicators	▸ Choose priority audiences and messages ▸ Identify tools and tactics ▸ Develop timing and sequencing of activities ▸ Define evaluation criteria for activities	▸ Implement Advocacy Action Plan • Communications activities • Stakeholder engagement activities ▸ Monitor and adjust strategy/plan as needed	▸ Evaluate (overall advocacy campaign and specific activities)
Outputs	▸ Stakeholder Analysis ▸ Communications Audit ▸ Project Brief	▸ Advocacy Strategy ▸ Message Matrix	▸ Advocacy Action Plan and Timeline ▸ Advocacy budget	▸ Communications Activities ▸ Stakeholder Engagement Activities ▸ Monitoring reports	▸ Activity assessment ▸ Advocacy strategy assessment ▸ Lessons learned documents

Stakeholder Engagement and Tactical Coordination

Advocacy is a science as effective advocacy requires systematic planning, evidence-based research, facts and figures, and a consistent message. But advocacy is also an art as successful advocates can articulate issues in ways that inspire and motivate others to take action. Advocacy requires a clear vision of the desired outcomes, a thorough understanding of the particular issue, the ability to prepare evidence-based proposals, and the opportunity to meet with and persuade policymakers and implementers to do something differently or not to do something.

There is a whole process to design an advocacy strategy that starts with the identification of the problem, its root causes and finding the solutions. This step has already been completed as the PFM strategy and the PFM action plan have already been developed and adopted. Thus, we will only focus in this note on how you can promote these reform activities and influence others to embrace them. The model above outlines a 5-step advocacy campaign.

Step 1: Diagnose

We keep repeating in all sections of this guide: for any activity, know your stakeholders. It is not sufficient to say “DDOs” or “beneficiaries”. We often treat them as monolithic groups but within each group, you will find factions with their own interest, what they have to lose, and what their desired outcomes are. In this guide, we propose that you use Netmap tool (https://netmap.wordpress.com/about/) to identify these stakeholders. It is a low-tech and low-cost tool that does not require sophisticated skills, but builds on tacit knowledge and helps a group interact, confront their analysis and develop strategies for an advocacy campaign: what is the most effective message, which channel is most efficient, who are the key leaders. Each sub-group might require a different approach, different messaging, different types of interaction.

Step 2: Design

Once you know about stakeholders, their potential losses, factors that will win over their support, design your advocacy strategy. The strategy indicates the results you want to achieve (indicators of success), the key stakeholder groups, how you will achieve it for each of the group and what key messages will disseminated.

Step 3: Develop

Based on the strategy, develop clear operational plan (who will do what, how, by when and how much will this cost). The plan defines activities that will be carried on. The PITs and PECT need to:

- Center the workplan on key envisioned advocacy activities including the intensity and degree of repetition for each,
- Ensure the activities are reasonably sequenced,
- Include in the campaign workplan all key tasks needed to carry out each activity effectively,
- Ensure the activities are properly costed.

The activities. An advocacy campaign is made up of a series of tasks related to the planning and delivery of sequences advocacy activities. Activities will include:

- Research
- Developing and distributing written information (newsletter, briefs, etc.)
- Engaging the media
- Making telephone calls
- Email/SMS campaigns
- Meetings and public events both internally and externally.

The Message. A good message tells the target audience: (i) what they are being asked to do, (ii) why it is worth doing and (iii) the positive impact of the action. **An inconsistent message is one of the biggest reasons for advocacy failure** and damaging to your credibility. Effective Messages are simple and concise with the right tone, an appropriate language and are carried by a credible messenger.

Costing. An individual advocacy activity consists of several different costs, which we call “budget line items”. It is important that all eventual costs are carefully budgeted for.

Costlier advocacy activities typically include:

- Public events such as workshops and conferences (hall rental, food and drink, printing and copying)
- Intensive media campaign
- Glossy publications.

Less expensive activities typically include:

- Internal meetings

- Desk research
- Developing and distributing written information
- Telephone calls
- Internet, social medias
- Emailing
- 1 on 1 meetings with stakeholders.

Step 4: Deploy

It's now time to put in action your plan and roll out the activities as you have planned these. This phase unites all the efforts to communicate about the reform activities to different audiences. The influencing phase is perhaps the least structured of all the phases in the advocacy process, since it requires the interaction with actors, which the PIT/PECT does not have full control over. It is important to tailor your advocacy materials to the specific audience that the PIT is trying to influence. In some cases, you will want to present a short, straightforward account of the issue, in other cases you will need a more in-depth treatment of the issue in order to be persuasive.

Shaping public opinion through the media can increase the success of the advocacy campaign. However, using the media should be done with caution, you should identify who is in favor of your policy and can reach the target public. Frequent and useful communication is the basis of any productive relationship. By taking some of the following measures, the PIT/PECT can build a positive relationship with its key stakeholders, group representatives:

- Establish contact and nurture relations by providing regular information about the reform activities;
- Keep your issues "alive" by regularly inviting them to attend briefings or roundtable discussions;
- Organize meetings that brings key players, who do not normally interact (e.g. officials from different departments) together;
- If someone has been helpful, do not forget to thank them.

Step 5: Debrief

The PIT and PECT coordinators should periodically evaluate the effectiveness of the advocacy strategy. This helps ensure that the goals and objectives of advocacy efforts will be achieved in a reasonable timeframe. The time-table should specify when an evaluation is to be conducted.

What can be procured?

As with communication activities, you can work with external providers (communication or public relations agencies) to help conduct the stakeholders mapping, develop the advocacy strategy, develop advocacy materials (newsletters, briefs, etc.), provide logistics for advocacy activities (workshops). You can even hire a personality (popular cricket players, popular bloggers, activists, etc.) to deliver the messages. However, as PIT or PECT members, you are the key messengers of the advocacy efforts, so you

need to be able to articulate clearly what the reform activities are and be convincing at delivering the message. In many ways, it is part of your job and you do advocate for the PFM action plan each time you engage with a stakeholder.

3 – AUDIENCE

The audience is the group of stakeholders you need to influence to change their behavior, adopt new processes or new ways of working. The identification of stakeholders is done through a mapping exercise (for example NetMap).

4 – MEASUREMENT AND INDICATORS

The ultimate indicator is the adoption and good execution of the reform activity by the group of stakeholders you have identified. You can monitor progress through outputs activities such as:

- Workshop(s) held
- Number of media articles
- Number of followers on social media
- Number of communication materials
- Number of participants to events, etc.

But none of these indicate the uptake for the reform so you will rather track intermediate outcomes indicators such as:

- Number of DDOs using the new system
- Time taken to process an invoice
- Time for pensioners to receive their benefits, etc.

5 – INCENTIVES

Beneficiaries are likely to support your advocacy efforts if the message is clearly articulated about the improvements in their daily life thanks to better public financial management. For government staff, suppliers or other groups identified during the stakeholder mapping exercise, it will be crucial to determine what they will lose and gain in the reform process. Transparency International (2014) dedicated a guide on transparency and PFM (2014) as it saw that: "*PFM involves highly complex, technical tasks and processes, including macroeconomic forecasting, budget allocation, accounting and auditing. The risk of corruption varies between and within the different stages of the budget process".* Thus, those who can gain from lack of transparency are likely to oppose the reform activities. The role of the advocates might be to show the larger good (welfare of citizens) or put pressure to change behavior or suffer the consequences.

6 – ENABLING ENVIRONMENT

The participation of the public, civil society (including media) to advocate for the PFM reforms combined with the support from the higher authority will be key in the success of advocacy campaigns.

7 – DOS AND DON'TS

DOS	DON'TS
Know who your stakeholders are	Take on too many issues at once
Identify who is losing and who is gaining in the reform activity	Have inadequate technical or political understanding of the issue(s)
Dedicate resources to develop and implement a strategy	Develop inconsistent presentation of message
Know what you are talking about and in terms that matters to the listener	Communication materials are not sufficiently grounded in evidence
Ensure the activities are reasonably sequenced	Lack of time or dedicated resources
Monitor implementation	

8 - RESOURCES (links, documents, etc.)

- O'Connell, S. (2014). *Policy Development and Policy Advocacy: Course Materials.* Washington D.C. National Democratic Institute (NDI)
- Golding, S., Kohonen, M., McGauran, K., McNair, D., Powel,l S. (2011). *Tax Justice Advocacy: A Toolkit for Civil Society.* London. Christian Aid and SOMO.
- Morgner M., Chêne M. (2014). *Public Financial Management Topic Guide.* Berlin. Transparency International
- Center for International Private Entreprise (2015). *Strategies for Policy Reform: Case Studies in Achieving Democracy That Delivers Through Better Governance.* Washington D.C.
- OECD (2008). *Implementing Regulatory Reform: Building the Case Through Results.* Paris
- The Access Initiative. (2010). *Advocacy and Policy Change Workbook.* Washington D.C. https://accessinitiative.org/resources\
- Washington Office on Latin America (WOLA) (2001). *Manual for Facilitators of Advocacy Training Sessions.* Washington D.C.
- Young, E., Quinn, L. (2012). *A Guide to Policy Advocacy in Transition Countries*. Washington D.C. Open Society Foundations

Section 5: Drafting/revising laws, strategies, regulations, framework, procedures

1 - PURPOSE

Regulation refers to the broad range of legally enforceable instruments which impose mandatory requirements - backed by the use of penalties - upon business and the community, as well as to those government voluntary codes and advisory instruments for which there is a reasonable expectation of widespread compliance. The PFM action plan provisions the adoption of new rules, regulations, procedures, guidelines or review of current frameworks such as:

- Update climate fiscal framework to enable climate resilience and environmental management
- Introduce new arrangements (legal, institutional, procedural and others) for strengthening withholding of VAT and income tax
- Develop procedures to promote environmental conservation and sustainable management of natural resources as part of the project appraisals
- Develop regulations to require LM follow up on IMED monitoring feedback
- Establish procedures and guidelines for pension payments.

Let's take few examples,

Activity 5, PFM Action Plan

- Develop an operational strategy to implement the MTDS and conduct training as needed and design a communication platform for multiple agencies involved (e.g., FD, BB, ERD, NSD, CGA)

Activity 19, PFM Action Plan

- Prepare a Risk Management Guideline including all procedures and process flows to mitigate fiduciary risk of the system. Two separate User Authentication and Activity Monitoring Units to be set up, one in FSMU-FD and another one in CGA.

Vocabulary

Law	Law is an institutionalized rule system established by governments. In the context of the PFM Action Plan, laws are enacted by the Parliament.
Policy	A Policy sets out an institution's position on a specific matter and requires a certain line of action to be taken, although it does not necessarily detail that line of action.
Procedure	A Procedure sets out, often in a step-by-step manner, the way in which the institution undertakes appropriate or best practice. Procedures sometimes elaborate on, and give effect to, a law, regulation or policy.
Guidelines	Guidelines embody the Institution's current view of appropriate or best practice. They are not necessarily set out in a step-by-step fashion.

Code of Practice	A Code of Practice sets out minimum expectations and best practice.
Framework	A framework is a broad overview, outline of interlinked items which supports a particular approach to a specific objective, and serves as a guide that can be modified as required.

At its most basic level, regulation seeks to change behavior in order to produce desired outcomes. A regulation works when it solves, or at least reduces or ameliorates, the problem or problems that prompted government to adopt it in the first place (Treasury Board Canada Secretariat, 2009, pp. 4, 19).

2 – PROCESS STEPS

Developing policies and procedures involves identifying need, gathering information, drafting, consulting and review. The following steps summarize the key stages involved in developing policies:

1. Identify need
Policies can be developed in anticipation of need or in response to need (e.g. a policy position on a government strategy may be developed in response to a consultation paper). The organization needs to constantly assess its activities, responsibilities and the external environment in order to identify the need for policies and procedures.

2. Identify who will take lead responsibility
Delegate responsibility to an individual, working group, sub-committee or staff members, according to the expertise required.

3. Gather information
Conduct a desk research to gather relevant information. You might want to verify: Do you have any legal responsibilities in this area? Do you impose additional regulatory burden on beneficiaries? Have other organizations tackled the same issue? Are there existing templates or examples that you could draw on?

4. Draft policy
Ensure that the wording and length or complexity of the policy are appropriate to those who will be expected to implement it.

5. Consult with appropriate stakeholders
Policies are most effective if those affected are consulted are supportive and have the opportunity to consider and discuss the potential implications of the policy. Depending on whether you are developing policies to govern the internal working of the organization or external policy positions, you may wish to consult, for example: staff; management committee members; and service users or beneficiaries.

6. Finalize / approve policy
Who will approve the policy? Is this a strategic issue that should be approved by the Management Committee or is the Committee confident that this can be dealt with effectively by staff? Ultimately, the Management Committee is responsible for all policies and procedures within the organization.

7. Consider whether procedures are required

Procedures are more likely to be required to support internal policies. Consider whether there is a need for clear guidance regarding how the policy will be implemented and by whom. Who will be responsible for developing these procedures? When will this be done? What will be the processes for consultation, approval and implementation?

8. Implement

The implementation plan addresses questions such as: how will the policy be communicated and to whom? Is training required to support the implementation among staff and target groups? Should the organization produce a press release (for external policy positions)?

9. Monitor, review, revise

Set up monitoring and reporting systems to ensure that the policy is implemented and assess usage and responses. The findings will provide elements if the policy needs to be reviewed and revised.

3 – AUDIENCE

The audience depends on the type of PFM activities provisioned in the action plan. Typically, the audience are the stakeholders whose behavior need to comply with the new policy, regulations, codes and procedures.

4 - MEASUREMENT AND INDICATORS

One can measure the effectiveness of a new regulation at four levels: activities (what is being done), outputs (results from activities), intermediate outcomes (change in behavior of the target groups) and impact (long term change resulting from the behavior change).

Activities	Outputs	Intermediate outcomes	Impact
Committee formed to draft the policy	Policy drafted Communication campaign conducted	Target group compliant with the new policy	Improved process

5 – INCENTIVES

There are obvious incentives for regulators to issue new documents to force changes and meet the objectives of the organizations. However, there can be unnecessary regulatory burden for the target groups and avoidance in complying with new regulations. It is thus important to conduct regulatory impact assessment as well as to consult properly the impacted constituencies to take into account all constraints.

6 – ENABLING ENVIRONMENT

The hierarchy needs to support the development of policies, regulations, frameworks or guidance notes as they are the ones who approve the final draft and advocate with other institutions for its implementation.

7 – DOS AND DON'TS

DOS	DON'TS
Consult with impacted constituencies	Don't add to the regulatory burden
Understand the political economy: who will gain, who will loose with the new regulations	Don't ignore the needs and interests of the various constituencies
Conduct regulatory impact assessment	
Use existing resources, from other countries to build on	
Develop and implement a comprehensive communication program	
Monitor implementation	
Provide training to impacted constituencies so they have the capacity to implement	

8 - RESOURCES (links, documents, etc.)

http://regulationbodyofknowledge.org/wp-content/uploads/2013/03/AustralianGovernment_Best_Practice_Regulation.pdf
https://www.pmc.gov.au/resource-centre/regulation/australian-government-guide-regulation

Section 6: IT systems acquisition

1 – PURPOSE

The government of Bangladesh has committed in the Bangladesh's Seventh Five Year Plan (FY2016-2020) to good governance that has a key pillar on reforming budgetary processes, and further elaborates the key priorities for PFM reforms. Underpinning this approach is the improvement of the Integrated Budget and Accounting System (iBAS), a centralized, Internet based true accounting system with option for online fund release, budget distribution and budget checking during payment. Under the new program, iBAS++ will develop priority interfaces, promote the public dissemination of quarterly budget execution reports and enable budget holders to generate budget execution reports from iBAS++ for decision making. It will also improve the timeliness of government wide audited financial statements. This note summarizes the steps for IT acquisitions for iBAS++. The term 'acquisition' refers to all the stages from buying, introducing, applying, adopting, adapting, localizing, and developing through to diffusion. While this note takes iBAS++ as one key example of the IT systems acquisition under the PFM Action Plan, there are several other IT systems and databases being designed and developed, such as MacroFiscal Data Portal, MacroModel, DAMFAS, SOE One-Stop Shop portal, NBR's VAT and Income tax systems, Audit Management and Monitoring System, PAC portal, APA system, project management information system, etc.

2 – PROCESS STEPS

The incremental cost for this Scheme on Improvement of Public Financial Services Delivery through Implementation of BACS and iBAS++ is estimated at US$ 30.3 million/Taka 25,521 Lakh. Professional fees and training together represent 81 percent of the scheme cost estimate which reflects the substance of the reform activities especially around the iBAS++/BACS development and implementation. The other cost items are: administrative expenses 8 percent; **acquisition of machinery & equipment and computer software 3.30 percent**; and the rest includes survey and study, repair and maintenance, travel, printing and publication, transportation and utilities.

IT acquisitions include hardware (computers, servers, data storage, etc.) and software such as (activities 18, 19 PFM Action Plan):

- Create additional functionalities within the existing iBAS++ module to facilitate DDOs to prepare relevant management reports (sub-task of activity 18)
- Commission a full third-party assessment of iBAS++ to obtain system security certification (sub-task of activity 19)
- Develop and implement system interfaces with other PFM systems (activity 20)

For each of these activities, the process steps are:

1) **Undertake a Diagnostic Assessment**
   This phase includes the preparation of in-depth functional and technological requirements if any new feature in iBAS++ need to be developed or existing ones need to be modified; the preparation of procedure manual in case the rollout results any change in existing business procedures; the recommendations to change relevant existing financial rules based on new account code & procedure manual. Such an assessment would be carried by government officials responsible for

managing the using FMIS, in this case the team in charge of iBAS++ development and must take place in consultation with stakeholders.

2) **Perform the procurement process**
During this stage, the iBAS++ team with PIT procures the goods and services according to the code for public procurement including: PPA 2006, PPR 2008 with all amendments up to January 2019 and Public Procurement Rules 2008 with all amendments up to 2018 governing the procurement of goods, works, and services with public funds. They will develop the terms of reference and call for proposals from prospective providers, evaluates the proposals, and selects the best available alternative. It will evaluate the proposals according to a list of objective selection criteria and decide the best match between the product features and functionality with the identified requirements. Once the vendor and its package selected, then the iBAS++ can move to the contract negotiation, specifying the price of the software and the type of the support to be provided by the vendor.

3) **Monitoring of the contract implementation - Testing and quality assurance**
Upon completion of the contract negotiation, the selected vendor will develop an execution plan to be validated by the iBAS++ team so the new application can be ready to be installed or developed. During this phase, the application is also tested, piloted and user reactions are evaluated. After the application or prototype of the application has passed user requirements, they can be deployed. PIT and iBASS++ will ensure that iBAS++ technical and design documents and user manuals are updated.

4) **Training and support of staff**
Working closely with PECT (iBAS++/BACS), the iBAS++ team maps out training strategy, schedules and implement training programs. The iBAS++ team works with the training consultants in preparing training plan, conducting training, and providing implementation support.

5) **Roll out, change management support and communication**
Working closely with PECT (iBAS++/BACS), the iBAS++ team prepares the rollout strategy, which includes training, change management and communication activities. It implements and coordinates the rollout of iBAS++ and BACS at the lowest organization levels throughout the country. It prepares all communication materials for stakeholders. This includes the rollout strategy and plans for rolling out iBAS++ core modules like the DDO module to 30,000 DDOs.

6) **Maintenance and continued support**
The iBAS++ team collects regular user feedbacks and prepare well documented change requests to the IT team if any software change is required.

What can be procured?

All the tasks can be procured with consulting firms and IT systems specialized companies of international reputation who are able to equip the government with a secure and reliable system. The role of PIT/PECT and iBAS++ team will be to closely monitor and supervise the consultants engaged in implementation of iBAS++ core modules and modules to ensure that the implementation is completed as per plan and that iBAS++ adheres to international quality standards.

However, hardware and software acquisition will not be enough to ensure high level service delivery. Instead, continuous and strengthened technical support of government staff at all levels will pivotal to ensure that the PFM reform initiatives and investments of last few decades are able to produce the desired result. As iBAS++ and BACS will act as the key vehicle to run the envisioned PFM reform by the SPFMS project, without adequate emphasis and investment in these two elements, which are the key areas of this scheme, the SPFMS will not be able to implement most of its activities and objectives.

3 – AUDIENCE

The audience for iBAS++ are all line ministries and directorates for budget preparation and management, all of 540 accounts offices (CAOs, DCAs, DAOs, UAOs) throughout the country under the Controller General of Accounts, all offices of Senior Finance Controllers (SFCs), Finance Controllers (FCs) and Area Finance Controllers under Controller General of Defense Finance (CGDF), all divisions under Public Works Department (PWD), Roads and Highways Department (RHD), Department of Public Health Engineering (DPHE) and Forest Department. When completed, iBAS++ will covers all central and local government institutions, SOEs, EBFs, autonomous bodies and foreign missions. Beneficiaries include citizens beneficiaries of social-safety net programs who are receiving allowances through Electronic Fund Transfers (EFT), using iBAS++ and pensioners will also receive pension payment through EFT. It will help electronic payment to all soldiers, teachers, doctors and other civil servants and help them avoid retirement hassles. Reform tools like iBAS++ and BACS are ready for countrywide massive rollout and providing service delivery benefits to the citizen.

4 - MEASUREMENT AND INDICATORS

The outputs and indicators are clearly defined in the iBAS++ scheme.

Results indicators	*Unit of measure*	Baseline	*Targeted outcome FY-19*	*Targeted outcome FY-20*	*Targeted outcome FY-21*	*Targeted outcome FY-22*
DLI 4: Timely, reliable payments of salaries and vendor invoices with strengthened treasury single account and automated payment system		Some Government bank accounts are held outside the TSA Extra-budgetary funds (EBFs) used operating expenses No online bill submission for vendor payment Previous classification chart limits financial reporting and analysis; and	**DLR 4.1: A stock-take of special accounts (including an assessment of the number of special accounts opened per year in prior years), EBFs (outside the TSA) has been completed ($2mil)**	**DLR 4.2: 50% of government payment transactions (in the relevant Fiscal Year in which the DLR is being assessed) are made through EFT ($3mil)** **DLR 8.2: 3 Priority iBAS++ Interfaces have been implemented and are operational [4] ($2mil)**	**DLR 4.3: 40% of DDOs submit all bills (payment requests) online (in the relevant Fiscal Year in which the DLR is being assessed ($2mil)**	**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% ($2mil)** At least70% government payment transactions are made through EFT At least 60% DDOs submit all bills online

[4] At least the social safety net system and Bangladesh Bank/Sonali Bank

DLI 8: Budget holders in MDAs effectively and transparently using financial information **DLI 5: Improved pension service through facilitation of payments through the EFT no later than the following pension payment cycle after retirement**	Yes/No Percentage Number	budget controllers do not use financial reports effectively As at June 2018, the monthly report (in pdf. format) on fiscal position available on FD website was for December 2017 (six months behind) Annual accounts are produced with a significant delay and follow the old templates of finance and appropriation accounts	**DLR 8.1: The FY2018/2019 budget (or, if the DLR is rolled over, the budget for the relevant Fiscal Year for which the DLR is being assessed) has been released on the Recipient's new BACS ($2mil)** IR 8.1: A user group reviewed and endorsed iBAS++ improvement plan IR 8.2: IPSAS Cash-basis Standard adopted and a financial reporting handbook drafted **DLR5.1** **The GP Fund Module and the Pension Service Module of iBAS++ have been implemented and are operational** **($1.5mil)**	IR 8.3: At least 2 self-accounting entities (SAEs) using iBAS++ IR 8.4: Detailed budget execution reports published on the official website	**DLR 8.4: 4 SAEs are using iBAS++ ($2mil)** IR 8.6: 30% of budget-holders generate monthly 10 or more iBAS++ reports for budget execution decisions **DLR 8.5: Detailed budget execution reports published by the Finance Division on MoF's official website on a quarterly basis, i.e. four reports published in the relevant year, (covering the relevant Fiscal Year in which the DLR is being assesse**d) **($2mil)** IR 8.7: Annual financial statements meeting IPSAS Cash standard (including external assistance) submitted to OC&AG within 6 months of the fiscal year-end	IR 8.8: At least 7 priority interfaces between iBAS++ and other systems are operational[5] IR 8.9: At least 6 SAEs using iBAS++ **DLR 8.6: 60% of Budget Holders generate 10 or more monthly iBAS++ reports for budget execution decisions for the relevant Fiscal Year in which the DLR is being assessed ($2mil)** IR 8.10: Detailed budget execution reports published on the official website IR 8.11: iBAS++ system used by the DDOs' at the Upazila level IR 8.12: IPSAS compliant annual financial statements[6] submitted to OCAG within 6 months of the fiscal year-end

[5] These should preferably include electronic Government Procurement, integrated VAT and income tax systems, and ASYCUDA in addition to the social safety net and Bangladesh Bank

[6] Including notes for receivables and payables

5 - INCENTIVES

The major incentive is to improve service delivery for the citizen, including civil servants, pensioners, government suppliers. Civil servants involved in the budget preparation, management and execution might feel insecure as the nature of their work is changing, with simplified processes that will make some position redundant. Managing the changing role and responsibilities as well as providing staff with skills and competencies will be key in making the successful shift to a modernized PFM system.

6 – ENABLING ENVIRONMENT

The enabling environment consists of the adoption and use of new functionalities by the leadership in various organizations combined with providing a supportive environment to staff.

7 – DOS AND DON'TS

DOS	DON'TS
Plan carefully and implement according to schedule	IT driven reforms that do not properly cater the user needs
Supervise closely consultants and liaise with stakeholders within the government	Never launch the system without adequate testing and piloting
IT security is extremely important to ensure data accuracy, privacy, and business continuity	Continue using manual systems in parallel after the successful automation
The look and feel of the system are as important as the functionality	
Off the shelf solutions should be first viewed as an option before starting a bespoke development	
Adequate training and change management are critical for the successful rollout	
Adequate help-desk arrangements and trouble shooting are a must for sustainable system use	

8 - RESOURCES (links, documents, etc.)

- Uña, G., Allen, R., Botton, N. (2019). *How-to-Note: How to Design a Financial Management Information System—A Modular Approach*. Washington, D.C. International Monetary Fund, Fiscal Affairs Department. https://www.imf.org/~/media/Files/Publications/HowToNotes/HowToNote1903.ashx.

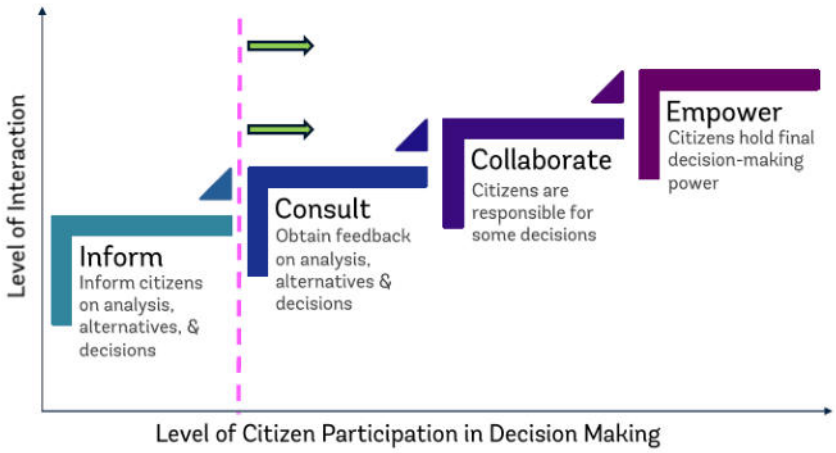
- United States General Accounting Office. (1992). *Information Technology: an audit guide for assessing acquisition risks. Washington D.C.* https://www.gao.gov/special.pubs/im814.pdf

- Rahardjo, E. (2006). *Decision Making in Information Technology Acquisition: A System Analysis Approach.* Saint Louis. University of Missouri http://www.umsl.edu/~sauterv/analysis/f06Papers/Rahardjo/

Section 7: Consultations, forums, citizen participation

1 – PURPOSE (WHY)

Citizen Engagement (CE) or Citizen Participation is defined as[7]: "The two-way interaction between citizens and government or the private sector that give citizens a stake in decision-making, with the objective of improving development outcomes". The spectrum of citizen engagement includes consultation; collaboration and participation; and empowerment (see Figure). Access to information is a necessary enabling condition, but it typically implies a one-way interaction only. Information sharing and awareness-raising activities alone, therefore, do not meet the definition of citizen engagement. Closing the feedback loop (i.e., a two-way interaction providing a tangible response to citizen feedback) is required to meet citizens' expectations for change created by their engagement, use their input to facilitate improved development outcomes, and justify the cost of engaging with them.



Engaging citizens and mobilizing communities can help bring greater transparency, accountability, and social inclusion, thus improves development results.

Engaging citizens is especially important during times of crisis like the COVID-19 pandemic as effectiveness of the response efforts can often hinge on behavior change at the micro-level. Informing and receiving feedback from citizens in real time can provide insight into how the crisis is affecting communities and enable real-time course correction and fixing problems in fast evolving situations as well as post-crisis.

[7] This note is adapted from World Bank Group. 2014. *Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations*. Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/21113 License: CC BY 3.0 IGO."

Citizen engagement has led to a more sustainable, open and equitable governance. Recent research has shown that citizen engagement initiatives can:

- Increase transparency and citizen trust in government
- Enhance government legitimacy
- Improve outcomes of macroeconomic policies
- Raise the frequency and quality of government responsiveness

Let's take few examples,

Activity 37, PFM Action Plan

- Create avenues for citizen participation to deepen OCAG's commitment towards citizen engagement

Activity 44, PFM Action Plan

- Develop a citizen engagement web portal including open contracting data by CPTU
-

2 – PROCESS STEPS[8]

a. Several core principles and features of effective, transparent and accountable participation practices are distilled. First, the entry points and process leaders for public participation must be identified within the fiscal processes of the existing legal framework.

b. Articulate a clear objective for public participation from the onset in order to maximize public interest and engagement opportunities. Either choose the programs for public consultation that citizens care about and where a public dialogue will be most valuable or to put in place open processes that enable the public to determine the priorities.

c. Decide whether the objective of the participation is to inform the public, get their feedback, obtain their input, collaborate with them, or empower them to make decisions.

d. After objectives are defined, it is necessary to determine the targeted participants. Participants vary from the general public to individuals with specific knowledge or expertise.

e. Consider which methods of engagement will be best to achieve the articulated objective: creation of working groups, commissions, public parliamentary hearings and written submissions, conferences, public assemblies and voting, hotlines, joint working teams, etc.

f. Establish a clearly articulated framework helps manage expectations of participants and helps the government team understand and execute the process. Participation must be adequately timed within the deadlines imposed by the existing legal framework.

g. Public participation benefits greatly from professional facilitation to help manage the process, to channel it productively, and to manage potential conflict. Similarly, a communication strategy is needed to ensure that affected stakeholders know about and understand the process. reports and media attention on the impact of participation can build trust and legitimacy, and create incentives for further engagement.

h. Ensure the government respond to public engagement, monitor and measure impact.

[8] This section is adapted from Marchessault, Lindsey (n.d.)

It is important to underline that Citizen Engagement is not a technical process that can be replicated independently of context. Where citizen engagement is effective in reaching its goals, it is because particular forms of citizen engagement interact in positive ways with existing institutions and processes of governance, and within the broader sociopolitical context. Seemingly similar approaches in different contexts often yield different outcomes. Context does matter.

Seven ways to increase participation:

- Show them results and communicate them
- Design multiple channels of interaction where technological solution supplements, but is not the only channel
- Provide multi-tiered levels of engagement
- Get personal, target and customize
- Reinforce sense of duty and collective responsibility and get at sense of belonging
- Get citizen's pre-commitment
- Learn to experiment and experiment to learn.

3 – AUDIENCE

Citizens – are understood as the ultimate client of government and/or development institutions' and private sector interventions in a country. In this context, the term citizen is not used in a legal sense but is understood in the broad sense of referring to all people in a society or country in an inclusive and nondiscriminatory way. Citizens can act as individuals or organize themselves in associations and groups. Determining the right audience / target group depends on the objective of the citizen engagement intervention.

4 - MEASUREMENT AND INDICATORS[9]

It is widely acknowledged that there are considerable challenges around isolating and measuring citizen engagement's impact. It is advised to develop results chains to help governments think through the objectives and targeted outcomes of CE in the context of a specific reform. Illustrative results chains look at outcome areas such as improved service delivery, public financial management, governance, and inclusion and empowerment, as well as enabling information activities. However, results chains will not provide a rigorous impact analysis of CE in the context of a reform, which requires a longer time horizon[10].

The work of the Tina Nabatchi (2012) indicates two dimensions of measuring the effectiveness of citizen engagement:

- **Evaluation of the quality of the participation process** to help better understand and improve the implementation and management of a citizen participation program.
- **Impact evaluations** to help determine whether the citizen participation program reached its intended audience and produced its intended effects.

Measuring the processes: Program implementation and operations	**Impact Evaluation Areas**
Program organization (operations, directives, standards, guides, staff and participants responsibilities, sufficiency of staff, coordination and working relationships)	Efficiency of the process (costs and time for participants and organizing agency)
Service delivery (access, facilitators, understanding of the process, issue selection)	Participant satisfaction
General and process specific outputs	General outcomes for (1) individuals, (2) community, (3) agency, (4) policy or public action
Specific program features (unique features of the process)	Process-specific outcomes
Intervening events (events that have influenced the implementation of the program)	Specific program features outcomes
	Outcomes from intervening events

[9] Adapted from Tina Nabatchi (2012). *A Manager's Guide to Evaluating Citizen Participation*. IBM Center for The Business of Government and Syracuse University

[10] World Bank (2014)

5 - INCENTIVES

In a study that the World Bank Group did of a hundred case studies of citizen engagement, it was found that the largest barriers weren't about how citizens engage, it was how institutions responded to that engagement. In many cases, when citizens spoke out and used their voices, their actions to express their concerns, the response ranged from either bureaucratic inertia where people simply didn't listen and nothing happened in that created frustration, or that sometimes stretched more strongly into repercussions and reprisals against those who dared to speak truth to power. One of the key ways that we can enhance citizen engagement and strengthen it, is about helping to create those larger institutional environments which make speaking out, make engagement a safe process, a process where people's rights and diversities and differences are respected, and also a process which ultimately brings some kind of response.

6 – ENABLING ENVIRONMENT

The nature of the "state", that is, the actors and dynamics within the "political society", are as important—if not more so—than civil society in explaining the effectiveness of Citizen Engagement. The two most important factors here are the commitment and capacity of bureaucrats and elected officials to promote and respond to citizen demands, and the nature of the rule of law.

Another sociopolitical factor is the State-Society relationship. To make accountability claims, there must first be an assumption about the responsibilities of the state, as well as the entitlements of citizens. Hence, the nature of the existing "social contract", as well as the history of state-society relations, shapes Citizen Engagement mechanisms and outcomes.

The state of Civil Society is yet another important sociopolitical factor. Simply put, the technical capacity, networking ability, and legitimacy of Civil Society Organizations are fundamental for Citizen Engagement to be effective. Cultural factors matter as well. For instance, accountability is understood differently depending on the prevailing norms. Furthermore, global factors, including international initiatives such as the Extractives Industries Transparency Initiative and the role of international donors, also influence the effectiveness of citizen engagement.

7 - DOS AND DON'TS

DOS	DON'TS
Provide capacity building to citizen to engage	Don't engage without setting objectives
Support collective action	Do not engage everywhere in the PFM process
Select areas of engagement where citizens find an interest	
Set up a process to answer to their voice and needs	
Set up a feedback loop	

8 - RESOURCES (links, documents, etc.)

https://www.worldbank.org/en/about/what-we-do/brief/citizen-engagement

www.civicus.org

http://guide.fiscaltransparency.net/

Marchessault, L. (n.d.) *Public Participation and the Budget Cycle: Lessons from Country Examples.* Washington, DC. Global Initiative for Fiscal Transparency.

World Bank Group (2014). *Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations.* Washington, DC. https://openknowledge.worldbank.org/handle/10986/21113

Section 8: Execution of reformed PFM process

1 – PURPOSE

The eventual goal of several PFM action plan activities is to implement a reformed PFM process (may be titled as a procedure, strategy, guideline or IT system etc.), for example, implementing the **BACS** or **DDO module**, or conduct of the SOEs' independent performance evaluation in accordance with the new **guidelines**. This eventual type of PFM reform sub-activity often involves new players that were not earlier engaged in the design/development phases of this reform cycle. For example, the design and development of DDO module may involve consulting a select group of DDOs, but when it comes to implementation, most of the 30 thousand DDOs will be seeing this module for the first time, that they are expected to use. Obviously, at this stage they will have more ideas on how the DDO module should look like or perform etc. and if the implementation is not managed carefully it could lead to an enormous resistance from DDOs.

For several of these PFM reforms, they also challenge the existing practices and status quo and therefore can potentially meet significant resistance. Therefore, execution of reformed PFM process is considered a separate type of sub-activity in the reform cycle where a suitable combination of change management techniques is to be deployed to smoothly effect the change comprised in the reformed process. Though these are not new types of sub-activities and would normally combine some of the 7 types of activities described earlier, the suitable combination will have to be designed for each context and normally implemented as one discrete activity with a separate title such as (a) piloting of DDO module for 1000 DDOs, (b) replication to next 5000 DDOs, and (c) roll-out to all 30,000 DDOs.

This section is therefore addressing groups of people working in the government and agencies involved in the management of public finances and who have to effect the change by conducting the planned activities: they are ministers, secretaries, officers with ranks and without ranks, analysts, drawing and disbursing officers, IT officers etc.

These activities encompass **executing** the activities per se, managing **coordination**, building **coalitions** for change, **monitoring** and maintaining **a discipline** for implementation.

The PIT and PECT have the mandate to engage and support these stakeholders to elaborate activities, obtain their commitment, ensure the activities are implemented and measure if these have been achieved or not. PIT and PECT often do not have the authority to make things happen but have to develop the art of mobilizing others to make change happen.

This note proposes an approach for activating others to implement PFM reform activities and manage change. Change management is broadly defined as "the process of helping people understand the need for change and to motivate them to take actions, which result in sustained changes in behavior"[11].

[11] World Development Report 2015

2 – PROCESS STEPS[12]

There are many frameworks and toolkits to mobilize for implementation and we have listed a selection at the end of this section. To guide you, let's take the DDO module example we started with. The proposed steps to conduct this activity are:

a) Review the objectives and assess the organizational structures

- **Review the objective** of the sub-task and spell out clearly the indicators, milestones, deliverables and timetable for the activity.

- **Undertake an organizational impact assessment** to provide recommendations regarding: structure, operational guidelines, roles and responsibilities, skills and knowledge and adaptation to changing nature of the work.

- **Clarify who is going to do the work**: facilitate a constructive dialogue, monitor that initiatives and issues emanating from the discussions are implemented, provide support for the implementation of potential solutions, disseminate information. In this example, this falls under the responsibility of the PIT. In other cases, if the PIT or PECT is not tasked for doing it, a governance mechanism must be devised and set up.

b) Map stakeholders and evaluate the reform impact

- Stakeholders in the example of DDO module include mid-level or execution officers and are in charge of performing the tasks related to the reforms. They are frontline officers, clerks who are tasked with entering the data in the system and not duplicating tasks between manual and digital systems. The DDOs are not a uniform group in reality. We are targeting officers at service delivery level such as schools, health centers. In addition to the DDOs, the stakeholders might be their directors, the suppliers, the parents-teachers associations and the public at large.

- **Undertake a stakeholder mapping** and analysis to identify all the relevant stakeholders and to gauge the level of support for the reform: what is their interest in joining the efforts, what are they loosing, who is influencing who, what are the constituencies behind them. We suggest an easy to use tool, Netmap: https://netmap.wordpress.com/about/

MAP YOUR CONSTITUENCIES

Stakeholder (individual or group)	Relation to the issue	Preferred outcome	Potential losses	Action steps

- **The Stakeholder management addresses** a number of key questions:
  – Who are they?
  – How are they impacted?
  – How much influence do they have over the success of the change effort?

[12] Section adapted from *Change Management that Works, Lessons from FMIS and PFM Reform in Cambodia and Indonesia.*" (2017)

– Are they supportive / negative / neutral?
– What are their concerns / issues?
– What actions do we need to take to influence them?

c) – Engage and communicate at all level

- **People are at the core of any successful change**. Involving stakeholders early, often, and in a meaningful way helps reduce barriers to change by creating psychological ownership, promoting the dissemination of critical information, and encouraging employee feedback for fine-tuning the change during implementation.

- **Effective communication is a must**. In the example used for this note, the stakeholder groups are large, by the thousands. Working with the communication specialist, a campaign to reach the sub-level groups needs to be rolled out.

Why do it?

- People need information to make change happen.
- Without good information, people will form their own opinions from inappropriate information.
- Lack of information will breed uncertainty and anxiety.
- Anxiety interferes with focus and productivity.
- People assume that others 'know'.
- Information sharing gives people a sense of belonging, involvement and ownership.
- People will be more committed to project goals if they feel involved in the change process.
- Communication stimulates new ways of thinking.
- Honest, timely communication will enhance credibility.
- With good communication, people will rely on the project team for valid, up-to-date information, rather than the 'grapevine'.

Benefits of communications are:

- Get the right information to the right people, at the right time, in the right format
- Create awareness, commitment and understanding
- Minimize resistance by eliminating ‘fear of the unknown’ and establishing ownership
- Dispel fear or misdirection caused by rumors
- Provide a forum in which to address concerns
- Engage the business towards a common goal by clearly defining strategy
- Equip people to participate in critical change activities in a timely and effective manner
- Maintain momentum by keeping project high on corporate agenda
- Establish and support program credibility

How to do it?

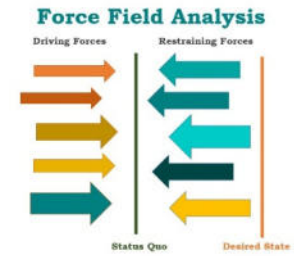
- Work with the Communications specialist to develop a communication plan, develop messages and channels according to the audience, produce the materials and disseminate.
- Use several channels: website, newsletter, WhatsApp groups, meetings.

d) – Train to provide the capacity for change

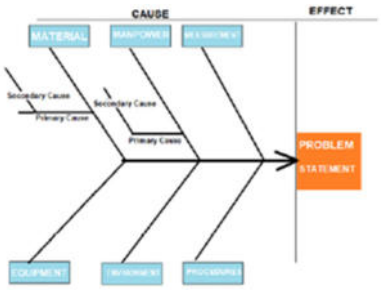
- **Develop the capacity of employees to perform their new tasks**, by providing training and on-going support. This should be based on the organizational and staff impact assessment. Refer to the how-to-note on training activities to design, elaborate, administrate and monitor training.
- **Organize learning events and community of practice** for stakeholders to exchange experience and find peer-to-peer support. Refer to the section on knowledge sharing for designing and implementing a program or an activity.

e) – Troubleshooting

Despite your efforts, you might have difficulties to mobilize stakeholders. Here are some troubleshooting tools that you have to conduct with the group of key stakeholders impacted by the change. In our example, you will face 30,000 DDOs. A feedback loop might be put in place to survey and call for suggestions to improve the activity. In addition to this quantitative approach, it is useful to develop a qualitative approach with a smaller sample representing the various sub-groups. During the stakeholder mapping, you might have identified their representatives, or you might decide to select a random sample of people to engage with. Their participation increases their understanding of the purpose of the reform activity, help identify the roadblocks and elaborate solutions.



i) Force-field analysis: FFA helps the group analyze the opposing forces involved in change. This tool can be used at any level (personal, team, organizational) to identify forces that work against change initiatives and those that work to support these initiatives. Once supportive and hindering forces are identified, the group analyzes impact, leading to actions that reinforce the positive and mitigate the negative forces.



ii) Root-Cause analysis (Fishbone/Ishikawa diagram) to facilitate a discussion on root-cause of an implementation problem. The fishbone diagram identifies many possible causes for an effect or problem. It can be used to structure a brainstorming session. It immediately sorts ideas into useful categories. As with the FFA, the group can use the results to elaborate an action plan to address the causes identified.

iii) Distinguish adaptive and technical challenges and use adaptive leadership to mobilize others.

Technical Problem	Adaptive Challenge
It is easy to identify	It is difficult to identify
Most of the time has quick and easy solutions (tried and tested)	It requires changes in the way things are done (changes in approach to work)
It can be solved by expertise or authority generally	People who are working from where the problem is generated are able to solve it.
Requires small changes that also within organizational boundaries	Requires changes at lot of places which may cross organizational boundaries
People are receptive to technical solutions	People resist to acknowledge adaptive challenges
Solutions can be implemented fast and by authority	Solutions emerge from experimentation and discovery, take long time to implement

When there is a roadblock to implementation, we think that a technical solution will solve the issue. But resistance to change is by nature an adaptive challenge, i.e. requires people to learn new ways of doing thing, change their values and mindset. Treat technical problems with technical solutions but do not use these to solve adaptive issues. With adaptive (behavioral) issues, solutions have to be elaborated with them.

iv) Develop an action plan

Milestone	Activities	Point Person	Timeframe	Indicative Budget	Monitor and Evaluate

Using the FFA and Root-cause analysis findings, elaborate with the stakeholder group an action plan specifying clearly who is responsible, the timeframe, the resources needed. Then conduct periodic review meetings to monitor, brainstorm solutions for new roadblocks and celebrate small wins.

3 – AUDIENCE

The audience is determined by the stakeholder mapping explained above.

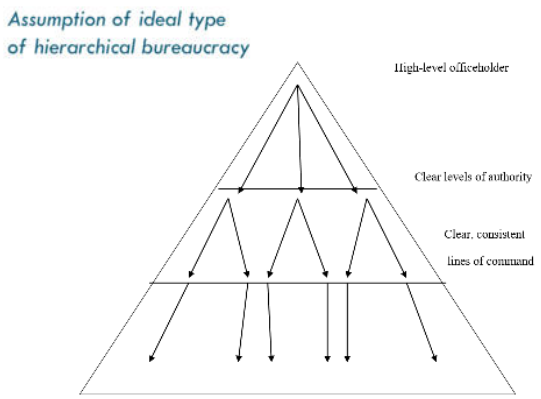
4 - MEASUREMENT AND INDICATORS

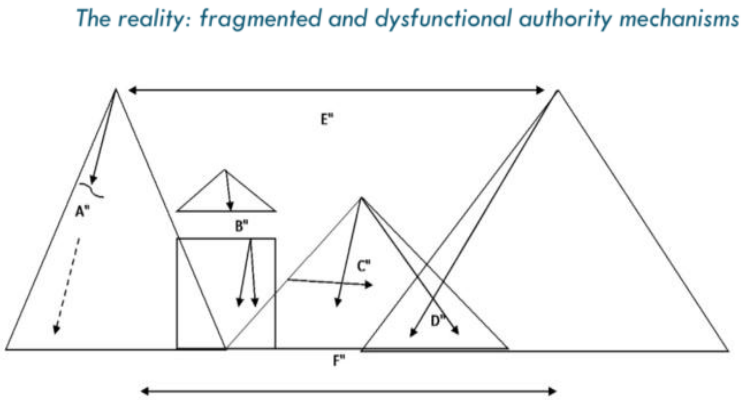
Indicators of success depend on the reform activity being implemented. In our example, the indicators are listed in the PFM action plan such as 40% of DDOs are submitting all bills online by year 2021 and 60% by year 2022.

5 - INCENTIVES

Most people are afraid of changes because they are afraid of losses. Well-designed reform activities elaborated with their participation and that take their interest into account, are likely to be successful. Incentives for the range of PFM reforms include: better services for the citizens, less workload, more interesting tasks to perform as automation will alleviate repetitive tasks, better pay for more qualified job, better consideration in society for the new skills acquired, opportunities to participate in study tours and exchange with peers.

6 – ENABLING ENVIRONMENT[13]





[13] Section adapted from Andrews M., Pritchett L., Woolcock M. (2016)

"*One needs authority to undertake any initiative aimed at building state capability, and this authority is often difficult to attain*" (Andrews M., Pritchett L., Woolcock M. (2016). In our example, although the PFM action plan has been adopted by the Government, it is not clear if the same commitment has been done at lower level of authority, from agencies to ministry departments. The role of the PIT would be to assist stakeholders to secure the support of their supervisors and teams. This happens through regular communication, engagement, demonstration of small successes from which they can build on.

7 - DOS AND DON'TS

DOS	DON'TS
Engage as early as possible with stakeholders	Ignore stakeholders
Conduct the required exercises (organizational impact assessment, impact on staff)	Work without a plan
Elaborate a support system to accompany staff in the change process	Ignore roadblocks
Communicate, communicate, communicate	Treat adaptive issues with technical solutions
Build leadership support, formal or informal	Treat technical issues with an adaptive approach
Find collaborations both within the public sector and private sector/NGOs	Ignore the political economy of reforms

8 - RESOURCES (links, documents, etc.)

- The World Bank. (2015). *Managing Change in PFM System Reforms: A Guide for Practitioners*. Washington D.C.
- United States Agency for International Development (USAID). (2015). *Change Management Best Practices Guide*. Washington D.C.
- Huerta Melchor, O. (2008). *Managing Change in OECD Governments: An Introductory Framework*. Paris. OECD
- World Bank. (2017). *Change Management that Works, Lessons from FMIS and PFM Reform in Cambodia and Indonesia.* Washington D.C.
- Government of Western Australia, Public Sector Commission. (2017). *Structural change management - A guide to assist agencies to manage change*. Perth https://publicsector.wa.gov.au/public-administration/structural-change-management
- Heifetz, R., Alexander, G., Marty, L. (2009, 1995). *The theory behind the practice, a brief introduction to the adaptive leadership framework; The practice of adaptive leadership: tools and tactics for changing your organization and the world.* Cambridge, Harvard Business School Publishing Corporation.
- Andrews, M., Pritchett, L. and Woolcock, M. 2016. *Doing Iterative and Adaptive Work.* Cambridge. Harvard Kennedy School Working Paper.
- Andrews, M., Pritchett, L. and Woolcock, M. 2016. *Managing Your Authorizing Environment in a PDIA Process*. Cambridge. Harvard Kennedy School Paper
- Action planning: https://www.civicus.org/view/media/Action%20Planning.pdf
- Fishbone analysis: https://www.betterevaluation.org/en/resources/fishbone-diagram-cause-and-effect-diagram
- Force-Field Analysis: https://www.betterevaluation.org/en/evaluation-options/force_field_analysis

Annex: Public procurement process

1 – PURPOSE

The goal of public procurement is to award timely and cost-effective contracts to qualified contractors, suppliers and service providers for the provision of goods, works and services to support government and public services operations, in accordance with the principles and procedures established in the public procurement rules.

Public procurement has social, economic, and financial objectives. These objectives form a core foundation of procurement regulations and organizations to remove barriers to trade in goods and services. These core objectives include:

a) **Promote transparency and openness in public procurement:** The policy ensures that all qualified and interested parties are included in the procurement procedures.

b) **Promote economic efficiency:** The objective seeks to ensure that the organization acquires the products from the lowest qualified supplier possible.

c) **Promote efficiency in public procurement:** This objective seeks to ensure that each procedure in the procurement process is complete in the given timelines for each process.

d) **Promote public confidence in procurement procedure:** A proper public procurement process should establish confidence in members of the public by delivering positive results that they require and expect.

e) **Promote equality and fairness in the public procurement process:** This objective seeks to give all an equal chance to participate in the procurement process, so that public funds are not used to provide favors to specific individuals or companies.

f) **Elimination of corruption in public procurement:** This objective aims to ensure that no one is locked out unfairly though the practice of corruption and fraud. All public officers and individuals engaged in the procurement process, including bidders and contractors, must observe the highest standard of ethics during the procurement process and in the execution of contracts.

2 – PROCESS STEPS

The process involved in public procurement are:

i) Requirement identification (broadly defined in the schemes, to be refined as required)
ii) Budget allocation (request for, allocation of, and release of Annual Development Plan [ADP])
iii) Procurement strategy development
iv) Procurement Planning (Annual Procurement Plan [APP] and Revised APP)
v) Procurement Method Selection (Open competition, limited competition, shopping/quotation, single or two stage process, public-private-participation, etc.)

vi) Sollicitation, documents preparations (IFB, DBD, REOI, RFP, RFQ)
vii) Advertisement (IFB, REOI)
viii) Bid and/or proposal submission
ix) Evaluation and Selection
x) Contract Negotiation and award
xi) Contract management (quality assessment, acceptance, certification, variation, amendment, dispute resolution, payment etc.)
xii) Contract closeout (defects liability, warranty, retention money/final payment, release of performance security)

3 – AUDIENCE

The audience of public procurement are its Actors, Stakeholders and Beneficiaries.

Actors: Procurement practitioners are the principal actors in the public procurement process. They are responsible for ensuring that the goal of public procurement is achieved, and that stakeholder fully understands and trust the procurement process and principle.

Procurement practitioners are directly and indirectly engaged in the procurement process, from needs assessment to contract close-out. They are directly involved in the public procurement process, and indirectly participate as providers of advice and support during contract execution.

Stakeholders: Those are who have "a stake" in the activity and might be affected, directly or indirectly, positively or negatively by a particular action.

While Actors play an active role in the implementation of the procurement process, stakeholders can have a tremendous positive or negative influence on the reform activity itself. However, Actors are also stakeholders because of the benefits they derive from the use of public goods and services.

Beneficiaries: are people or organizations that benefit from the reformed process. These can be sub-groups such as government contractors, teachers, doctors and staff of public hospitals, government retiree or one can say that all citizens are beneficiaries of public procurement. They can enjoy public goods and services that are made available in the form of efficient transportation systems, public utilities, educational systems, medical services and facilitates, etc.

4 - MEASUREMENT AND INDICATORS

a) Efficiency of Public procurement process

Efficiency in procurement can be measured in terms of transaction costs and time of procurement procedures. Efficiency can also be measured through the use of e-procurement and of aggregation vehicles like framework agreements and consolidated contracts. Suggested key performance indicators (KPI) are:

i) Use of contract mechanisms
ii) Uptake of e-procurement
iii) Use of e-procurement per contracting mechanisms or per low/high value procurements
iv) Savings using framework agreements with second-stage competition
v) Efficiency of public procurement unit

vi) Level of unsuccessful public procurement processes
vii) Reasons of unsuccessful public procurement processes
viii) Public procurement award time

b) Openness and transparency of the public procurement process

Openness is understood as the fair and equal treatment of participants in the procurement process. It includes public disclosure of rules; publication of procurement opportunities; publication of the results of the procurement processes, of contract modifications and of justifications for the use of procurement methods other than open tendering. Suggested KPIs are:

i) Promoting competition; procurement procedure
ii) Promoting competition; number of bids
iii) Increasing the supplier base
iv) Transparency of public procurement information

c) Professionalism of the public procurement workforce

Officials will not be able to maximize value for money and implement the goals of national procurement strategies only if the procurement workforce is equipped to handle the increasing complexity of procurement. Capacities and training of the workforce are indicators for the performance of a procurement system. Suggested KPIs are:

i) Number of public procurement officials according to the value and number of contracts and unsuccessful processes
ii) Level of trained public procurement officials

d) Contract performance management and supplier performance

Contract management and supplier performance can be measured in terms of delivery management, relationship management, and contract administration. Suggested KPIs are:

i) Are suppliers delivering the right thing?
ii) Are suppliers delivering at the right moment?
iii) Are there delays in payments?

5 - INCENTIVES

The ultimate incentive for public sector procurement is to provide public services and support government operations at all levels within a country. The main reasons for acquiring goods and services in the public sector are therefore (i) for supporting government operations, and (ii) to provide public services. Public procurement is financed primarily from taxes and/or grants and loans obtained by the government on behalf of the country.

Public Sector procurement is governed by the public procurement rules. In Bangladesh, the PPA 2006, PPR 2008 with all Amendments up to January 2019 and Public Procurement Rules 2008 with all amendments up to 2018 govern the procurement of goods, works, and services with public funds. These rules set the basis for managing procurement and the various methods permitted under different circumstances. Public procurement must also adhere to certain principles. Transparency, integrity, economy, efficiency,

openness, fairness, competition, non-discrimination, value for money (Vfm), appeal rights, and accountability are some of the fundamental principles of public procurement.

Public sector procurement is open to public scrutiny, depending on the procurement method used, and any confidentiality agreement stemming from the particular procurement method used. Public procurement practitioners are accountable for their actions and need to ensure that public procurement is managed in accordance with the objectives, principles and procedures defined in the public procurement rules.

Each step of the public procurement process is addressed in the procurement rules. Public procurement practitioners are not at liberty to use a procurement method not stipulated in the procurement rules or not identified for a specific type of procurement requirement. Any deviation from public procurement rules requires justification and clearance from a designated approving authority before the action is carried out. Public sector procurement practitioners are public servants and are accountable for what they do or fails to do when managing public funds.

6 – ENABLING ENVIRONMENT

Functional arears of an enabling environment are designed to reduce cost costs and risks for all business. These risks may be caused by poor or changing policies, laws and regulations. An enabling environment would therefore include:

Simplifying business registration and licensing
Reducing cost of doing business
Improving and simplifying tax policies
Enabling better access to finance
Adequate implementation of competition law
Ethical financing of business & due diligence
Accountability of bank & financial institution directors and high-level officials
Improving land titles & time bound settlement of land cases
Out of court settlement of revenue cases
Non waiver of tax on the plea of creating jobs by business houses
Environmental consideration before financing
Time bound settlement of court cases (3.6 million pending)
Enhancing public-private dialogue
Uncompromised auditing
Strict implementation of Corporate Laws
Developing appropriate quality standards
Targeted interventions – Such as subsidies, tax waivers, mandatory inclusion, or preferential public procurement – may be undertaken to support specific businesses, activities or sectors. The most effective targeted government interventions:
Use public-private dialogue as a feedback mechanism to learn about business constraints
Establish a clear economic rationale for intervening (in addition to social objectives)
Make support time-bound and conditional on performance
Favor support to sub-sectors, activities or technologies over individual firms.

7 - DOS AND DON'TS

DOS	DON'TS
Plan, plan, plan	Wait for things to happen
Allow enough time for activities and add some additional time for approval of documents	Postpone your own tasks
Know well all the regulations	Ignore the public procurement rules
Discuss with colleagues to find solutions	
Keep an eye on the timeline and follow up	

8 - RESOURCES (links, documents, etc.)

PPA 2006, PPR 2008 with all Amendments up to January 2019 and Public Procurement Rules 2008 with all amendments up to 2018
https://cptu.gov.bd/procurement-policy-and-procedure-documents/procurement-rules.html

Procurement Policy in Investment Project Financing (IPF) and Other Operational Procurement Matters, July 2016, The World Bank and Procurement Regulations for Investment Project Financing (IPF) Borrowers, August 2018, The World Bank.
https://projects.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#framework

ADB Procurement Policy: Goods, Works, Non-consulting and Consulting Services, October 2017, Asian Development Bank.
https://www.adb.org/documents/adb-procurement-policy

Procurement Regulations for ADB Borrowers: Goods, Works, Non-consulting and Consulting Services, October 2017, Asian Development Bank.
https://www.adb.org/sites/default/files/procurement-regulations-adb-borrowers.pdf

OECD Recommendation of the Council on Public Procurement, 2015, Organization for Economic Co-operation and Development (OECD).
https://www.oecd.org/gov/ethics/OECD-Recommendation-on-Public-Procurement.pdf

OECD Public Procurement Toolbox: https://www.oecd.org/governance/procurement/toolbox/

UNDP Program and Operations Policies and Procedures - Procurement:
https://popp.undp.org/SitePages/POPPBSUnit.aspx?TermID=254a9f96-b883-476a-8ef8-e81f93a2b38d&Menu=BusinessUnit

United Nations Procurement Manual, September 2019, United Nations Procurement Division.
https://www.un.org/Depts/ptd/about-us/procurement-manual