First Monitoring and Evaluation (M&E) Report

(July 2023- June 2024)

Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)
Finance Division, Ministry of Finance

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ABBREVIATIONS AND ACRONYMS

ABs	Autonomous Bodies	MoF	Ministry of Finance
AFS	Audited Financial Statements	MTBF	Medium-Term Budgetary Framework
APA	Annual Performance Agreement	MTDS	Medium-Term Debt Strategy
API	Application Programming Interface	MTR	Mid Term Review
AWP	Annual Work Plan	MTMF	Medium Term Macroeconomic Framework
BACS	Budget and Accounting Classification System	MTMPS	Medium Term Macroeconomic Policy Statement
BB	Bangladesh Bank	MEW	Macroeconomic Wing
BETF	Bank Executed Trust Fund	NPD	National Program Director
BMCs	Budget Management Committees	NSC	National Savings Certificates
BWGs	Budget Working Groups	NTR	Non Tax Revenue
CAFO	Chief Accounts and Finance Officer	OECD	Organisation for Economic Co-operation and Development
CDMC	Cash & Debt Management Committee	OTP	One Time Password
CDMTC	Cash & Debt Management Technical Committee		
CIA	Certified Internal Auditor	PAD	Program Appraisal Document
COFOG	Classification of the Functions of the Government	PCER	Program Completion and Evaluation Report
CGA	Controller General of Accounts	PDO	Program Development Objective
CORBEC	Committee on Reforms in Budgeting and Expenditure Control	PEC	Program Executive and Coordinator
CSE	Chittagong Stock Exchange	PECT	Program Executive and Coordination Team
DCL	Debt and Contingent Liabilities	PEFA	Public Expenditure and Financial Accountability
DDO	Drawing and Disbursement Officer	PER	Public Expenditure Review
DGHS	Directorate General of Health Services	PEMSP	Public Expenditure Management Strengthening Program
DLIs	Disbursement Linked Indicators	PFM	Public Financial Management
DLRs	Disbursement Linked Results	PIAP	Piloting Risk-Based Internal Audit Plan
DPE	Department of Primary Education	PIT	Program Implementation Team
DSA	Debt Sustainability Analysis	PL	Personal Ledger
DSE	Dhaka Stock Exchange	PSDS	Public Sector Debt Statistics
EFT	Electronic Fund Transfer	PWC	PriceWaterHouse Coppers
EGPP	Employment Generation Program for the Poorest	PWD	Public Works Department
FD	Finance Division	P&FM	Pension and Fund Management
FMRP	Financial Management Reform Program	RHD	Roads and Highways Department
FPP	Financial Programming and Policy	RIBEC	Reforms in Budgeting and Expenditure Control
FY	Fiscal Year	RTT	Results Tracking Tools
GDP	Gross Domestic Product	SAE	Self-Accounting Entity
GEPH	Government e-Transaction Processing Hub	SC	Steering Committee
GPF	General Provident Fund	SEIP	Skills for Employment Investment Program
iBAS++	Integrated Budget and Accounting System	SMART	Specific, Measurable, Appropriate, Realistic, and Time bound
IA	Internal Audit	SOE	State Owned Enterprise
IAC	Internal Audit Committee	SPEMP	Strengthening Public Expenditure Management Program
IAU	Internal Audit Unit	SPFMS	Strengthening Public Financial Management Program to Enable Service Delivery
IMED	Implementation Monitoring and Evaluation Division	SPREP	Secretariat of the Pacific Regional Environment Programme
IMF	International Monetary Fund	TA	Travel Allowance
IPF	Institute of Public Finance	TDM	Treasury and Debt Management
IPE	Independent Performance Evaluations	TOC	Theory of Change
ISC	Implementation Support Consultant	TO&E	Table of Organization and Equipment
KRAs	Key Results Areas	ToR	Terms of Reference

LGED	Local Government Engineering Department	**TNA**	Training Need Assessment
MBF	Medium-Term Budget Framework	**TSA**	Treasury Single Accounts
M/Ds	Ministry and Divisions	**TTL**	Task Team Leader
MDAs	Ministries, Divisions and Agencies	**TVC**	Total Variable Cost
MFS	Mobile Financial Service	**USD**	US Dollar
MFMod	Macro-Fiscal Model	**UNDP**	United Nations Development Programme
MICR	Magnetic Ink Character Recognition	**WB**	The World Bank
M&E	Monitoring and Evaluation		

Executive Summary

Executive Summary

To strengthen the current reform agenda and provide greater government ownership of the reform process, two PFM Reform Strategies were developed for the years 2007–2012 and 2016–2021. The PFM Reform Strategy 2016-2021 was assisted by four policy notes and led by the following number of analytics including:

- PFM legal and regulatory framework
- PEFA Assessment 2015
- Public Investment Management Roadmap 2015
- Public Expenditure Review Update 2015
- IMF Technical Assistance Reports

The PFM Reform Strategy (2016-21) was approved by the Minister of Finance in August 2016 and SPFMS Program started from 2018-2023. Later the Program has extended up to 2026 which is proposed to support the implementation of a part of the PFM Action Plan with the aim to ensure that PFM improvements enable more and better public service delivery in social sectors. There are eight (8) schemes under this program to implement PFM reforms for the strengthening PFM and to enable better service delivery to the citizen.

The Program Appraisal Document (PAD), December 29, 2018 of SPFMS Program includes an M&E plan with methodological details of each DLI such as the data source, collection methods, data collection frequency and responsibility. However, the Mid Term Review (MTR) Report, April 18, 2022 stresses that the provision of M&E plan was not covered by all components of the SPFMS Program. Based on that, the goal of monitoring and evaluation will be to measure how well the SPFMS Program is being implemented and to ascertain when specific targets have been met that trigger disbursements by the Bank operation to the government.

Following are the activities undertaken for the introduction of M&E framework for the SPFMS program:

| Redefined DLR-10.5 as per the importance of M&E | 01 | Recruitment of National & International M&E Consultant | 02 | SPEMP- BETF Mission to deliver technical guidance for development of the program framework | 03 | Workshop on finalization of Indicator Matrix for developing M&E Guidelines of SPFMS Program | 04 |

| SPFMS M&E Guidelines has been approved by the Finance Division | Final SPFMS M&E guidelines was submitted to the respected NPD by Sr. Consultant M&E | 09 | A validation workshop was held to get feedback on draft from the participants | 08 | Sr. Consultant (M&E) submitted draft M&E Guidelines to respected NPD | 07 | Finalization of result and process indicators of the components | 06 | | 05 |

| 10 | Collect the data from the stakeholders for 1st M&E Report | 11 | Analyze the data through RTT and reporting template | 12 | Draft Report prepared and validate with stakeholders | 13 | Finalize 1st M&E Report incorporating feedback |

Chapter-2 describes the methodology, sources of data, assessment of data quality, reporting through RTT, data analysis, reporting and different stakeholders' roles and responsibilities. M&E Framework usually includes Theory of Change (ToC), Results Framework, Indicator Matrix and methodological documentation. In fact, methodological documentation is an overall guideline for indicators. For developing SPFMS M&E guidelines, inception phase, implementation phase and reporting phase have

been taken into consideration. The fifth section of SPFMS M&E guidelines emphasizes SPFMS program's data collection, analysis, and reporting. The data collection accesses data from relevant sources and then compile data or calculate per indicator definitions. After the transmission, data are put into Results Tracking Tools (RTT) based on the performance of result indicators.

SPFMS data collection involves a broad set of stakeholders (15 different stakeholder covering: (i) Cabinet Division for DLI achievement reports, (ii) Finance Division, (iii) iBAS++ scheme, (iv) SOE Monitoring Cell, (v) SOEs for posting of annual financial statements online, (vi) BMCs, (vii) IAUs and IACs, (viii) CGA, (ix) OCAG for DLI achievement reports, (x) CAFO (P&FM), (xi) Field offices as service delivery points, (xii) Beneficiaries: pensioners, social service payment recipients, (xiii) End users: district offices interviewed during field visits, (xiv) IPF as learning hub and (xv) PwC as for DLI achievement reports.

SPFMS indicators rely on multiple types of data and collection methods, with heavy use of administrative data, iBAS++ reports, and documentary review. Administrative data heavily depends in database and project/ program data. Moreover, iBAS++ reports mainly covered Componet-1, Component-4, Component-7 and Component-8. Under document review, the M&E team has analyzed the websites, meeting minutes and field inspection reports as data source.

Data quality assurance is critically important for indicators whether the data accurately capture program performance. The M&E guidelines of SPFMS program pose importance for below mentioned five data quality standards which have been considered in the design and implementation of a results framework: (i) Validity, (ii) Reliability, (iii) Timeliness, (iv) Precision, and (v) Integrity.

The M&E report portrays the achievements, challenges and way forward of each component on the basis of selected result and process indicators. The analysis intends to cover:

- Performance against targets;
- How effectively and efficiently outcomes are being achieved;
- What unanticipated effects are evident;
- Whether the program represents the most sustainable and cost-effective means for achieving the intended outcomes; and
- Lessons learned from the process followed, and attention points for moving forward or suggestions for course-correction.

SPFMS quarterly monitoring and reporting is taking place largely internally, and diligently track annual work plan (AWP) implementation. The PIT reports are submitted quarterly to the PECT so that issues can be scaled up appropriately to the hierarchy for resolution. PIT progress reports are being approved by their management before submitted to PECT. In accordance with the SPFMS monitoring and Evaluation guidelines 2024, performance of the indicators has been assessed with a traffic light:
- Red: needs immediate attention,
- Yellow: Modest performance, and
- Green: Satisfactory performance.

Chapter-3 describes the status of Result and Process Indicators in the reporting template of 8 Components. All the 8 components have completed their reporting on result based indicators and process indicators from July 2023 to June 2024 in the reporting template mentioned in the M&E Guidelines of SPFMS program. It is found that a total of 40 result based indicators have been monitored during the reporting timeframe.

Chapter 4 describes the analysis based on the reporting templates submitted by the 8 components. On the basis of the reporting templates, the result-based indicators' performance has been assessed through RTT and analyzed based on outcome areas. The detail calculation of each component in the RTT has been shown in annexure-2 separately. It has been found that, a total of 82.50% of indicators are under satisfactory performance, whereas 10.00% are under modest performance and 7.50% indicators need

immediate attention. For the process indicators it has been found that, on an average 1.69 weighted average out of 2.00 has been noted. 4 out of 8 components get 2.00 out 2.00 scale which describes as satisfactory performance in process indicators.

In the first Monitoring and Evaluation Report of SPFMS Program, ten specific recommendations have been made as follows: (i) Monitoring & Evaluation, (ii) Capacity building on M&E, (iii) Usage of forecasted figures in the MTMPS, (iv) Addressing Gender and social inclusion aspects in PFM Areas, (v) Program oversight, (vi) Identification of Debt and Contingent Liabilities of SOEs/ABs, (vii) Budget Execution and Reporting outcome area, (viii) Establish a central database on Debt management, (ix) Accuracy and effectiveness of fiscal planning, and (x) Addressing Automation Challenges in Pension Management System.

Overall performance of result indicators across for 8 Components is on track, which is indicative of the SPFMS program providing an effective enabling environment for PFM reforms. To date, the program has fully achieved 27 out of 45 DLRs under eight Components as well as the program has brought about more than 80% result indicators' targets for this FY 2023-2024. Notable examples of activities under these components of SPFMS program e.g., Steering Committee meetings, check-in- meetings and other training programs have picked up momentum in 2023 and 2024, after delays for COVID 19 and impediments in previous years.

Chapter-1

Introduction

Chapter-1: Introduction

 A sound PFM system is considered as fundamental to the 7th Five Year Plan objectives to effectively manage public resources. Since the 1990s, the Government of Bangladesh has been maintaining a steady trajectory of improving Public Financial Management (PFM) with the assistance of a number of development partners. The first PFM initiative was started with the formation of the Committee on Reforms in Budgeting and Expenditure Control (CORBEC) in 1989, which recommended valuable recommendations to enhance budgeting and accounting system. PFM improvements were first achieved with support from the Reforms in Budgeting and Expenditure Control (RIBEC) Program, 1992-2001, then Financial Management Reform Program (FMRP 2002–2009), and later under Strengthening Public Expenditure Management Program (SPEMP), 2009-2014 and Public Expenditure Management Strengthening Program (PEMSP), 2014 to date. These reforms improved the approach towards the medium-term expenditure framework, improved financial management legislation, strengthened capacity for debt and liabilities management, and developed a fiscal programming framework. However, The Public Expenditure Review (PER)[1] identifies several challenging areas including low tax to GDP ratio (8.5%), limited budget absorption capacity, decreasing quality of the investment portfolio resulting in implementation delays (80% of projects), cost overruns, low return on investment, and increasing debt service costs. The Public Expenditure Review (PER) also raises budget allocation issues such as rapid asset erosion due to lack of maintenance and repairs, limitations in the design and targeting of agriculture subsidies, and low per capita health expenditures. In the above-mentioned context, the PFM Reform Strategy (2016-21) was approved by the Minister of Finance in August 2016 and SPFMS Program started from 2018-2023. Later the Program has extended up to 2026. The holistic and comprehensive PFM Reforms in Bangladesh is shown in Figure-1.
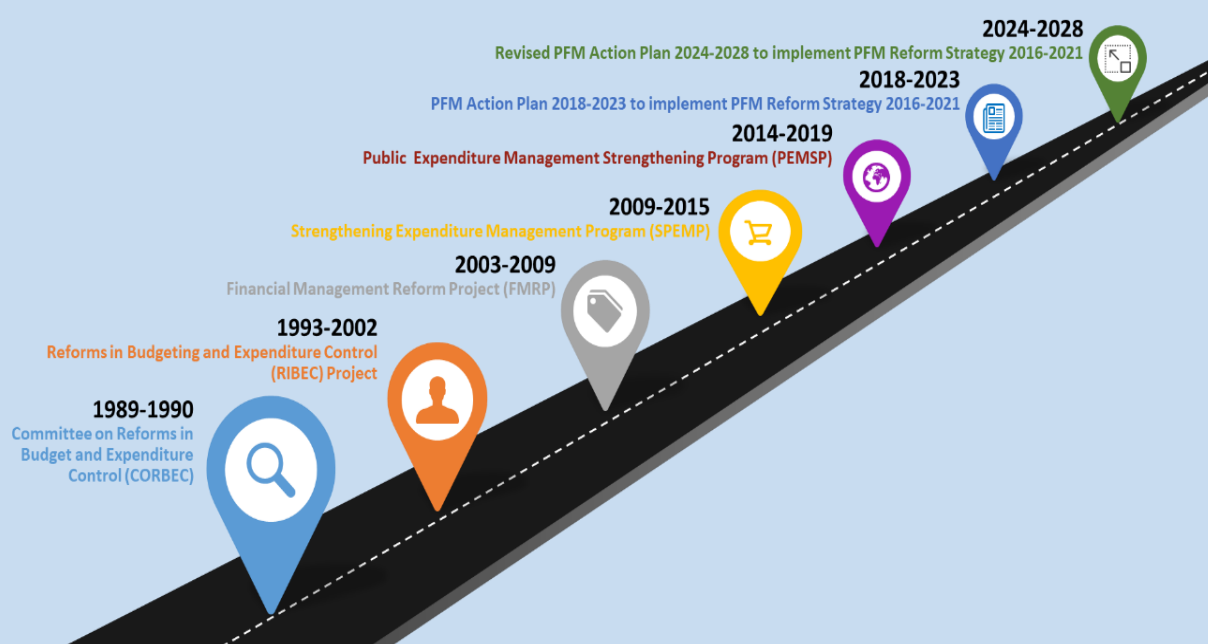
Figure 1: PFM Journey in Bangladesh

This report would like to focus on PFM Reform strategy in brief, the need to develop an M&E Guidelines for SPFMS Program and finally, is submitting the 1st M&E Report on the basis of approved SPFMS M&E Guidelines.

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[1] https://documents1.worldbank.org/curated/en/134951468211152104/pdf/Final-PER-Report-04-08-2015.pdf

1.1 PFM Reform Strategy, PFM Action Plan and SPFMS

To strengthen the current reform agenda and provide greater government ownership of the reform process, two PFM Reform Strategies were developed for the years 2007–12 and 2016–21. The PFM Reform Strategy 2016-21 was assisted by four policy notes and led by the following number of analytics including:
- PFM legal and regulatory framework
- PEFA Assessment 2015
- Public Investment Management Roadmap 2015
- Public Expenditure Review Update 2015
- IMF Technical Assistance Reports

The PFM Reform Strategy 2016-21 had five overarching goals, and a comprehensive PFM Action Plan 2018-23 was subsequently prepared to support its implementation through 14 components. An umbrella program was adopted (amounting to USD 356m) to implement these components. The Finance Division (FD) played the pioneer role in implementing 8 components out of the 14 components through the IDA-financed PforR - Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS), which has achieved notable success in strengthening PFM systems and institutions. Simultaneously, the Strengthening Public Expenditure Management Program (SPEMP) - Bank Executed Trust Fund (BETF) also provides technical support.

The PFM Reform Strategy clearly sets out the key goals and objectives of the PFM reforms and identifies the priority reform actions. The strategy was developed by a cross-institutional team from the Ministry of Finance, the Office of the Comptroller and Auditor General (OC&AG), the Planning Commission, and the National Board of Revenue, among others. It identified the following five goals for PFM reforms:
- Goal 1: Maintain aggregate fiscal discipline compatible with macro-economic stability and pro-poor growth;
- Goal 2: Allocate resources consistent with Government priorities as reflected in the National Plan;
- Goal 3: Promote the efficient use of public resources and delivery of services through better budget execution;
- Goal 4: Promote accountability through external scrutiny and transparency of the budget; and
- Goal 5: Enhance the enabling environment for improved PFM outcomes.

1.2 An overview of SPFMS Program

The Program Development Objective (PDO)[2] is to improve fiscal forecasting, budget preparation and execution, financial reporting and transparency of the central government. PDO level result indicators are as follows:
- (i) Use of data from an upgraded macroeconomic fiscal model for budget preparation;
- (ii) Improved performance of Budget Management Committees (BMCs) and Budget Working Groups (BWGs) and timely budget release;
- (iii) Percentage of budget- holders effectively use financial information for decisions-making and transparency;
- (iv) Percentage of pensioners paid through the EFT no later than the following pension payment cycle after retirement;
- (v) Central government annual financial statements, compliant with IPSAS cash basis, submitted to OCAG within 3 months after the fiscal year end.

For this, 'Disbursement Linked Indicators (DLIs)' provide an ideal mechanism to advance these reforms, including incremental and process targets to guide implementation. Based on the SMART (specific, measurable, appropriate, realistic, and time bound) principle, selected indicators have been

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[2] Program Appraisal Document (Page-12)

drawn from the PFM Action Plan. The DLIs aim to address the bottlenecks along the results chain, including a reasonably even distribution of disbursements. Each DLI has disbursement linked results (DLRs) which would need to be achieved for disbursement.

A new SPFMS program was proposed to support the implementation of a part of the PFM Action Plan with the aim to ensure that PFM improvements enable more and better public service delivery in social sectors. There are eight (8) schemes under this program to implement PFM reform for the strengthening PFM and to enable better service delivery to the citizen. These are given below table:

Table 2: Components of SPFMS Program

PFM Action Plan (Components)	Lead Institution
C-1 Revenue and Expenditure Forecasting	Finance Division
C-3 Debt Management	
C-4 Planning and Budget Preparation	
C-7 iBAS++ /BACS Implementation	
C-8 Pension Management and Financial Reporting	
C-9 SOE Governance	
C-10 Internal Audit and Audit Follow-up	
C-14 PFM Reforms Leadership, Coordination, and Monitoring	

1.3 Background of formulating M&E framework in SPFMS

The Program Appraisal Document (PAD), December 29, 2018 of SPFMS Program included an M&E plan with methodological details of each DLI such as the data source, collection methods, data collection frequency and responsibility. However, the Mid Term Review (MTR) Report, April 18, 2022 stresses that the provision of M&E plan was not covered by all components of the SPFMS Program. Moreover, MTR makes the following comments for the details of the logical framework and indicators:

"The PAD includes results chain/ intervention logic along with a theory of change in Annex 3. Assumptions related to the theory of change (TOC) are included throughout the PAD, though the TOC does not fully spell out the links from DLRs to DLIs to intermediate results and Program Development Objectives (PDO)/ Key Results Areas (KRAs). The descriptions are depicted at a highly aggregated level, without reference to how specific DLI and DLRs lead to the KRAs/PDO. Nor does this TOC anticipate potential deterrents or negative factors working against the results chains anticipated. These risks come up in other sections of the PAD but are not systematically depicted in the TOC.

The detailed logical sequencing that the PAD TOC lacks come across in the DLI technical note. These notes provide a detailed description of the objective, intervention logic, benefits and impacts anticipated, and many cases the key risks to be mitigated. The DLI technical notes "cascade" one level down into intermediary results indicators that speak to the practical and operational targets needed to meet each DLR. The technical notes also highlight cross linkages to other DLIs/ DLRs. However, between the PAD TOC and the DLI technical notes, there is no comprehensive mapping of the chain of results from the DLRs to DLIs, to potential intermediary outcome indicators (these are missing) to higher level objective. Notably, no PEFA indicators are explicitly included in the results framework."

Based on the above MTR comments, the goal of monitoring and evaluation is to measure how well the SPFMS Program has been being implemented and to ascertain when specific targets have been met that trigger disbursements by the Bank operation to the government.

1.4 Objectives of the Report

Component-14: "PFM Reforms Leadership, Coordination and Monitoring" focuses on implementing an effective change management approach and governance structure for PFM reform implementation

which is very much related to Goal 5: Enhance the enabling environment for improved PFM outcomes. This component is concerned with 6 DLRs where DLR-10.5 is notably linked with populating M&E framework in the SPFMS program. It is important to note that, the previous DLR 10.5 was "The PECT has prepared a report evaluating the performance of coaches, facilitators and/or implementation support consultants engaged to support the implementation of the PFM Action Plan". This DLR noted that, Implementation Support Consultants' performance would be assessed annually at two levels: (i) By the PITs they work with: capacity and skills transferred to teams, results achieved, changes fostered, general satisfaction on the support; (ii) By the PECT: progress made by institutions in achieving objectives. A yearly report will be prepared by PECT and submitted to SC.

In the meantime, a mid- term review was carried out by the World Bank on April 18, 2022. The mid-term review report emphasized that, "there is no description of what the SPFMS program's M&E system is." The report also mentioned that, without a comprehensive M&E plan the program does not adequately capture the complexity of its monitoring requirements though the PAD includes an M&E plan in Annex 1 (32) with methodological details for each DLI such as the data source, collection method, and data collection frequency and responsibility.

On the basis of the Mid-term review, the aide memoire of implementation support mission held on November 13-17, 2022, recommended that the SPFMS would use existing systems within the government wherever possible to carry out result based monitoring. The monitoring would be a continuous process of gathering data and comparing actual results of DLRs and results based indicators with expected results based on M&E reporting template. The goal seemed to measure how well the Program is being implemented. For this, DLR-10.5 was revised as following: "A Monitoring and Evaluation (M&E) framework has been developed for the PFM reforms and M&E reports published on the SPFMS website on annual basis." The main focus of this DLR is to develop a comprehensive M&E plan of the program to capture adequate comprehensive monitoring requirements. To fulfill the requirements of the redefined DLR-10.5, SPFMS M&E Guidelines 2024 has already been prepared and approved by the Finance Division. Consequently, this first M&E report has been prepared to fulfill the provisions of the DLR-10.5.

Chapter-2

Monitoring and Data Collection Process for the 8 Components of SPFMS

Chapter-2: Monitoring and Data Collection Process for the 8 components of SPFMS

2.1 Methodology of preparing the report

M&E Framework usually includes Theory of Change (ToC), Results Framework, Indicator Matrix and Methodological Documentation. In fact, methodological documentation is an overall guideline for indicators. For developing SPFMS M&E guidelines, inception phase, implementation phase and reporting phase have been taken into consideration. The 3 (three) phases include the Theory of Change[3] and 10 steps of result-based M&E system all through. Upon these phases, result based indicators were selected for 3 financial years (FY 2023-2024, FY 2024-2025 and FY 2025-2026) through identifying results chains.[4] The following methodology was followed-
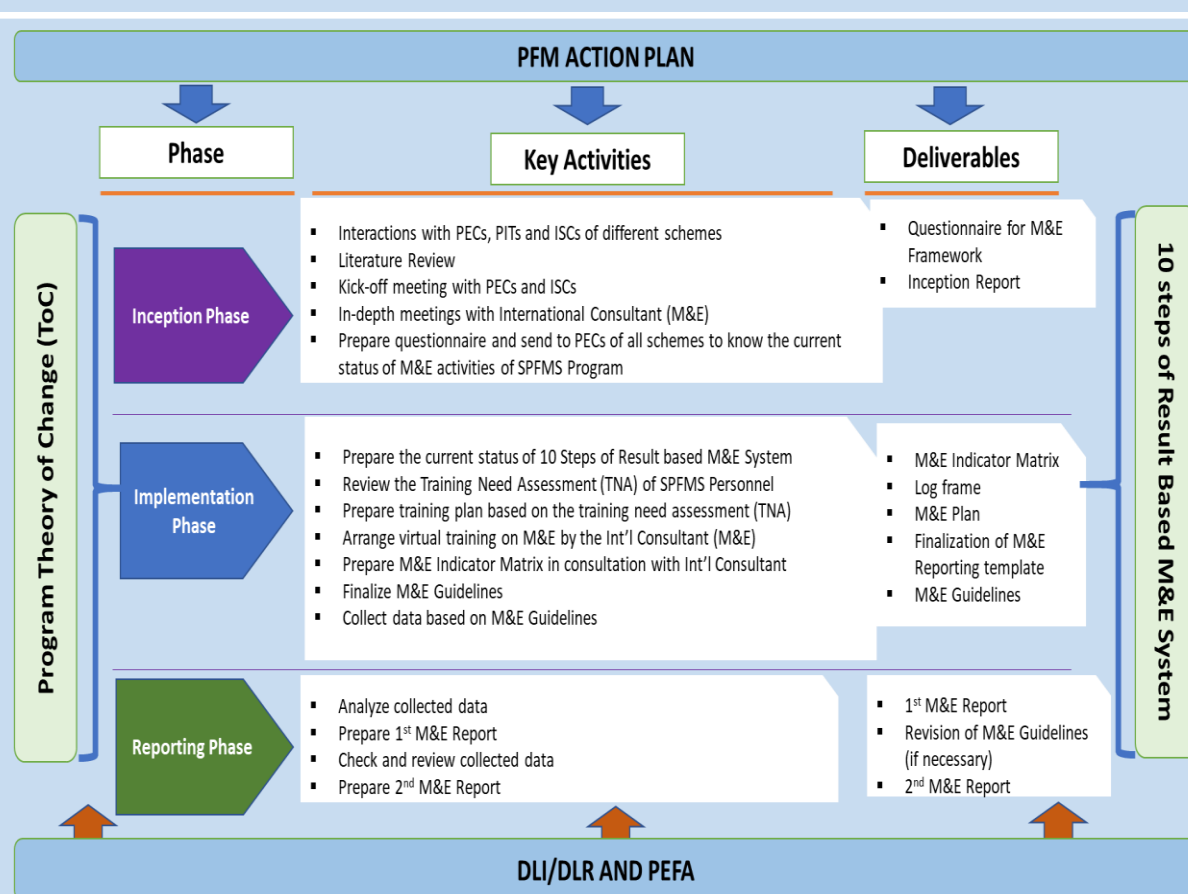
Figure 2: Methodology

The fifth section of SPFMS M&E guidelines emphasizes SPFMS program's data collection, analysis, and reporting. These activities take M&E from the design phase (identifying indicators and targets) to the implementation: this is how M&E is put into practice and is intended to inform decision making.

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[3] Theory of Change: The theory of change is the basis for selecting indicators and targets with which to measure the project's progress and results. Data is regularly collected to perform monitoring and compare performance against targets.

[4] Identify the results chains: these are the causal sequence for a development intervention, moving from inputs and activities to outputs and outcomes. Each of these "nodes" in the results chain are defined as follows.
- Inputs: resources used (financial, human, etc.) in producing outputs
- Activities: Tasks undertaken to transform inputs to outputs
- Outputs: Products and services produced
- Outcomes: Intermediate effects of outputs on clients
- Impact: Long-term improvements for clients/ beneficiaries

The discussion largely focuses on monitoring and steps required to get from raw data to final report using results indicators and Figure-3 illustrates the corresponding process.

Data collection: accessing data from relevant source	Data flow/ transmission: Compile data/ calculate per indicator definitions	Data storage and documenting actuals: Enter data into Results Tracking Tool (RTT)	Reporting: Report actual values/ performance on indicators, in SPFMS Progress report
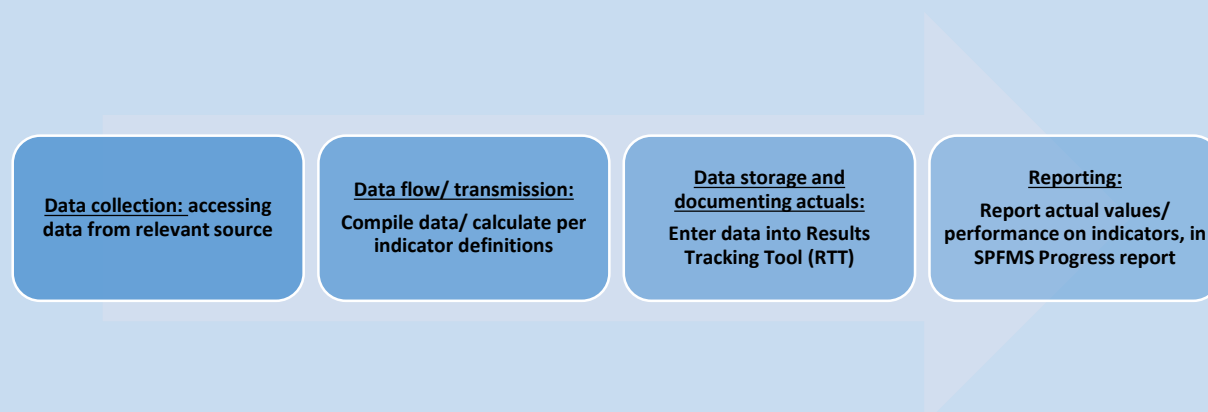
Figure 3: Data collection, analysis and reporting process

Data Collection and its stakeholders: SPFMS data collection involves a broad set of stakeholders (15 different stakeholder groups listed below)

- Cabinet Division (DLI achievement reports)
- Finance Division
- iBAS++ scheme
- SOE Monitoring Cell
- SOEs (posting of Annual Financial Statements online)
- BMCs
- Internal Audit Units and Committees
- CGA
- OCAG (DLI achievement reports)
- CAFO/ P&FM
- Field offices (Service delivery points)
- Beneficiaries: pensioners, social service payment recipients
- End users: district officers interviewed during field visits.
- IPF
- PwC (DLI achievement reports)

2.2 Sources of Data in SPFMS

a) SPFMS indicators rely on multiple types of data and collection methods, with heavy use of administrative data, iBAS++ reports, and documentary review.

b) Several SPFMS components have or will establish databases that store data required for their indicators.

c) Within the SPFMS results framework, an estimated 21 indicators cite iBAS++ generated reports as data sources.

d) Desk review entails review of specific websites to ensure that documents are available online, and links are functional.

e) SPFMS results indicators also rely on Documentary review to observe how reforms are being implemented, and how SPFMS supported tools/ systems are used.
   o Meeting minutes in a timely matter
   o Primary data from survey data and field inspection reports

2.3 Assessment of Data Quality

Data quality assurance is critically important if indicators are to accurately capture program performance. In fact, a key motivation for these M&E guidelines is to have well defined indicators, and a well-structured process for data collection, analysis, and reporting. These are all designed to guard against potential data risks, such as errors in data collection or analysis that could lead to erroneous interpretation of performance. The SPFMS Guidelines, 2024 summarizes the five data quality standards for the collected data. The guidelines pose importance for below mentioned five data quality standards which is considered in the design and implementation of a results framework:

2.3.1 Validity

Data are valid to the extent that they clearly, directly, and adequately represent the result to be measured. Measurement errors, unrepresentative sampling, and simple transcription or calculation errors may adversely affect data validity. Data should be tested periodically to ensure that no error creates significant bias.

2.3.2 Reliability

Data should reflect stable and consistent data collection processes and analysis methods over time. PECs and the M&E Senior Consultant should feel confident that progress toward performance targets reflects real changes rather than variations in data collection methods.

2.3.3 Timeliness

Data should be available with enough frequency and should be sufficiently current to inform management decision-making. Effective management decisions depend on regular collection of up-to-date performance information.

2.3.4 Precision

Data should be sufficiently accurate to present a fair picture of performance and enable project managers to make confident decisions. Measurement errors result primarily from weaknesses in design of a data collection instrument, inadequate controls for bias in responses or reporting, or inadequately trained or supervised enumerators/ individuals collecting data.

2.3.5 Integrity

Data that are collected, analyzed, and reported should have mechanisms in place to reduce the possibility that data are subject to erroneous or intentional alteration.

For the drafting of 1st M&E report, the SPFMS M&E team discussed with PITs, PECs, Senior Consultants, ISCs and consultants formally and informally several times for giving data of result and process indicators as per the above-mentioned requirements.

2.4 Transmission of Collected data from the components into RTT

Results Tracking Tool (RTT) is a tool proposed for SPFMS to record actual performance against targets. Results Tracking Tool (RTT) is an excel spreadsheet that is updated annually, so that it displays:
- Actuals on Results Indicators and Performance against target through the last completed fiscal year.
- Actuals on Results Indicators and Performance against target through the current fiscal year, along with any critical notes for contextualizing this year's performance.
- Progress towards the end-of program targets. Note that quantifying this progress may not be straightforward, especially in the case of qualitative indicators.

In case of transmission of collected data into RTT, the procedures are followed by the SPFMS personnel as follows:

- M&E Senior consultant and ISC Coordination have apprised each PEC of their data collection responsibilities per the data collection plan. Moreover, they have generated the RTT for the relevant fiscal year.
- All PECs and ISCs have followed the data collection plan to determine which indicators needed to report on in the current fiscal year, and the data sources/ responsible entities needed to coordinate with to access data. They are also responsible for communicate data requests to responsible entities.
- All PECs with M&E Senior consultant have calculated actual for indicator for the reference period following instructions in the indicator matrix and/ or per the DLI technical note.
- All PECs and ISCS with M&E Senior consultant have located row corresponding to the relevant indicator and insert actual in the column Cumulative Actual to Date for Program Year 5 in RTT.

2.5 Data Analysis

The M&E report portrays the achievements, challenges and way forward of each component on the basis of selected result and process indicators. The analysis intends to cover:

- Performance against targets;
- How effectively and efficiently outcomes are being achieved;
- What unanticipated effects are evident;
- Whether the program represents the most sustainable and cost-effective means for achieving the intended outcomes; and
- Lessons learned from the process followed, and attention points for moving forward or suggestions for course-correction.

Moreover, the progress report tends to focus heavily on processes and outputs completed under each component. The report has highlighted DLIs and DLRs achieved but has not systematically compared actual value and target values for indicators to draw further interpretation on performance. Each component provided a long list of processes undertaken, with little strategic emphasis on how processes led to outputs[5] and outcomes[6] in accordance with the M&E guidelines.

2.6 Reporting

SPFMS quarterly monitoring and reporting is taking place largely internally, and diligently track annual work plan (AWP) implementation. The PIT reports are submitted quarterly to the PECT so that issues can be scaled up appropriately to the hierarchy for resolution. PIT progress reports are being approved by their management before being submitted to PECT. Performance has been assessed with a traffic light as per M&E Guidelines:

- Red: needs immediate attention,
- Yellow: Modest performance, and
- Green: Satisfactory performance.

This reporting channel intends to provide good progress monitoring at the operational and technical level. Going forward, this implementation monitoring is intended to link closely to the results monitoring undertaken in the Semi-annual progress report. For this purpose, each component's process indicators are mapped to results indicators, so there is a clear story line about how processes are leading to outputs, intermediate outcomes, and outcomes.

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[5] Outputs: The results of program/intervention activities; the direct products or deliverables of program/intervention activities.
[6] Outcomes: Short-term and medium-term effect of an intervention's outputs, such as change in knowledge, attitudes, beliefs, behaviors.

The M&E progress report is produced for the first time in fiscal year 2023-2024 and reflects roll out of the revised M&E framework presented in these guidelines. The report's objective is to capture progress made in implementing the Monitoring and Evaluation (M&E) framework, and the extent to which program stakeholders are reporting indicators to track performance and progress on the results framework. The M&E Senior Consultant has prepared the report with the support of ISC, Component 14. The program is required to produce two M&E progress reports to meet DLR 10.5.

2.7 Roles and responsibilities of different stakeholders of SPFMS

As mentioned in the in the SPFMS M&E Guidelines, data collection and performance reporting involve stakeholders both within and outside the SPFMS program of Ministry of Finance. To ensure smooth coordination among all stakeholders, it is important that their roles and responsibilities should be defined in advance and well understood. Beginning with the SPFMS M&E team, this team has technical responsibility to ensure all monitoring and evaluation is carried out to adequate technical standards. The Senior M&E consultant is the technical leader for SPFMS M&E. These guidelines are intended to facilitate the development and application of adequate technical standards, though further detailed instructions, along with tool updates (RTT, evaluations, survey collection instruments) may also provide refined guidance in the future. The Component 14 ISC works hand in hand with the Senior M&E Consultant to bring the results framework to life: they make up the M&E team. The responsibilities of SPFMS stakeholders under monitoring are set in Annex-1.

Chapter-3

Status of Result and Process Indicators of 8 Components

Chapter-3: Status of Result and Process Indicators of 8 Components

3.1 Component-1: Macroeconomic Forecasting

Strengthening PFM has been a cornerstone of reforms towards sound macroeconomic management and good governance. Again, efficient public financial management depends on reliable forecasting on key macroeconomic variables including public revenue and expenditure. In the absence of a robust macroeconomic model, the forecasts currently generated by Macro Economic Wing (MEW) reflects a strong element of targeting rather than realistic projections. As a result, mismatch between the budget target and the actual outturn has become a trend. Under these circumstances, the MEW plans to establish a macroeconomic forecasting framework to reduce the level of uncertainty among the policymakers about the future of the economy and increase the overall efficiency of the economy.

3.1.1 Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR	Indicator Type	Target	Actual	Traffic light (Status)
Improved accuracy of fiscal forecasting	**DLR 1.4: The Macroeconomic Model has been completed, using the updated databases**	Outcome	Yes	Yes	
Use of Model's forecasts	**DLR 1.5: Projections from the upgraded Macro-Economic Model have been used for MTMF and budget preparation**	Outcome (Output of the model's forecast supports the publication of the MTMPS)	Yes	No	
Improved accuracy of fiscal forecasting	**PI 14.3 Macro fiscal sensitivity analysis (Proxy)**	Outcome	Yes	No	
	DLR 1.2: The software application to operationalize the Macroeconomic Model has been procured and configured with relevant data set	Outcome	Yes	Yes	
	Capacity building in macro forecasting	Output (no. of training)	8	8	

3.1.2 Implementation progress

Number of process indicators**	5	Weighted average= 1.6
Number substantially completed (score=2)	3	60%
Number commenced but modest progress (score=1)	2	40%
Not started (score=0)	-	-

*** 5 process indicators targets have been set for 2023-2024.*

3.1.3 Outcome area-1: Use of Model's forecasts

The objective of macroeconomic model development is to use the forecast to reliable estimate the annual budget. The scheme has already been developed the database, procure the required software (Eview), completed training on different models (like MFMod and FPP). A primary set of projections has also been produced by using MFMod and FPP. However, the scheme has not yet used the forecasted figures to develop budget estimate or as an input in the process of preparing MTMPS. It is expected that the forecasted figures will be placed in the next Coordination Council Meeting for approval which will then can be used in the (MTBF) as well as Medium Term Macroeconomic Policy Statement (MTMPS).

3.1.4   Outcome area-2: Improved accuracy of Macro fiscal forecasting in Bangladesh context

Fiscal forecasting (mainly Revenue, Expenditure and Debt forecasting) is highly correlated with the macroeconomic forecasting. In other words, forecasted GDP growth, the rate of inflation, and exchange rate will determine the next year government revenue, expenditure and government debt. Therefore, if the scheme can exercise the scenario analysis as well as sensitivity analysis or risk analysis by using appropriate methodology and accurate data, it can develop the reliable fiscal estimate for next few years. As the mentioned two models are nearly ready and MEW officials got related training, hopefully the component will be able to estimate fiscal indicators with reasonable accuracy.

3.2 Component-3: Debt Management

The SPFMS program encompasses Disbursement Linked Result (DLR) 1.3 under Disbursement Linked Indicator (DLI) 1, which has been fully achieved. Ongoing capacity-building training sessions on Public Sector Debt Statistics (PSDS), Medium-Term Debt Strategy (MTDS), and Debt Sustainability Analysis (DSA) are being conducted with the support of the International Monetary Fund (IMF).

Notable achievements of the program include the successful implementation of the New Public Debt Management Act of 2022, the formulation of the Sukuk Guideline 2021, and the issuance of Sukuk. Additionally, the program has facilitated government securities (G-Sec) trading for the secondary markets of the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), as well as the automation of National Savings Certificates (NSC). The regular publication of the updated Medium-Term Debt Strategy (MTDS) has already been disseminated, while the Debt Bulletins are in regular publication and the Debt Sustainability Analysis (DSA) are being done and report has been published.

Furthermore, the program has established coordination among the Debt Management Offices through the Cash & Debt Management Technical Committee (CDMTC), which meets monthly, and the Cash & Debt Management Committee (CDMC), which convenes semi-annually.

3.2.1   Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR	Indicator Type	Target	Actual	Traffic light (Status)
Improved debt management	PI 13.3 Debt management strategy (Proxy): Implementation of recommendations in MTDS	Intermediate Outcome	90%	90%	
Comprehensive and transparent reporting on government debt	DLR 1.3 DSA Updated	Outcome	Yes (Updated)	Yes	
	DLR 1.3 Debt bulletin published	Outcome	Yes (Quarterly published)	Yes	
	PI 13.1 Completeness, timeliness and quality of debt data	Output	Yes (Quarterly update)	Yes	
	Debt data management capacity increased	Output	100%	100%	

3.2.2   Implementation progress

Number of process indicators	2	Weighted average= 2.00
Number substantially completed (score=2)	2	100%
Number commenced but modest progress (score=1)	-	-
Not started (score=0)	-	-

3.2.3   Outcome area-1: Improved debt management

An *improved debt management* outcome focuses on enhancing a country's ability to manage its debt portfolio effectively. This includes developing strategies to reduce debt-related vulnerabilities, improving the transparency and accountability of debt transactions, and ensuring that debt levels remain

sustainable. The scheme has been publishing Medium-Term Debt Management Strategy (MTDS) regularly. In this reporting year, the Medium-Term Debt Management Strategy (MTDS) 2024 for FY2024-25 to FY2026-27 has been published.

3.2.4   Outcome area-2: Comprehensive and transparent reporting on government debt

The outcome area of *comprehensive and transparent reporting* on government debt aims to ensure that all public debt information is accurately recorded, regularly updated, and made accessible to the public. Comprehensive and transparent reporting supports better fiscal management, reduces the risk of debt suffering, and promotes informed decision-making by policymakers and the public. The scheme has regularly published Quarterly Debt Bulletins and Debt Sustainability Analysis (DSA). The 10th issue of the Quarterly Debt Bulletin has been published and is available on the Finance Division website. The report on DSA has been prepared and approved by the authority. Nine of the eleven savings schemes managed by the Department of National Savings have been digitized, resulting in improved client services through streamlined reimbursements and EFT payments. The database has already updated the NTR data of different ministries/divisions. Regular training courses on Treasury Single Accounts (TSA), Debt management, NSC, and NTR are ongoing, involving officials of the Finance Division to enhance their capacities and capabilities.

3.3   Component-4: Budget Preparation and Planning

Financial planning ensures that public expenditures are planned within the expected availability of resources in the medium term. The Budget Management Committees (BMCs) and Budget Working Groups (BWGs) have been set up in Ministries/Divisions/Other Institutions with a view to improving the overall budget preparation and implementation process. Under this scheme, the capacity of the BMCs and BWGs is being strengthened to ensure better coordination of the operating and development budgets, improve budget alignment with development strategy. Moreover, gender, social and climate considerations, alignment between financial and non-financial (performance) data, efficient fund release procedure, as well as to establish proper linkages between sectoral plans/strategies and resources and also between budget and performance. Component 4 is progressing well, demonstrating that the SPFMS program is effectively supporting PFM reforms. So far, 3 out of 7 DLRs under Component 4 have been fully achieved. DLR 2.3 has been completed and submitted for third-party verification, and DLR 2.2 will be sent for verification soon.

3.3.1   Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
Budget Preparation	**Alignment of budget with strategic priorities at the ministerial level**	Outcome	2.3	2.55	
	Capacity built in budget preparation process including gender and climate issues	Output	1,000	1,725	
Budget execution	**Improved accuracy in budget preparation and execution**	Outcome	10%	13.21%	
BMC performance	**DLR 2.2: 15% of BMCs have undertaken inter-ministerial peer-reviews in accordance with the protocols established pursuant to the monitoring framework development under DLR 2.1**	Outcome	15% of M/Ds	15% of M/Ds	

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
	DLR 2.1: A monitoring Framework (including a performance scorecard) for the BMCs has been drafted, consulted on and issued	Output	Review of the existing monitoring Framework including performance scorecard	Review of the existing monitoring Framework including performance scorecard	
Budget execution	DLR 2.3 & 2.5 The Recipient's expenditure on Social Sectors has increased to 29% (29.25%) of total actual public expenditure (in the relevant fiscal year in which the DLR is being assessed)	Output	29.00%	29.75%	
	PI-8.3: Resources received by service delivery units (Proxy)	Output	80%	80%	
	DLR 3.2 80% of DDOs have had their budget released and distributed by July 31	Outcome	80%	99.23%	
	DLR 3.1 The Finance Division has drafted and issued a circular mandating the de-linkage of Budget Releases from Fund Utilization Report submission	Outcome	Yes	Yes	

3.3.2   Implementation progress

Number of process indicators**	7	Weighted average=2.00
Number substantially completed (score=2)	7	100%
Number commenced but modest progress (score=1)	-	-
Not started (score=0)	-	-

*** Process Indicator 2.4.1 & 2.5.1 are targeted for FY2024-2025*

3.3.3   Outcome Area-1: Budget Preparation

The budget preparation process is closely aligned with strategic priorities at the ministerial level, ensuring that financial planning supports key national objectives. To digitize the budget making process, Budget and Accounting Classification System (BACS) has been established. Manual intervention in budget making process has become minimum. Significant efforts have been made to strengthen the capacity of the process, with a special focus on integrating gender and climate considerations. After issuance of budget circular-1, budget circular-2, hands on trainings on Budget Preparation start to update and enhance the skills and knowledge of BMCs and BWGs members, officers and staffs who are directly involved in the budget preparation process. Extensive training sessions are being organized on a regular basis in every fiscal year, such as, a 3 days' training program namely "PFM: Concepts, Rules and Procedures" for the officers of the BMCs and BWGs. Gender and Climate issues are also addressed separately.

3.3.4   Outcome Area-2: BMC Performance

A major focus of this component is to build the capacity of the Budget Management Committees (BMCs) to better support line ministries in aligning the national budget with sector strategies. This includes adopting a scorecard approach to measure the **BMCs' performance** through an independent peer review process.

The BMCs provide strategic oversight in the budget-making process. To enhance their awareness and proactivity in budget formulation, this component implements several capacity developments programs. These programs help elevate budgetary issues during BMC meetings and strengthen the capabilities of responsible budget officials.

A monitoring framework, including a performance scorecard for the BMCs, has been successfully drafted, consulted on, and issued. In accordance with DLR 2.2, inter-ministerial peer reviews for 15% of BMCs (10 MDs) using the performance scorecard have successfully conducted. An exhaustive report on the performance of every individual MDs have been prepared and it was reviewed by the Finance Division.

3.3.5 Outcome Area-3: Budget Execution

This area of focus aims to improve fiscal forecasting and resource allocation, ensuring alignment with government spending priorities in service delivery sectors, thereby contributing to the PFM reform strategy. Specifically, it seeks to delink budget releases and ensures the timely distribution of budgets to DDOs by establishing a monitoring mechanism through iBAS++.

Under DLR 3.1 the Finance Division has drafted and issued a circular mandating the de-linkage of Budget Releases from Fund Utilization Report Submission. Furthermore, DLR 2.3, which aims to increase the recipient's expenditure on social sectors to 29% of the total actual public expenditure in the relevant fiscal year, has been fully achieved. The actual social expenditure for FY 2021-22 stands at 29.75% of the total actual public expenditure. Reviewed by Budget-9 of the Finance Division, the social sector calculation report is being uploaded on the SPFMS official website and sent to Finance Division for third party verification.

3.4 Component-7: BACS and iBAS++

The objective of the BACS & iBAS++ Scheme is to improve the comprehensiveness and timeliness of in-year budget outturn reports and strengthen better cash management that will enable decision-making by budget controlling offices and enhance fiscal discipline and transparency. Evaluation and monitoring are essential for assessing the success, shortcomings and offering guidance to improve the ongoing activities. Therefore, 3 outcome areas, 11 indicators have been identified to assess the progress of this scheme. Among those, targeted progress against the following five indicators for the period of July 2023- June 2024 is going to be reported.

3.4.1 Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR	Indicator Type	Target	Actual (July 2023- June 2024)	Traffic light (Status)
Budget Preparation	**DLR-8.1: The FY 2018/2019 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.**	Output	Yes	Yes	
Budget Execution	**DLR 4.3: DDOs will submit 40% of all bills in**	Output	100%	100%	

Outcome area	DLR	Indicator Type	Target	Actual (July 2023- June 2024)	Traffic light (Status)
and Reporting	**respect of Pay & allowances, Pensions, Social Safety Net payments through online (in the relevant Fiscal Year in which the DLR is being assessed**				
	DLR 4.2: 50% of government payment transactions in respect of Pay & Allowances, Pensions and Social Safety Net Payments (in the relevant Fiscal Year in which the DLR is being assessed) are made through EFT	Output	90%	90%	
	Reduce time for payment processing from iBAS++ to Commercial Banks or MFS via Bangladesh Bank.	Output	4 days	1 day	
	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	Output	3	3	

3.4.2 Implementation progress

Number of process indicators	2	Weighted average= 2.00
Number substantially completed (score=2)	2	100%
Number commenced but modest progress (score=1)	-	-
Not started (score=0)	-	-

3.4.3 Outcome Area-1: Budget Preparation

Indicator: DLR-8.1: The FY 2018/2019 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.

Budget has been prepared by using the iBAS++ system following 56-digit Budget and Accounting Classification System (BACS). It covers 4 core segments (Organization, Operation, Economic and Source of Fund) and 02 additional segment and 01 non-postal segment infomation regarding DLR achievement. The process is sustainable. However, there is yet to address COFOG and Budget Sector reporting by using new BACS.

3.4.4 Outcome Area-2: Budget Execution and Reporting

Indicators: DLR 4.3: DDOs will submit 40% of all bills in respect of Pay & allowances, Pensions, Social Safety Net payments through online (in the relevant Fiscal Year in which the DLR is being assessed.

&

DLR 4.2: 50% of government payment transactions in respect of Pay & Allowances, Pensions and Social Safety Net Payments (in the relevant Fiscal Year in which the DLR is being assessed) are made through EFT.

As these indicators are inter-connected, the results of the above two indicators are presented together. These DLRs are 100% achieved. DLR Price has been disbursed accordingly. However, in those cases where online bill submission could not be initiated, online payment could not be initiated either. For example, for the sake of security, large amount of money like (Part of Pension -Gratuity; Lump Grant) are still paid in cheque to employees. Many projects provide benefits to beneficiaries under Social Safety Net Protection. Projects (like Employment Generation Programme for the Poorest, EGPP) which do not have MIS Database Online bill submission and payment is not possible in that case.

Indicators: Reduce time for payment processing from iBAS++ to Commercial Banks or MFS via Bangladesh Bank.

It takes only one day for payment processing from iBAS++ to Commercial Banks or MFS via Bangladesh Bank. Due to the interoperability between iBAS++ and Government e-Transaction Processing Hub (GEPH), it is easy to know when money goes from Bangladesh Bank to Commercial Banks and when Commercial Banks send money to MFS. But it is not possible to track when the MFS is sending the money to the beneficiaries.

Indicators: 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.

This DLR has been fully realized and DLR price has been disbursed. There is scope to reduce the time lag in generating quarterly reports. Automation of authority to the Bangladesh Bank and custom houses, and online adjustment of fund disbursement would reduce the time period significantly. Since Budget execution reports are available real time from the system, quarterly reports are available on time.

There are some other points related to Budget Execution and Reporting outcome area which are mentioned below:
   a) As DDO and other user registration are not done online, DDO and other user registration needs to be rolled out online for proper financial management.
   b) In case of pay and allowance, and pension payment, bank accounts need to be verified by the respective commercial banks to avoid fraud.

3.5 Component-8: Pension Management and Financial Reporting

The 'Improving Pension Management System and Quality & Timeliness of Financial Reporting Scheme' is advancing steadily, addressing critical aspects of public financial management. This scheme focuses on automating pension and fund management systems and streamlining procedures. Additionally, the scheme emphasizes improving the quality and timeliness of government financial reporting. This involves implementing robust measures to ensure that financial reports are submitted in time and meet high standards of accuracy and completeness. By enhancing both pension management and financial reporting, the scheme supports greater transparency, accountability, and overall effectiveness in public sector financial management. There are six DLRs related to the scheme, 05 DLRs is fully achieved and 01 DLR is partially achieved.

3.5.1   Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
Pension and fund management system	**DLR-5.3: A government-wide annual GPF and Pension Service report has been produced (covering the relevant Fiscal Year in which the DLR is being assessed).**	Outcome	Yes	A government wide annual GPF and Pension service reports are being generated through iBAS++.	

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
Quality and timeliness of financial reporting	**DLR-8.3: Government-wide unaudited annual Financial statements, including annual financial statements of SAEs (covering the relevant Fiscal Year in which the DLR is being assessed), have been submitted to OCAG within six months of the Fiscal Year-end. (Definition: Intermediate target: Update 2 new appropriation accounts reporting format for Bangladesh Railway, Bangladesh Post Office developed and approved.)**	Outcome	2	Format of Appropriation accounts along with Proforma accounts for Bangladesh Railway and Bangladesh Post Office has been developed and waiting for CAG's approval. Within a short time after approval, appropriation accounts of SAEs will be prepared.	

3.5.2 Implementation progress

Number of process indicators	2	Weighted average= 2.00
Number substantially completed (score=2)	2	100%
Number commenced but modest progress (score=1)	-	-
Not started (score=0)	-	-

3.5.3 Outcome Area-1: Pension and fund management system

The automation of the Government Provident Fund and Pension Service report through iBAS++ will lead to several important outcomes. First, it will allow for the easy estimation of the total number of pensioners, providing accurate data on those receiving government pensions. This will help in better planning and resource allocation for pension payments. Additionally, the automation will enable more precise calculation of the government's liability for the General Provident Fund (GPF), ensuring that financial obligations are accurately assessed and managed.

Overall, this automation will enhance efficiency in pension management, reduce the likelihood of errors, and improve the timeliness of financial reporting. It will also contribute to greater transparency and accountability in the management of public funds, supporting more informed decision-making and effective governance.

3.5.4 Outcome Area-2: Quality and Timeliness of Financial Reporting

Developing Appropriation Accounts for Bangladesh Railway and Bangladesh Postal will lead to several significant outcomes. First, it will enhance transparency by providing financial statements that are clearer and more understandable, aligning with international standards. This increased transparency will make it easier for stakeholders, including the public and oversight bodies, to see how public funds are being used, which, in turn, will improve accountability. With detailed disclosures of expenditures and any variances from budgeted amounts, the new format will ensure that financial management practices are more accountable.

Moreover, the improved quality of financial information will support better decision-making. Policymakers and management will have access to more accurate and reliable data, enabling them to allocate resources more effectively and plan financial strategies with greater confidence.

Finally, newly formatted appropriation accounts will facilitate better comparability with those of other entities, both within Bangladesh and internationally. This comparability is crucial for benchmarking performance and assessing the efficiency of public spending, ultimately contributing to more effective public financial management of the country.

3.6 Component-9: SOE Governance

The scheme SOEs' Governance includes 8 (eight) Disbursement Linked Results (DLRs) under 2 (two) Disbursement Linked Indicators (DLIs) – DLI 6 and 7. So far, the program has fully achieved 4 out of 8 DLRs under Component 9. Additionally, DLR 6.3 has achieved 50% of the target and the remaining 50% is expected to be achieved by September 2024. DLR -7.2 and 7.4 have not been fully achieved, however, 80% of the work for these DLRs have been completed and these 2 DLRs are expected to be fully achieved by December 2024. DLR 6.4, a new task involving the creation of a comprehensive database of SOEs and ABs with 4 modules where 25% is complete through developing one module.

Notable achievements of the scheme include the preparation of Debt and Contingent Liabilities (DCL) Statements for 50 (fifty) SOEs and ABs, the independent performance evaluation of 10 (ten) SOEs and ABs, and the development of a Performance Improvement Strategy for 1 (one) SOE.

Furthermore, through the rigorous efforts of the scheme, over 100 SOEs and ABs have consistently published their Audited Financial Statements on their websites for 3 (three) consecutive fiscal years to promote transparency.

3.6.1 Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
Debt and Contingent liabilities	**DLR 6.3: SOE debt and contingent liabilities statement (covering the relevant Fiscal Year for which the DLR is being assessed) has been prepared by MoF for 100 SOEs and submitted to appropriate authority**	Output	50	50	
Transparency in SOE Monitoring	**DLR 6.2: 100 SOEs and autonomous bodies have published their audited financial statements (covering the relevant Fiscal Year for which the DLR is being assessed)**	Output	100	100	
	DLR 6.4: An integrated database developed for SOEs/ABs with financial and non-financial information and interfaced through API (Application Programming Interface) with iBAS++ with piloting of at least 2 SOEs and ABs	Output	2	1	
Monitoring & Performance management of SOEs	**DLR 7.4: Performance Improvement Strategies have been developed for underperforming SOEs/ABs based on the performance evaluations mentioned in DLR 7.**	Outcome	2	1	
	DLR 7.3: At least 10 SOEs have undergone an independent performance evaluation, in accordance with the SOE performance evaluation guidelines developed under DLR 7.1.	Outcome	10	10	

3.6.2 Implementation progress

Number of process indicators	11	Weighted average= 1.09
Number substantially completed (score=2)	5	45.45%
Number commenced but modest progress (score=1)	4	36.37%
Not started (score=0)	2	18.18%

3.6.3   Outcome area 1: Debt and Contingent Liabilities

SOE *debt and contingent liabilities* statement has been prepared for 50 SOEs and submitted to appropriate authority. This statement focuses on analyzing the debt and contingent liabilities of 50 State-Owned Enterprises (SOEs), both collectively and individually. The statement has identified required government's strategic approach for mitigating the fiscal risks associated with these 50 SOEs. The formulation of this statement included a thorough examination of financial data and an evaluation of the fiscal vulnerabilities linked to these SOEs and ABs. The statement incorporates all forms of indebtedness of SOE, including various types of liabilities such as external and internal borrowings, intra-SOE debt, debt deriving from quasi-fiscal operations, and other notable risk factors.

3.6.4   Outcome area 2: Transparency in SOE Monitoring

To enhance *transparency in SOE monitoring*, the scheme has facilitated the publication of Audited Financial Statements (AFS) for over 100 SOEs and ABs on their websites. This step is crucial for ensuring accountability, public trust, and the efficient management of public resources. The data from these AFS are also essential for preparing Debt and Contingent Liabilities (DCL) statements and conducting Independent Performance Evaluations (IPE) as mandated by the scheme.

An integrated database is being developed for SOEs/ABs with financial and non-financial information. 50% works of the database have been completed. Rest of the work is ongoing. The database will be interfaced with iBAS++ through Application Programming Interface (API).

3.6.5   Outcome area 3: Monitoring & Performance Management of SOEs

The scheme has evaluated performance of 10 SOEs/ABs and published aggregated and individual Independent Performance Evaluation (IPE) reports. The Independent Performance Evaluation (IPE) initiative aims to enhance the efficiency, transparency, accountability, and overall performance of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs). This concerted effort seeks to establish better governance structures and instigate substantial enhancements across these entities.

Performance Improvement Strategies of one underperforming SOE of targeted 2 (two) has also been prepared. The underperforming SOEs/ABs were selected on the basis of independent performance evaluation conducted by the scheme. The strategy recommended guidelines for improvement for operation management, human resources, financial reporting and other financial and non-financial areas.

To ensure the quality of management and accounting procedure of SOEs and ABs a policy and procedures manual for property, plant, equipment and other assets is being drafted by the scheme and around 80% of the work has been done.

3.7 Component-10: Internal Audit and Audit Follow-up

The SPFMS program highlights, for the first time, the establishment of a fully functioning internal audit units and committees for the Government of Bangladesh. To achieve this goal, the Scheme of Internal Audit and Audit Follow-up under this program got approval in September 2021 and began its journey. IA scheme is primarily responsible for **DLI 9** i.e. Action taken on internal and external audit reports in selected MDAs and post-procurement reviews in the Finance Division (FD). Under DLI 9 there are four DLRs and out of this four DLRs, two DLRs (DLR 9.1 and 9.2) have been fully achieved, verified and disbursed, while the other two DLRs (DLR 9.3 and 9.4) are in progress.

3.7.1 Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR/ Indicator	Indicator	Target	Actual	Traffic light (Status)
IA Capacity development plan implemented	**Number of training (workshops/ seminars/ view-exchange/ targeted interviews) completed / Total number of training planned for reference year**	Output	100%	90%	
Number of Departments with fully functional Internal Audit Units (IAU)	**IAUs fully staffed with qualified auditors verified as competent to stand for CIA exam**	Output	2	4	

3.7.2 Implementation progress

Number of process indicators	3	Weighted average= 1.00
Number substantially completed (score=2)	1	33.33%
Number commenced but modest progress (score=1)	1	33.33%
Not started (score=0)	1	33.33%

3.7.3 Outcome area 1: Capacity Development Training of IAU officials

Capacity development training is critical for enhancing the efficiency, effectiveness, and accountability of the Internal Audit Unit (IAU) officials in respective departments i.e. Department of Primary Education (DPE), Roads and Highways Department (RHD), Public Works Department (PWD), Local Government Engineering Department (LGED) and Directorate General of Health Services (DGHS). IAU officials require a keen understanding of audit principles, techniques, and methodologies to perform their duties effectively. Capacity development training helps equip these officials with the necessary skills to conduct comprehensive audits, identify inefficiencies, and recommend corrective measures. These training programs are supposed to ensure that IAU officials are seemed to be up-to-date with the latest auditing standards, technological tools, best practices which will enable them to follow audit related rules more thoroughly and accurately.

To strengthen the capabilities of IAU officials, the Internal Audit Scheme has implemented a series of workshops, seminars, and hands-on training sessions. During the FY 2023-24, the scheme successfully organized 19 workshops and seminars on various internal audit topics, including Risk Management, Risk Register, Audit Universe, and Audit Execution and Reporting Templates. Additionally, 3 (three) customized workshops were conducted specifically for the Finance Division officials. Furthermore, the scheme facilitated 3(three) workshops on Post Procurement Review for the SPFMS program (Approx. 45 officers/ consultants/ staffs from July 2023 – June 2024).

The primary objective of this indicator is to deliver capacity development training to officials of Internal Audit Units (IAUs). During the reporting year (FY 2023-24), 4(four) IAUs were established within DPE, RHD, PWD, and LGED, while the approval for the IAU in DGHS is still pending. However, the program has successfully provided basic Internal Audit training to officials of DGHS. Therefore, the component has reported a 90% achievement for this indicator.

3.7.4 Outcome area 2: Establishment of IAU

Department-wise approval to *establish Internal Audit Units (IAUs)* with possible HR deployment in four (DPE, RHD, LGED & PWD) departments have been completed as per the Charter and Manual. The deployed HR of IAU's are now undergoing with capacity building trainings. Department-wise Risk Registers have been prepared according to the work plan in those four departments. Annual Risk-Based

Internal Audit Plan (AIAP) as well as Piloting Risk-Based Internal Audit Plan (PIAP) have been prepared through discussions with respective top-management. DPE has already commenced internal audit execution according to PIAP while RHD is in execution process. The approval process of the IAU of DGHS is still ongoing due to their own issues and tasks.

For FY 2023-24, the target was to establish two IAUs, but the scheme has been able to establish four IAUs. As a result, the scheme is reporting a 100% achievement for this indicator.

3.8 Component-14: PFM Reforms Leadership, Coordination and Monitoring

Overall performance across for Component 14 is on track, which is indicative of the SPFMS program providing an effective enabling environment for PFM reforms. To date, the program has fully achieved 4 out of 6 DLRs under Component 14. Activities under this component, e.g., Steering Committee meetings, check-in- meetings and other training programs have picked up momentum in 2023 and 2024, after delays for COVID 19 and impediments in previous years. Though not reflected in the results indicators, SPFMS is also in the process of strengthening the results focus on the program's monitoring and evaluation and expects to achieve DLR 10.5 by the end of 2024 or early 2025.

3.8.1 Indicators: progress towards results for July 2023- June 2024 (Year-5)

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
Coordination and Leadership	**Steering committee decisions taken & implemented**	Intermediate Outcome	15	15	
	Frequency of PIT check-ins held	Output	120 days between consecutive meetings	53.6 days between consecutive meetings (on an average)	
	DLR-10.1: Two PFM Action Plan progress reports (prepared on a semi-annual basis) have been submitted by the PECT to the Steering Committee.	Output	2	2	
Learning and dissemination of PFM issues	**DLR 10.6- 100 civil servants completed PFM related courses**	Output	100	102	
	Program supported PFM graduates posted in PFM areas	Intermediate Outcome	70%	92.16%	
	DLR-10.2: Two PFM Action Plan stakeholder retreats conducted to review the respective semi-annual PFM Action Plan progress reports	Output	1	1	

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
	prepared under DLR 10.1.				
	DLR 10.4:6 field inspections to government service delivery centers to identify PFM related issues have been carried out.	Output	9 (Cumulative)	9 (Cumulative)	

3.8.2 Implementation progress

Number of process indicators**	6	Weighted average=1.83
Number substantially completed (score=2)	5	83.33%
Number commenced but modest progress (score=1)	1	16.67%
Not started (score=0)	0	0%

*** Process Indicator 10.5.1 target is for FY 2024-2025.*

3.8.3 Outcome area 1: Coordination and Leadership

The proxy indicator for leadership shows that the Steering Committee meetings were held per the anticipated frequency, providing directions with respect to program course corrections, and that these decisions are being effectively implemented by program stakeholders. 100% of Steering Committee decisions were implemented within the past year. The Steering Committee relied on the PFM Action Plan progress reports (DLR 10.1) to assess the program's performance, provide directions, and take key decisions to continue to compel effective implementation. Examples include: the second retreat has already been conducted this year as per 3rd Steering Committee's decision (decision no. 4 of the 3rd SC meeting minutes) and also the PFM Summit has been organized in collaboration with the Government of Bangladesh and the World Bank (decision no. 5 of the 3rd SC meeting minutes). SPFMS coordination infrastructure is also performing effectively, with PIT check-in-meetings taking place at the regular interval.

While all indicators in this outcome area are on track, the check-in-meetings foresees that coordination may prove increasingly challenging in the coming fiscal year due to the rapid increase in activities such as concurrent training programs. Potential rectifying measures will include setting a program wide training calendar to improve scheduling and avoiding training burn out among participants.

3.8.4 Outcome area 2: Learning and dissemination of PFM issues

Over the past year, SPFMS has continued to facilitate PFM learning and knowledge sharing in coordination with IPF. IPF met its target of publishing the first of three research papers this year. It is important to note that, for 2 of 3 research papers will be disseminated to an audience of 100 participants representing a number of ministries/divisions and related organizations. SPFMS and IPF have also supported increased PFM skill acquisition, with over 102 civil servants benefitting from PFM training (including 20.59% women). There are also early signs that this training is helping to sustainably fill capacity gaps, as 93.14% of training beneficiaries have been working in PFM areas after training (exceed to the 80% target). The program has already completed 9 field visits completing a total of nine since 2019. These visits provided insights such as DDOs submit pay bill on time in the iBAS++ system and lessons were fed back into program implementation through representatives from Finance Division, SPFMS Program, major spending ministries/divisions, Institution of Public Finance (IPF) and development partners.

Though the program is meeting all relevant indicators, there may be challenges to continued provision of PFM related trainings/certifications to civil servants. Specifically, Ministry of Finance's prohibition on international travel for training participants will limit the types of trainings for the access of beneficiaries. SPFMS and IPF seek to identify alternatives, be it through online PFM training courses or by accessing alternative resources outside of the program, such as other development partner financing.

3.8.5 Outcome area 3: Monitoring

Though not reflected in the results indicators, SPFMS is also in the process of strengthening the results focus on the program's monitoring and evaluation and expects to achieve DLR 10.5 by the end of 2024 or early 2025. All SPFMS stakeholders have been actively involved in revising the results framework and indicators, benefitting from Strengthening Public Expenditure Management Program Bank-Executed Trust Fund (SPEMP BETF) and under M&E team of SPFMS program supported by Component-14: PFM Reforms Leadership, Coordination and Monitoring. Going forwards, all SPFMS stakeholders will need to continue their involvement in data collection and reporting, per the responsibilities spelled out in the M&E guidelines and in the M&E work plan.

Chapter-4

Analysis and Findings

Chapter-4: Analysis and Findings

On the basis of the reporting templates given by the eight (8) components of SPFMS program, the result-based indicators' performance has been assessed through RTT. The detail calculation of each component in the RTT has been shown in annexure-2 separately. The analyses of all components are given one after another as follows:

4.1 Component-1: Macroeconomic Forecasting

In this targeted year, for Componet-1: Revenue and macroeconomic forecasting, there are 4 DLRs, of which **DLR 1.1: Finalize the model requirement** has been achieved. Total five result indictors were selected for performance assessment which cover 2 outcome areas: (i) *Improved accuracy of fiscal forecasting* and (ii) *Use of Model's forecasts.*

In the *Improved Accuracy of Fiscal Forecasting* outcome area, there are four result indicators. Out of four indicators, three indicators have been achieved. However, one proxy indicator driven from PEFA indicators **14.3: Macro fiscal sensitivity analysis** has not been completed. According to the PEFA Assessment 2021, fiscal forecasts prepared by the government do not include a qualitative assessment of the impact of alternative macroeconomic assumptions. Alternatively, there is no comprehensive assessment of the fiscal impact of policy changes. The fiscal forecasts do not present any qualitative analyses, nor do they build various scenarios to foster strategic conversations within the government and amongst decision makers. There is no explanation of upside and downside risks. Internally, different scenario analyses are done to finalize forecasting, but they are not published.

In outcome area: *Use of Model's Forecasts*, **DLR 1.5 Projections from the upgraded Macro-Economic Model have been used for MTMF and budget preparation** is not yet completed although a round of primary projections has been produced by both MFMod, and Financial Programming and Policies (FPP) model. Component-1 thinks that, from the next fiscal year, MTMPS and other related documents will include the projections generated from these models. Deviations of two result indicators are shown in the RTT (annex-2).

The weighted average of process indicators is 1.6 out of 2.00. This is important to mention that process indicators have been selected to foster the achievement of result-based indicators as per the target in the right track for all components.

4.1.1 Findings: Component-1: Macroeconomic Forecasting

- **Expected Outcome**: Improved accuracy of macro-fiscal forecasting using the Macroeconomic Model for the Medium-Term Macroeconomic Policy Statement (MTMPS) and budget preparation.
- **Actual Outcome**: Although the software for the model has been procured and training completed, the projections from the upgraded model have not been used for MTMF and budget preparation yet. Forecast accuracy has not improved as expected since scenario and sensitivity analysis are not yet fully operational.
- **Gaps**: The use of the model's forecasts for budget preparation is delayed, affecting fiscal forecasting. The actual outcome does not yet represent the expected results fully, as key forecast outputs have not been applied to fiscal planning.

4.2 Component-3: Debt Management

The component-3 is based on only one DLR covering MTDS, DSA and debt bulletins. There are two (2) outcome areas: *(i) Improved debt management and (ii) comprehensive and transparent reporting on government debt.* The important thing for this component is that two (2) PEFA indicators (**PI 13.3- Debt management strategy (Proxy): Implementation of recommendations in MTDS** and **PI 13.1- Completeness, timeliness and quality of debt data**) were chosen.

Total five (5) result based indicators and two (2) process indicators were selected. For process indicators, the component has got the satisfactory weighted average 2.00 out of 2.00. In case of PI-13.3, the MTDS covering the period from FY 2021-22 to FY 2023-24 was published with support from the SPFMS program. The new MTDS (FY 2024-25 to FY 2026-27) has already been published on the MOF's website. It includes target ranges, such as interest rates, refinancing and foreign current risks. The report shows that the component has been successful to implement 90% recommendations mentioned in the MTDS. For PEFA indicator-13.1, Bangaldesh has got the score "B", that is, records of domestic, external debts and guaranteed debts are complete, accurate, and updated and reconciled at least every 3 months. Statistical reports are issued quarterly and are found on the website of the Ministry of Finance.

It has been mentioned earlier that, component-3 is actually based on DLR-1.3. The DLR covers two (2) result based indicators regarding updating of DSA and quarterly publishing of debt bulletins. The Ministry of Finance has the responsibility for Debt Sustainability Analysis. Quarterly Debt Bulletins have been publishing since April 2021 on the MoF website, albeit with time lags. The bulletin covers all data related to outstanding debts and contingent liabilities. The last debt bulletin was published in August 2024 Issue No-10 (https://mof.gov.bd/site/page/9466b739-2f5c-4914-ba82-b204af6a594e/Debt-Bulletin).

4.2.1   Findings: Component-3: Debt Management

- **Expected Outcome:** Improved debt management and transparent reporting on government debt.
- **Actual Outcome:** Debt sustainability analysis and debt bulletins are updated and published regularly. Debt data management capacity has improved meeting all targets.
- **Gaps:** No major gaps; the actual outcomes match expected targets for debt management and demonstrate improved debt management.

4.3 Component-4: Budget Preparation and Planning

There are three (3) outcome areas in component-4: *(i) Budget preparation, (ii) Budget execution, and (iii) BMC performance.* These three (3) outcomes areas were identified in terms of seven (7) DLRs (DLR-2.1-2.5 & DLR 3.1-3.2) and PEFA indicator **PI-8.3: Resources received by service delivery units**. In this component, total ten (10) result indicators and nine (9) process indicators were selected.

2 out of 10 indicators is included in outcome area related to *budget preparation*. In modern PFM system, budget preparation process is closely linked with strategic priorities at ministry level in accordance with Bangladesh government's key national objectives. Presently, Budget and Accounting Classification System (BACS) has already been established to digitize the budget making process. For the first indicator: **Alignment of budget with strategic priorities at the ministerial level**, the definition is actually based on peer review guidelines of BMCs and BWGs of MDAs. In peer review guidelines, there are four (4) thematic areas through which BMCs and BWGs are evaluated in terms of score from 1-4.[7] These 4 thematic areas are: (i) alignment of Medium-Term Budget Framework (MBF) with policy priorities and strategies, (ii) budget review and approval, (iii) monitoring, evaluation and audit disposal, and (iv) capacity development of BMCs. According to peer review guidelines, hands on trainings of budget preparation already started to enhance the skills and knowledge of BMCs and BWGs members, officers and staffs who are directly involved in budget preparation process. This indicator appears to be an outcome indicator and the component has fulfilled 100% achievement. For the second indicator, **Capacity built in budget preparation process including gender and climate issues**, the report shows that extensive training sessions are being organized on a regular basis in every fiscal year. In those trainings, gender and climate issues are being addressed separately. This indicator is fully achieved.

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[7] 4 indicates: outstanding performance; 3 indicates: high performance; 2 indicates: modest performance; and 1 indicates: low performance.

The third indicator **Improved accuracy budget preparation and execution** defines the variance between budgeted amount and actual expending by MDAs. This indicator is related with PEFA indicator (PI-2.1, PI-2.2) and second outcome area: *Budget execution*. The PEFA Assessment 2021 shows that, the variance in the composition of expenditures by administrative classification (excluding contingency and interest on debt) was greater than 10 percent of the original budget in 2018-19 and 2019-20. This year target is 10% and the component shows that it has not achieved. In this respect the component points out that, due to fiscal tightening by the government, the actual spending deviated 13.12% from the allocated budget. In this outcome area, there are another four (4) indicators i.e. DLR-2.3 & 2.5, PEFA indicator (PI-8.3 proxy), DLR-3.2 and DLR-3.1. The report shows that, DLR-2.3 & 2.5, PI-8.3 and DLR-3.1 have been fully achieved, there is no deviation in the RTT (annex-2). Moreover, for **DLR-3.2: 80% of DDOs have had their budget released and distributed by July 31** is fully achieved in the reporting timeframe. For PI-8.3, though according to PEFA Assessment 2021, no document shows any record of actual resources received by the service delivery units.

In the third outcome area: *BMC performance*, **DLR 2.2: 15% of BMCs have undertaken inter-ministerial peer-reviews in accordance with the protocols established pursuant to the monitoring framework development under DLR 2.1** and **DLR 2.1: A monitoring Framework (including a performance scorecard) for the BMCs has been drafted, consulted on and issued** is fully achieved. Finally, component-4 selected 7 process indicators for FY 2023-24. These 7 process indicators have been fully achieved and the weighted average is 2.00 out of 2.00.

4.3.1 Findings: Component-4: Budget Preparation and Planning

- **Expected Outcome:** Improved budget preparation aligned with strategic priorities, better BMC performance, and improved budget execution.
- **Actual Outcome:** Budget preparation and execution targets were largely achieved, with alignment of budget priorities and social expenditure goals are met.
- **Gaps:** The variance in the composition of expenditures by administrative classification is greater than 10 percent.

4.4 Component-7: BACS and iBAS++

Componet-7: BACS and iBAS++ is implementing DLI-4 (DLR-4.1 to DLR-4.4) and DLI-8 (DLR-8.1,8.2,8.4, 8.5, 8.6). In this component, 5 result indicators and 2 process indicators were selected for this targeted year. For the process indicators, the component's weighted average is 2.00 out of 2.00 which is satisfactory. This year the result-based indicators are selected in 2 outcome areas i.e., (i) *Budget Preparation* and (ii) *Budget Execution and Reporting*.

In the outcome area- *budget preparation,* there is only one result indicator as well as DLR-8.1 which is fully achieved. In the outcome area- *budget execution and reporting,* DLR- 4.3, DLR-4.2 and DLR-8.5 as result indicators were chosen and they are fully achieved. In this outcome area, a notable result indicator '**Reduce time for payment processing from iBAS++ to Commercial Banks or MFS via Bangladesh Bank'** was undertaken into consideration. This indicator has fulfilled its target remarkably i.e., now the payment processing from iBAS++ to commercial banks or MFS via Bangaldesh Bank takes only 1 day against the target of 4 days.

As a whole, the achievement status of component-7 is stretched in different areas, such as, salary (Online bill, TVC etc.), PL Account (positive balance in cash management at the end of FY), BACS (56-digit Budget and Accounting Classification System), TA/ DA & House loan management (online submission), Social safety net payment (develop single registry system), employee management (online pay fixation of all employees), A-challan (revenue & fee collection at real time), Stock take of bank account, EFDMS and organogram database. In fine, the fulfillment of the targets assigned for five (5) result-based indicators for FY 2023-24 reveals the satisfactory performance of this component.

4.4.1 Findings: Component-4: BACS and iBAS++

- **Expected Outcome:** Enhanced budget preparation, execution, and reporting using iBAS++.
- **Actual Outcome:** 100% of the targets for online submission of bills and government payment transactions via EFT are achieved. Budget execution reports are being published as planned.
- **Gaps:** No significant gaps; all targets are achieved.

4.5 Component-8: Pension Management and Financial Reporting

For Componet-8: Pension Management and Financial Reporting, there are 6 DLRs (DLR-5.1 to DLR-5.5 and DLR-8.3). Eleven (11) result based indicators and sixteen (16) process indicators were selected for this component in consultation with PEC, PIT, Sr. Consultants and ISC. The result indicators were selected on the basis of 2 outcome areas covering: (i) *Pension and fund management system*, and (ii) *Quality and timeliness of financial reporting*.

In this targeted year (2023-2024), the component has only two (2) result based indictors to monitor. For **DLR-5.3: a government-wide annual GPF and Pension Service report has been produced (covering the relevant Fiscal Year in which the DLR is being assessed)**, the component has been capable of achieving the target fully. For the outcome indicator **DLR-8.3: Government-wide unaudited annual financial statements, including annual financial statements of SAEs (covering the relevant Fiscal Year in which the DLR is being assessed), have been submitted to OCAG within six months of the Fiscal Year-end**, the component has already prepared the drafts of the Appropriation accounts of Bangladesh Railway and Bangladesh Post Office. However, these have not been approved by the appropriate authority. Therefore, the achievement of this indicator is 50% which has been marked by yellow color as well as shown 50% deviation in the RTT (annex-2).

4.5.1 Findings: Component-8: Pension Management and Financial Reporting

- **Expected Outcome:** Automated pension management system and timely financial reporting.
- **Actual Outcome:** GPF and pension reports are generated, and new appropriation account formats for Bangladesh Railway and Bangladesh Post Office are ready but awaiting approval.
- **Gaps:** While the pension management system is automated, financial reporting is not fully complete due to pending approvals for appropriation accounts.

4.6 Component-9: SOE Governance

For Componet-9: SOE Governance, there are 8 DLRs (DLR-6.1 to DLR-6.4 and DLR-7.1 to DLR-7.4). Seven (7) result based indicators and thirteen (13) process indicators were selected for this component in consultation with PEC, PIT, Sr. Consultants and ISC. The result indicators were selected on the basis of 3 outcome areas covering: *(i) Debt and Contingent liabilities, (ii) Transparency in SOE Monitoring and (iii) Monitoring & Performance management of SOEs*.

As per the first result indicator in outcome area *Debt and Contingent liabilities*, the component has fulfilled the target. **DLR-6.2: 100 SOEs and autonomous bodies have published their audited financial statements** in outcome area *Transparency in SOE Monitoring* as second result-based indicator has been fully achieved. However, **DLR-6.4: An integrated database developed for SOEs/ABs with financial and non-financial information and interfaced through API (Application Programming Interface) with iBAS++ with piloting of at least 2 SOEs and ABs** has partially achieved its target. In this context, the component explains that it advanced to the development of a database with four key modules, prioritized with (i) Budget, (ii) DCL, (iii) IPE, and (iv) TO&E. The Budget module has been successfully completed and tested with budget data from 12 diverse SOEs in the last fiscal year and is ready for launch despite facing challenges. Those diverse 12 SOEs are predominantly manual due to their greater number of data fields and data migration. Despite this, the Budget module's data will support the development of other modules, particularly the Debt and

Contingent Liabilities (DCL) module, which the team is currently focusing on. Once the DCL module is finished, work will proceed on the remaining IPE and TO&E modules. The full database, encompassing all four modules for the 12 SOEs, is now expected to be completed by December 2024.

Finally, in the third outcome area *Monitoring & Performance management of SOEs*, there are 2 result-based indicators. This outcome area is very important for SOEs'/ ABs' governance. However, one indicator has not achieved its target. Only **DLR 7.3: At least 10 SOEs have undergone an independent performance evaluation, in accordance with the SOE performance evaluation guidelines developed under DLR 7.1** is fully achieved. Whereas, **DLR-7.4: Performance Improvement Strategies have been developed for underperforming SOEs/ABs based on the performance evaluations mentioned in DLR 7** has reached to its' target 50% (50% deviation). In order to enhance the efficiency, transparency, accountability, and overall performance of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs), DLR-7.4 is very important for the overall performance of SOEs/ABs governance. For this reason, the component personnel need to be aware of achieving this DLR's target.

4.6.1   Findings: Component-9: SOE Governance

- **Expected Outcome:** Improved monitoring and performance management of SOEs, transparent debt, and contingent liabilities reporting.
- **Actual Outcome:** Debt and contingent liabilities for 50 SOEs were reported, but the development of a comprehensive database and performance strategies is behind schedule.
- **Gaps:** Performance improvement strategies for underperforming SOEs are delayed, and the integrated database for SOEs is only partially completed. The actual outcomes do not fully represent the expected results due to delays in database development and performance evaluation strategies.

4.7 Component-10: Internal Audit and Audit Follow-up

Componet-10: Internal Audit and Audit Follow-up is primarily responsible for actions taken on internal and external audit reports in selected MDAs and post-procurement reviews in the Finance Division (FD). The main objective of this component is to establish a modern internal audit function in selected large spending and high-risk prone departments e.g. DPE, RHD, LGED, PWD & DGHS as part of internal controls using risk-based audit methods.

This component is under DLI 9 where four (4) DLRs were set and out of these four DLRs, two DLRs (DLR 9.1 and 9.2) are fully achieved. The other two DLRs (DLR 9.3 and 9.4) are in progress. For this year, there are two (2) outcome areas covering: (*i*) *capacity development training of IAU officials,* and (*ii*) *number of departments with functional Internal Audit Units (IAU)* under which two (2) result based indicators were selected. Moreover, three (3) process indicators have been chosen for this reporting period but the weighted average of process indicators is not satisfactory.

For the first result-based indicator, **Capacity Development Training of IAU officials,** the target was 100% to achieve. However, the component has achieved 90% against the target i.e., the deviation is 10% (shown in the RTT annex-2). For the second indicator **Number of Departments with functional Internal Audit Units (IAU),** the target was two (2) in number. The component has been able to establish Internal Audit Units (IAUs) with possible HR deployment in four departments e.g., DPE, RHD, LGED & PWD. It shows that, the component has made satisfactory performance against this indicator.

4.7.1   Findings: Component-10: Internal Audit and Audit Follow-up

- **Expected Outcome:** Establishment of an Internal Audit Unit (IAU) and capacity development.
- **Actual Outcome:** IAU was established, and capacity-building programs were conducted successfully.

- **Gaps:** No significant gaps.

4.8 Component-14: PFM Reforms Leadership, Coordination and Monitoring

For Componet-14: PFM Reforms Leadership, Coordination and Monitoring, there are 6 DLRs (DLR-10.1 to DLR-10.6). Ten (10) result based indicators and seven (7) process indicators were selected for this component in consultation with PECT. The result indicators were selected covering 3 outcome areas: (i) *Coordination and Leadership*, (ii) *Learning and dissemination of PFM issues* and (ii) *Monitoring*.

For Coordination and Leadership outcome area, three (3) result based indicators were chosen. For the indicator regarding **Steering Committee decisions taken & implemented**, it is found that a total of 3 Steering Committee (SC) meetings were held. Following table shows the details of SC meetings' decisions taken and implementation status:

Sl.	Steering Committee	Held on	No. of decisions taken	No. of decisions implemented
1.	1st SC Committee Meeting	24 June 2021	5	5
2.	2nd SC Committee Meeting	29 December 2022	5	5
3.	3rd SC Committee Meeting	31 July 2023	5	5

Regarding the **frequency of PIT check-in-meetings** as well as implementation support missions were held with PITs during the reporting timeframe. Following table illustrates the detailed information:

Sl.	Check-in- Meetings Committee	Held on	Gap of occurring the meeting (days)
1.	1st Check-in- meeting	26-27 July 2023	0
2.	Implementation Support Mission	11 to 19 October, 2023	92
3.	2nd Check-in- meeting	10-11 January 2024	82
4.	Implementation Support Mission	11-15 February 2024	34
5.	3rd Check-in- meeting	18 April 2024	60
	Average gap of occurring the meeting (days)		53.6 days

In the analysis of second result-based indicator **Frequency of PIT check-ins held**, the target was to arrange the meeting within 120 calendar days calculating date of current check in meeting – date of previous check in meeting. The table shows that, the difference between all meetings were held within the stipulated target (within 120 days). In average, the performance of this indicator is assessed with the green traffic light (satisfactory performance) with no deviation.

DLR-10.1 has fully achieved and disbursed. It is found that, every year two **PFM Action Plan progress reports (prepared on a semi-annual basis)** have been being submitted by the PECT to the Steering Committee.

In the outcome area *Learning and dissemination of PFM issues*, there are three (3) result based indicators and all indicators have been assessed green traffic light (satisfactory performance). **DLR 10.6- 100 civil servants completed PFM related courses** is defined as cumulative number of civil servants receiving certificates in PFM related areas (disaggregated by gender). The report shows that the target has been fulfilled because the participants in this area are 102. However, if we analyze the DLI technical note, the participants should cover at least 30 percent of women whereas 20.59% women civil servants completed the PFM related courses.

4.8.1 Findings: Component-14: PFM Reforms Leadership, Coordination and Monitoring

- **Expected Outcome:** Effective coordination and leadership in PFM reforms.

- **Actual Outcome:** Coordination and monitoring activities are progressing well, but some processes are still being developed.
- **Gaps:** Women participation in PFM related courses is less than expected target written in the DLI technical note.

4.9 Overall Findings

The overall analyses of result-based indicators and process indicators for 8 components of the SPFMS Program shows that, result based indicators were selected for 3 targeted financial year i.e., FY 2023-2024, FY 2024-2025 and FY 2025-2026 in the SPFMS M&E Guidelines. For the 1st financial year, total 40 result-based indicators and 38 process indicators were chosen for 8 components. In accordance with reporting system mentioned in the M&E Guidelines, performance of result and process indicators for achieving the assigned target is shown below in the following figures:
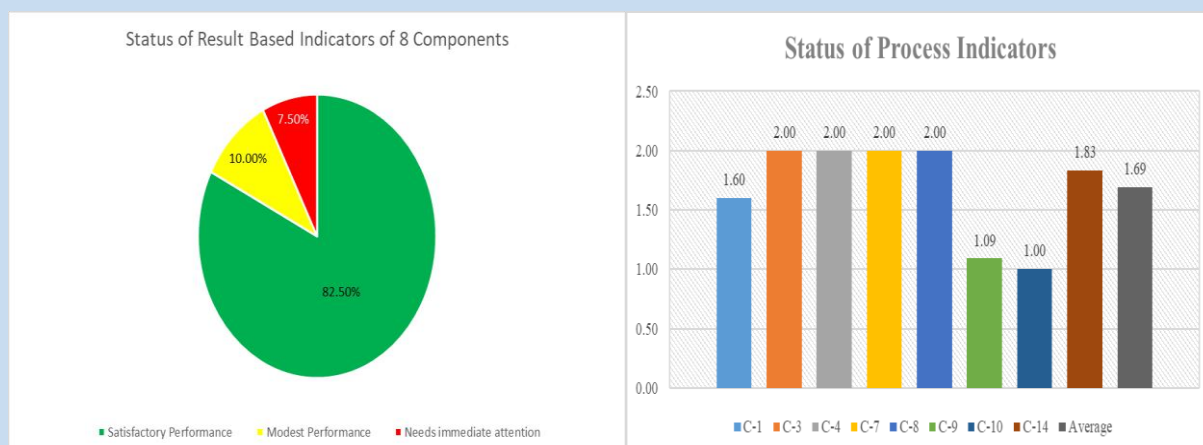
Chapter-5

Recommendations and Conclusion

Chapter-5: Recommendations and Conclusion

5.1   Recommendations

Following are the recommendations for the improvement of PFM areas based on findings of the analysis of result and process indicators for FY 2023-2024 and also found on the reports given by the respective components-

i. *Monitoring & Evaluation:* The Program has established strong results focus formulating SPFMS M&E Guidelines along with the DLRs and DLIs being the reference point for all PIT activities. PITs and PECT need to be effectively involved with all activities around the DLRs, result based indicators and process indicators. PITs and PECT should be under an obligation for continuously assessment of the actions and steps to attain the relevant targets.

ii. *Capacity building on M&E:* For M&E activities, some problems have been encountered in preparation of monitoring reports. Sometimes, the person who prepares the monitoring report may not be involved with indicators' implementation. Even more than one person may be involved in the implementation of each indicator. For this, regular hands-on training/ briefing sessions need to be held quarterly with the persons who prepare the monitoring & evaluation report and the implementers of the indicators as well.

iii. *Usage of forecasted figures in the MTMPS:* The Macroeconomics Wing of Finance Division needs to be proactive for the placement of the forecasted figures in the next Coordination Council Meeting for approval which will help use this forecasted figure in the (MTBF) as well as Medium Term Macroeconomic Policy Statement (MTMPS).

iv. *Addressing Gender and social inclusion aspects in PFM Areas:* Gender and social inclusion aspects are important for the BMC scorecard, the Pension component and with gender disaggregated data on training participants. This is expected to benefit women disproportionately by helping overcome information access and mobility barriers while enabling women to avoid gender bias and discrimination. For example, DLR 5.5 specifically targets that 90 percent of new female pensioners (as well as 90 percent of new male pensioners) are paid through the EFT. Moreover, DLI 10 encourages PFM training for civil servants and includes a specific gender target. The gender action on training courses includes additional efforts to ensure that women staff are well informed about the courses in which they can enroll as well as tailored outreach activities targeted to women staff.

v. *Program oversight:* Only one steering committee meeting has taken place during the reporting timeframe (from 1 July, 2023 to 30 June, 2024) which was held on 31 July 2023. The steering committee is expected to meet at least once every six months. The legal agreement requires an active steering committee responsible for providing policy guidance and strategic oversight to monitor program implementation and resolving implementation challenges. The PECT and PIT members are also expected to serve for a sustained period to have positive impact in the program results. Therefore, Steering Committee meeting need to be arranged twice a year at a regular interval.

vi. *Identification of Debt and Contingent Liabilities of SOEs/ABs:* The Monitoring Cell of the Finance Division, in collaboration with the concerned SOEs/ABs, is identifying agreed areas for improvement to help SOEs/ ABs achieve their objectives. Underperforming SOEs/ABs are being identified, along with the reasons for their underperformance, and mutually agreed solutions are being proposed for improvement. Currently, the Budget and Accounts Classification System

(BACS) provides code classifications exclusively for government agencies. However, to better manage SOEs/ABs within the developing database, this system needs to be expanded to include State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs).

vii. ***Budget Execution and Reporting outcome area:*** As DDO and other users' registration are not done online, it is not possible to properly identify agencies against a DDO. In this case, DDO and other user registration need to be rolled out online. In case of Pay and Allowance and Pension payment, Bank accounts need to be verified by the respective commercial banks to avoid fraudulent activities.

viii. ***Establish a central database on Debt management:*** A central database on debt is necessary to ensure data integrations involving ERD, BB, NSD, and CGA, the engagement of the stakeholders to ensure diversity of views and specialized skills. Debt Market Development issues need to be considered as part of the overall strategy for debt management as well as contingent liability management integration. The current legal setup often needs an alignment with international best practices, which eventually reflects an amalgamation in accordance with debt management.

ix. ***Accuracy and effectiveness of fiscal planning:*** The absence of specific rules, procedures or directives for forecasting at the MEW makes the sustainable forecasting practice a challenge. A system of online update of high frequency data will be a must to continue the forecasting practice effectively. Documentation and systematic archive of all training materials, manuals, and software is the key to develop the institutional memory. Once the users are familiarized with the new model, the practice of using simulation technique for decision making is necessary. An organized system of posting and transfer to the Finance Division is crucial to sustain and continuously improve the developed model to get the potential benefit of forecasting.

x. ***Addressing Automation Challenges in Pension Management System:*** The automation process faced challenges due to data integration, technical hurdles like OTP delays, and initial hesitation from employees in adapting to the new system, while also prioritizing data security. The situation emphasizes the importance of ensuring data quality and improving technical infrastructure early on to avoid disruptions. Engaging stakeholders from the start, providing comprehensive trainings, and maintaining continuous monitoring may be key strategies to support adaptation and ensure the system's success.

5.2 Conclusion

Public Financial Management (PFM) reform is a key aspect for improving the governance, accountability and transparency in Bangladesh. PFM reform process started during 90s and the Financial Management Reform Strategy and Medium-Term Rolling Action Plan were adopted by the Government of Bangladesh in 2006 to guide the continuation of PFM reforms initiated in the 1990s. In fact, Bangladesh has assigned an enthusiastic effort to improve the PFM systems of the country and demonstrated its full commitment in this process having different actions with good judgement and sense. Therefore, the M&E Guidelines for SPFMS Program has already been developed and approved. Upon the guidance of this SPFMS M&E Guidelines, this M&E report has been prepared for the first time in the field of PFM reform in Bangladesh.

Overall performance of result indicators across for 8 Components is on track, which is indicative of the SPFMS program providing an effective enabling environment for PFM reform. To date, the program has fully achieved 27 out of 45 DLRs under eight Components as well as the program has brought about more than 80% result indicators' targets for this FY 2023-2024. Notable examples of activities under these components of SPFMS program e.g., Steering Committee meetings, check-in- meetings and other

training programs have picked up momentum in 2023 and 2024, after delays for COVID 19 and impediments in previous years.

The key point for M&E activities is that SPFMS stakeholders' initiatives in strengthening the results focus has helped them understand core M&E concepts, articulate the outcomes and intermediate outcomes as well. In doing so, a key lesson has been learned that while their components may only have partial influence over the intermediate outcomes and outcomes, it is still necessary to track whether progress is being achieved.

Finally, PFM reform initiatives have improved the Government's service delivery to its citizen. After the completion of the third M&E evaluation year (FY 2025-2026), the results focus is expected to be more attainable by the SPFMS program.

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Annexure

Annexure-1: Roles and responsibilities of Stakeholders

a) **National program Director (NPD)**
- Responsible for monitoring program progress and evaluating SPFMS impact on PFM in Bangladesh.
- Responsible by providing suggestions to improve the annual M&E report.
- Play an important role in discussing and establishing an evaluation agenda.
- Engage stakeholders in deliberations about whether to expand the evaluation scope (into a concerted agenda), what should be evaluated, and how (external, internal).

b) **Program Implementation Teams (PITs)**
- A key role in producing and using performance information given their accountability for achieving DLIs.
- Accountable for implementing reforms and achieving relevant performance targets and DLIs.
- Providing progress reports for activities managed under the program,
- Identifying and taking course correction based on implementation status,
- Providing input, through the PEC, for quarterly check ins (implementation monitoring) and for annual reporting,
- Develop monitoring and evaluation plans for the program/ support implementation of the data collection plan,
- Coordinate with various key stakeholders involved in the monitoring process,
- Ensure quality and consistency of data collected,
- Providing data for designated indicators, to calculate actuals,
- For evaluations, to provide insights for the TOR, reflect on evaluation findings, and participate in dissemination events.

c) **Program Executive and Coordinators (PECs)**
- Play a critical role in implementing the results framework and supporting performance management under their respective component.
- The access data for implementation/ process indicators and results indicators and deliver this information to compile actuals on all relevant indicators, for inclusion in the RTT.
- Update indicators based on outstanding methodological gaps.
- Communicate data requirements to relevant stakeholders, and arrange data sharing (minutes, sensitive information) as needed.
- Undertake data collection from all relevant sources, including requests for iBAS++ reports.
- Communication of M&E training needs, engagement on M&E capacity building.
- For evaluation: Input into evaluation agenda, identifying evaluation needs under their component.
- Work with SPFMS M&E team to draft terms of reference for evaluations.
- Support dissemination of evaluation results, together with entity "owning" the evaluation, SPFMS M&E team and potentially IPF.
- Assist PITs and PECs in collecting and compiling data related to respective indicators mentioned in M&E guidelines.
- Assist M&E Team to update indicators based on outstanding methodological gaps
- Support PITs and ISCs with any data quality challenges.
- Provides data on several indicators, per the data collection plan, and maintains a training data base.
- Responsible for institutionalizing continuous and systematic learning and sharing of good practices, through a learning hub.

d) **Senior Consultants**
- Assist PITs and PECs in collecting and compiling data related to respective indicators mentioned in M&E guidelines.
- Assist PECs to update indicators based on outstanding methodological gaps.
- Support PITs and PECs with any data quality challenges.

e) ISCs
- Assist PITs and PECs in collecting and compiling data related to respective indicators mentioned in M&E guidelines.
- Support PECs with any data quality challenges.
- Work with component PECs to draft terms of reference for evaluations and mobilize an external evaluator if relevant.
- Liaise with all stakeholders as needed to coordinate evaluation.
- Participate in learning and coordinating activities organized by PECT or through its coaches.

f) M&E Team (The Senior M&E consultant is the technical leader for SPFMS M&E. He/she is assisted by ISC, Component-14)
- Finalizing the results framework to fill in any methodological gap.
- Accomplish this task in collaboration with other partners described below.
- Finalize the M&E work plan and data collection plan.
- Update M&E work plan annually.
- Design and deliver training to all SPFMS stakeholders on the M&E guidelines.
- Ensure the arrangements are in place for accessing data together with the relevant PECs/ ISCs.
- Develop and test any indicator input templates as needed.
- Support PECs with any data quality challenges.
- Own the RTT, and coordinate data entry into this tool.
- Work with technical specialists to develop M&E MIS requirements (if needed).
- Provide ad-hoc coaching to SPFMS stakeholders to support knowledge and quality M&E practice.
- For evaluation, facilitate the discussion on SPFMS' evaluation agenda, by apprising the NPD of evaluation needs and supporting further discussion sessions.
- Work with component PECs to draft terms of reference for evaluations and mobilize an external evaluator if relevant.
- Liaise with all stakeholders as needed to coordinate evaluation.

g) Institute of Public Finance (IPF)
- Provides data on several indicators, per the data collection plan, and maintains a training data base.
- Responsible for institutionalizing continuous and systematic learning and sharing of good practices, through a learning hub.

h) Third Party Verifiers- Cabinet Division, Office of Comptroller and Auditor General (OCAG) and PriceWaterHouse Coppers (PwC)
- Prepare periodic result verification reports based on evidence received from Finance Division along with DLRs achievement status report according to the agreed verification protocol and approach. DLI verification reports include in depth technical analysis, independent review, and excellent insights on performance assessment, often looking beyond the DLI to higher level outcomes.
- The IVAs provide excellent performance analysis that can be a useful reference for preparing (Semi) annual progress reports and PCER.

i) Steering Committee
- Oversee the PFM Action Plan implementation progress, provide policy guidance and ensure enabling environment for PFM reforms to succeed and to be sustained.
- Monitors the program's implementation.
- Apex decision maker/ consumer for (semi) annual progress report.
- Proposes program course corrections based on progress report.

j) SOE Monitoring Cell
- Data provider for multiple indicators.
- Database keeper for SOE information.

- Implementation lead on SOE governance component, thus play key performance management role and contribute to quarterly and annual reporting.
- Potential evaluation co-host and dissemination partner.

k) Internal Audit Committees
- Develop action plans based on internal audit findings.
- Potential data provider for multiple indicators, and may set up databases to track implementation of action plans.
- Key performance management role for Internal Audit scheme (may compel implementation in their Ministries/ Divisions).
- Contributor to quarterly and annual reporting.

l) External Evaluators
If SPFMS pursues an evaluation agenda, then external evaluators could play a key role in undertaking evaluations. General tasks include:
- Finalize evaluation design, including data collection plans.
- Develop and quality test survey instruments.
- Undertake data collection (and supervise all field operations for any surveys).
- Data quality review of all evaluation data.
- Data entry, compilation, and analysis.
- Drafting evaluation findings and preparing evaluation reports/ papers.
- Presenting findings at dissemination events and engaging with stakeholders to facilitate uptake of lessons learned.

Annexure-2: Results Tracking Tool

Component-1: Macroeconomic Forecasting

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						**Quarter 17 to Quarter 20**		
Indicator [1]	**Indicator Definition**	**Unit**	**Level**	**Classification**	**Baseline**	**Cumulative Target**	**Cumulative Actual**	**Deviation**
DLR 1.4-The Macroeconomic Model has been completed, using the updated databases	Macroeconomic model fully populated with data (Bureau of Statistics, Planning Ministry, Bangladesh Bank, Economic Relations Division, TDM wing FD, Controller General of Accounts, National Board of Revenue) and generates forecasts per the model's requirement	Yes/No	Outcome	Level	Static revenue and expenditure estimates generated by Excel based flow of funds model	Yes	Yes	0%
DLR 1.5-Projections from the upgraded Macro-Economic Model have been used for MTMF and budget preparation	(b) Output of the models' forecast supports the publication of the MTMPS	Yes/No	Outcome	Level	Static revenue and expenditure estimates restrict effective policy making.	Yes	No	-100%
PI 14.3 Macro fiscal sensitivity analysis (Proxy)	Macro fiscal forecasts include qualitative assessment of impact of different macro-economic assumptions	Yes/No	Outcome	Level	PIT MEW generates macro-fiscal forecast, PIT confirms inclusion of qualitative assessments of different scenarios (Screenshots)	Yes	No	-100%
DLR 1.2: The software application to operationalize the Macroeconomic Model has been procured and configured with relevant data set	A large database of macroeconomic indicators for macroeconomic forecasting has been developed and functional	Yes/No	Outcome	Level	Excel based flow of funds model	Yes	Yes	0%
Capacity building in macro forecasting	Annual Number of trainings and dissemination events completed/ Annual Number of trainings and dissemination events planned	Number	Output	Incremental (Annual)	0	8	8	0%

Component-3: Debt Management

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
						Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
PI 13.3 Debt management strategy (Proxy): Implementation of recommendations in MTDS	% implementation of measures recommended in MTDS	Percentage	Intermediate Outcome	Cumulative (Annual)	N/A	90%	90%	0%
DLR 1.3 DSA updated	Debt Sustainability Analysis completed and updated in past 12 months, covering: ▪ Assessment of the current debt situation. ▪ Assumptions about the public sector's external and domestic borrowing paths. ▪ Risks to external and domestic borrowing. ▪ Overall performance of risk management. ▪ Recommendations for a borrowing (and lending) strategy that limits the risk.	Yes/No	Outcome	Level	Last debt sustainability framework prepared in July 2018	Yes	Yes	0%
DLR 1.3 Debt bulletin published	Debt bulletin published quarterly covering: ▪ Recent data on external debt. ▪ Recent data of domestic debt. ▪ Risk assessment of overall debt portfolio. ▪ Debt service.	Yes/No	Outcome	Level	N/A	Yes	Yes	0%
PI 13.1 Completeness, timeliness and quality of debt data	Debt database is continuously updated and comprehensively covers data on outstanding debt	Yes/No	Output	Level	B (but data base is not comprehensive on all data sources)	Yes	Yes	0%
Debt data management capacity increased	% completion of annual training plan (annual number of training events completed/ annual number of training events planned)	Percentage	Output	Cumulative (Annual)	N/A	100%	100%	0%

Component-4: Budget Preparation and Planning

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
Program Start: July 2019 **Program Closes Ends: February 2026** **Currently in Year 5 of Implementation**						**Quarter 17 to Quarter 20**		
Indicator [1]	**Indicator Definition**	**Unit**	**Level**	**Classification**	**Baseline**	**Cumulative Target**	**Cumulative Actual**	**Deviation**
Alignment of budget with strategic priorities at the ministerial level	Average score across BMCs, on peer review indicator "Number of strategic objectives/activities/outcomes/ programs that have been aligned with the national policies and strategies in the budget structure of the Ministry/ Division"	Score	Outcome	Level	NA	2.3	2.55	0%
Capacity built in budget preparation process including gender and climate issues	Number of FD and line Ministry /Divisions officials completing training on budget preparation process(BC-1) including gender and climate issues and PFM (public financial management) (fiscal year based)	Number	Output	Cumulative (Annual)	0	1000	1725	0%
Improved accuracy in budget preparation and execution	Variance between budgeted amount and actual spending by MDAs	Percentage	Outcome	Level	10.5	10%	13.21%	-32.10%
DLR 2.2: 15% of BMCs have undertaken inter-ministerial peer-reviews in accordance with the protocols established pursuant to the monitoring framework development under DLR 2.1	Number of BMCs completing peer reviews in accordance with protocol in fiscal year/ Total Number of BMCs	Percentage	Outcome	Level	0	15%	15%	0%
DLR 2.1: A monitoring Framework (including a performance scorecard) for the BMCs has been drafted, consulted on and issued	Issuance of a Monitoring Framework including performance scorecard	Qualitative	Output	Level	No framework	Yes	Yes	0%
DLR 2.3 & 2.5 The Recipient's expenditure on Social Sectors has increased to 29% (29.25%) of total actual public expenditure (in the relevant fiscal year in which the DLR is being assessed)	Actual social expenditure (per COFOG definition of social spending)/ total actual public expenditure	Percentage	Outcome	Cumulative (Annual)	29	29%	29.75%	0%
PI-8.3: Resources received by service delivery units (Proxy)	Information available in iBAS++ resources received by service delivery units based on random sample of 50 service delivery units (Percentage)	Percentage (of random sample of service delivery units)	Output	Level	0 (PEFA 2021 Score D)	80%	80%	0%
DLR 3.2 80% of DDOs have had their budget released and distributed by July 31	Number of DDOs with budgets released and distributed by July 31st of reference calendar year/ Total number of DDOs	Percentage	Outcome	Cumulative (Annual)	0	80%	99.23%	0%

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation							Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
							Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline		Cumulative Target	Cumulative Actual	Deviation
DLR 3.1 The Finance Division has drafted and issued a circular mandating the de-linkage of Budget Releases from Fund Utilization Report submission	Issuance of circular, and amendment to rules that delink the budget releases from the submission of a statement of expenditures for 3rd and 4th quarters	Yes/No	Outcome	Level	No		Yes	Yes	0%

Component-7: BACS and iBAS++

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation							Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
							Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline		Cumulative Target	Cumulative Actual	Deviation
DLR-8.1: The FY 2018/2019 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.	Budget preparation uses standard sector codes that have been harmonized between planning and budget preparation	Yes/No	Output	Level	Yes		Yes	Yes	0%
DLR 4.3: DDOs will submit 40% of all bills in respect of Pay & allowances, Pensions, Social Safety Net payments through online (in the relevant Fiscal Year in which the DLR is being assessed	Bills related to Pay and Allowances, Pensions and Social Safety Net payments need to submit online through iBAS++.	Percentage	Output	Cumulative (Annual)			100%	100%	0%
DLR 4.2: 50% of government payment transactions in respect of Pay & Allowances, Pensions and Social Safety Net Payments (in the relevant Fiscal Year in which the DLR is being assessed) are made through EFT	EFT can be used progressively as a key instrument for payment processing for all kind of payment settlements.	Percentage	Output	Cumulative (Annual)	0		90%	90%	0%
Reduce time for payment processing from iBAS++ to commercial banks or MFS via Bangladesh Bank.	There is some unnecessary delay in payment processing. Bangladesh Bank takes some time after getting EFT transaction order from the DDOs and on the other hand MFS operator delays to send money to respective beneficiaries'' MFS account.	Duration (days)	Output	Cumulative	7		4	1	0%
DLR-8.5: Detailed budget execution reports published by the Finance	Access to timely and reliable information to promote development	Yes/No	Output	Level	0		3	3	0%

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation							Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
							Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline		Cumulative Target	Cumulative Actual	Deviation
Division on MoF's official website on a quarterly basis i.e., four reports published in the relevant year	and citizen participation in governance published online each quarter								

Component-8: Pension Management and Financial Reporting

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
						Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
DLR-5.3: A government-wide annual GPF and Pension Service report has been produced (covering the relevant Fiscal Year in which the DLR is being assessed).	Circle wise pension report will be produced by concerned CAFOs and will be published on concerned website and Government wide consolidated pension service report produced by CAFO(P&FM)	Yes/No	Outcome	Level	No	Yes	Yes	0%
DLR-8.3: Government-wide unaudited annual Financial statements, including annual financial statements of SAEs (covering the relevant Fiscal Year in which the DLR is being assessed), have been submitted to OCAG within six months of the Fiscal Year-end	Intermediate target: Update 2 new appropriation accounts reporting format for Bangladesh Railway, Bangladesh Post Office developed and approved.	Number	Outcome	Cumulative	0	2	1	-50%

Component-9: SOE Governance

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation							Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
							Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline		Cumulative Target	Cumulative Actual	Deviation
DLR 6.3: SOE debt and contingent liabilities Statement (covering the relevant Fiscal Year for which the DLR is being assessed) has been prepared by MoF for 100 SOEs and submitted to appropriate authority	Number of SOEs covered in annual debt and contingent liabilities statement (Incremental)	Number	Output	Incremental	0		50	50	0%
DLR-6.2: 100 SOEs and autonomous bodies have published their audited financial statements (covering the relevant Fiscal Year for which the DLR is being assessed.	Number of SOEs & ABs published AFS online in past year	Number	Output	Cumulative (Annual)	57		100	100	0%
DLR 6.4: An integrated database developed for SOEs/ABs with financial and non- financial Information and interfaced through API (Application Programming Interface) with iBAS++ with piloting of at least 2 SOEs and ABs	Number of SOEs/ ABs piloting integrated database	Number	Output	Cumulative	0		2	1	-50%
DLR-7.4: Performance Improvement Strategies have been developed for under-performing SOEs	Incremental number of SOEs with approved performance improvement strategy	Number	Outcome	Incremental (Annual)	0		2	1	-50%
DLR-7.3: At least 10 SOEs have undergone an Independent performance evaluation, in Accordance with the SOE performance evaluation guidelines developed under DLR 7.1	Incremental Number of SOEs completing Independent performance evaluation	Number	Outcome	Incremental (Annual)	0		10	10	0%

Component-10: Internal Audit and Audit Follow-up

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
						Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
IA Capacity development plan implemented	Number of training (workshops/ seminars/ view-exchange/ targeted interviews) completed / Total number of training planned for reference year	Percentage	Output	Cumulative (Annual)	0	100%	90%	-10%
Number of Departments with fully functional Internal Audit Units (IAU)	IAUs fully staffed with qualified auditors verified as competent to stand for CIA exam	Number	Output	Cumulative	0	2	4	0%

Component-14: PFM Reforms Leadership, Coordination and Monitoring

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
						Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
Steering committee decisions taken & implemented	Number of SC decisions taken and implemented within 1 year	Number	Intermediate Outcome	Cumulative (Annual)	N/A	15	15	0%
Frequency of PIT check-ins held	Date of current check in meeting – Date of previous check in meeting	Calendar days	Output	Level	N/A	120	53.6	0%
DLR-10.1: Two PFM Action Plan progress reports (prepared on a semi-annual basis) have been submitted by the PECT to the Steering Committee.	Annual number of PFM Action Plan reports submitted to SC	Number	Output	Cumulative (Annual)	0	2	2	0%
DLR 10.6- 100 civil servants completed PFM related courses	Cumulative number of civil servants receiving certificates in PFM related areas (disaggregated by gender)	Number	Output	Cumulative	28	100	102	0%
Program supported PFM graduates posted in PFM areas	Number of graduates in PFM areas (includes: Budget, planning,	Percentage	Intermediate Outcome	Cumulative	64.29%	70%	92.16%	0%

Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 5: July 2023- June 2024)		
						Quarter 17 to Quarter 20		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
	Audit, accounting and related areas. Follow up should check whether graduates are in relevant posts 12 months post-graduation) /Total number of PFM graduates							
DLR-10.2: Two PFM Action Plan stakeholder retreats conducted to review the respective semi-annual PFM Action Plan progress reports prepared under DLR 10.1.	Number of retreat in a year	Number	Output	Cumulative	1	1	1	0%
DLR 10.4:6 field inspections to government service delivery centers to identify PFM related issues have been carried out.	Number of field inspections in a year	Number	Output	Cumulative (Annual)	7	9	9	0%

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