Second Monitoring and Evaluation (M&E) Report

(July 2024- June 2025)

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**	Result 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

The Public Financial Management (PFM) Reform Strategy (2016–2021) was endorsed by the Minister of Finance in August 2016, followed by the initiation of the SPFMS Program for the period 2018–2023. The program was subsequently extended until 2026, with the objective of supporting the implementation of selected components of the PFM Action Plan, thereby ensuring that improvements in PFM contribute to more effective and equitable public service delivery in the social sectors. Under this program, eight schemes have been introduced to advance PFM reforms, strengthen institutional capacity, and enhance service delivery to citizens.

The PFM Reform Strategy (2016–2021) was informed by four policy notes and supported by several key analytical inputs, including:

- the PFM legal and regulatory framework,
- the 2015 PEFA Assessment,
- the 2015 Public Investment Management Roadmap,
- the 2015 Public Expenditure Review Update, and
- technical assistance reports provided by the IMF.

The Program Appraisal Document (PAD) of the SPFMS Program, dated December 29, 2018, outlines a Monitoring and Evaluation (M&E) plan that specifies methodological details for each Disbursement-Linked Indicator (DLI), including data sources, collection methods, frequency of data collection, and assigned responsibilities. Nevertheless, the Mid-Term Review (MTR) Report of April 18, 2022, highlights that the M&E plan was not comprehensively integrated across all components of the SPFMS Program. Accordingly, the central objective of monitoring and evaluation is to assess the effectiveness of program implementation and to determine the achievement of specific targets that serve as triggers for disbursements from the Bank to the government.

The activities listed below were undertaken to establish the M&E framework for the SPFMS program:

- Engagement of both national and international M&E consultants
- Technical support for program framework development by SPEMP-BETF
- A workshop was arranged to finalize the Indicator Matrix
- Submission of the draft M&E Guidelines to the NPD
- Conduct a validation workshop to obtain feedback
- Submission of the final SPFMS M&E Guidelines to the NPD
- Approval of the SPFMS M&E Guidelines by FD

Drawing on the PAD and the Mid-Term Review, an M&E framework for the SPFMS Program was formulated through extensive consultations with a wide range of stakeholders. As a first step, the SPFMS Monitoring and Evaluation Guidelines (2024) were developed, based on which the inaugural M&E Report was published on the SPFMS website in 2024. **The present document constitutes the second M&E Report,** focusing on the assessment of achievements against the result and process indicators across the eight components of the SPFMS Program for FY 2024-25.

Chapter 2 outlines the methodological approach, sources of data, procedures for assessing data quality, the use of Results Tracking Tools (RTT) for reporting, data analysis, and the delineation of roles and responsibilities of various stakeholders. A standard Monitoring and Evaluation (M&E) framework typically encompasses the Theory of Change (ToC), Results Framework, Indicator Matrix, and accompanying methodological documentation, with the latter serving as a comprehensive guide for the use and interpretation of indicators. In the development of the SPFMS M&E guidelines and reporting processes, three key phases were considered: the inception phase, the implementation phase, and the reporting phase. The fifth section of the SPFMS M&E guidelines specifically addresses data collection, analysis, and reporting within the program. Data collection involves obtaining information from relevant sources, followed by the compilation or calculation of data according to established indicator definitions. Once compiled, the data are transmitted and subsequently entered into the RTT to assess performance against the defined result indicators.

The data collection process under the SPFMS program engages a wide range of stakeholders, totaling fifteen distinct entities. These include: (i) the Cabinet Division for reporting on Disbursement-Linked Indicators (DLIs), (ii) the Finance Division, (iii) the iBAS++ system, (iv) the SOE Monitoring Cell, (v) State-Owned Enterprises (SOEs) responsible for publishing annual financial statements online, (vi) Budget Management Committees (BMCs), (vii) Internal Audit Units (IAUs) and Internal Audit Committees (IACs), (viii) the Office of the Controller General of Accounts (CGA), (ix) the Office of the Comptroller and Auditor General (OCAG) for DLI achievement reports, (x) the Chief Accounts and Finance Officer (CAFO) for Pension and Fund Management (P&FM), (xi) field offices serving as service delivery points, (xii) beneficiaries such as pensioners and social service payment recipients, (xiii) end-users including district offices consulted during field visits, (xiv) the Integrated Platform for PFM (IPF) as a learning hub, and (xv) PricewaterhouseCoopers (PwC) for the preparation of DLI achievement reports.

In preparing the M&E reports of the SPFMS program, ensuring data quality is fundamental for indicators to provide an accurate representation of program performance. The SPFMS M&E guidelines emphasize five critical data quality standards that should be incorporated into the design and implementation of the results framework: (i) validity, (ii) reliability, (iii) timeliness, (iv) precision, and (v) integrity.

This second M&E report presents the achievements, challenges, and future directions of each program component, drawing on selected results and process indicators. The analysis seeks to address the following dimensions:
- Performance in relation to established targets;
- The effectiveness and efficiency with which outcomes are being achieved;
- Any unanticipated effects that have emerged;
- The extent to which the program constitutes a sustainable and cost-effective approach for achieving its intended outcomes; and
- Lessons learned from the implementation process, along with critical areas for attention and recommendations for course correction.

Monitoring and reporting under the SPFMS program are conducted primarily through internal mechanisms, with close tracking of the implementation of the Annual Work Plan (AWP). In line with the *SPFMS Monitoring and Evaluation Guidelines 2024*, indicator performance is assessed using a traffic-light rating system:

- **Red**: requires immediate attention;
- **Yellow**: reflects modest performance; and
- **Green**: indicates satisfactory performance.

Chapter 3 presents the status of both result and process indicators across the reporting templates of the eight components. Each of the eight components submitted reports on result-based and process indicators for the period from July 2024 to June 2025, following the reporting template prescribed in the SPFMS M&E Guidelines. During this timeframe, a total of 57 result-based indicators were monitored.

Chapter 4 presents the analysis derived from the reporting templates submitted by the eight components. Using these templates, the performance of result-based indicators was assessed through the Results Tracking Tool (RTT) and examined in relation to defined outcome areas. The detailed calculations for each component, as generated by the RTT, are provided separately in Annexure-2. The analysis reveals that 81.00% of the indicators demonstrated satisfactory performance, 09.00% reflected modest performance, while 10.00% required immediate attention. Regarding process indicators, the overall weighted average performance was 1.54 out of a possible 2.00. Notably, two of the eight components achieved the maximum score of 2.00, signifying satisfactory performance in process indicators.

The second Monitoring and Evaluation Report of the SPFMS Program sets forth ten (10) specific recommendations, namely: (i)strengthen program supervision and control, (ii) strengthening monitoring and evaluation capacity, (iii) improving M&E systems and processes, (iv) addressing implementation and compliance challenges in SOE governance, (v) strengthening financial integrity through online registration and enhanced payment security measures, (vi) establishing a comprehensive debt management database, (vii) improving budget accuracy through leadership commitment and retention of skilled personnel in fiscal planning, (viii) reinforcing forecasting capacity by means of institutional mechanisms and structured processes, (ix) enhancing pensioners' awareness and engagement to accelerate digital transformation of the pension system, and (x) mainstreaming gender and social inclusion within PFM practices.

The aggregate performance of result indicators across the eight components continues to progress as planned to reflect the SPFMS program's effectiveness in creating an enabling environment for PFM reforms. As of now, 32 out of 45 DLRs under these components have been fully achieved, and more than 90 percent of the result indicator targets for FY 2024–2025 have been met. Significant activities such as Steering Committee meetings, check-in meetings, and various training programs have also gained considerable momentum during FY 2024-25.

Chapter-1

Introduction

Chapter 1: Introduction

Bangladesh's public financial management (PFM) system has its origins in the administrative practices of the former colonial rule in the Indian subcontinent. In recent decades, public administration and financial management have undergone notable changes to meet shifting societal demands. These changes have spurred the development of new governance tools and driven global PFM reform efforts. As a fast-growing economy, Bangladesh has embraced many of these reforms. In recent years, the nation has launched major development initiatives that highlight its economic advancement.

These developments have posed additional challenges for the government in maintaining financial discipline within the public sector. To address these challenges, a series of public financial reform initiatives have been undertaken since the 1990s. While these reforms have led to notable improvements in the management of public resources, the outcomes have not always met expectations.

Bangladesh launched its first Public Financial Management (PFM) Reform Strategy for 2007–2012, aimed at establishing strong foundational practices in public finance. Building on this, a second PFM Reform Strategy for 2016–2021 was developed and implemented. This strategy was informed by the successes and shortcomings of earlier reforms and focused on reinforcing the core systems necessary to achieve broader national development goals.

However, the Public Expenditure Review (PER) highlights a range of critical challenges, including a persistently low tax-to-GDP ratio (8.5%), limited budget absorption capacity, declining quality of the investment portfolio leading to significant implementation delays (affecting approximately 80% of projects), cost overruns, low returns on investment, and rising debt servicing obligations. Furthermore, the PER underscores concern regarding budgetary allocations, such as rapid asset depreciation due to inadequate maintenance, inefficiencies in the design and targeting of agricultural subsidies, and comparatively low levels of per capita health expenditure. In response to these issues, the Public Financial Management (PFM) Reform Strategy (2016–2021) was endorsed by the Minister of Finance in August 2016, and the Strengthening Public Financial Management Systems (SPFMS) Program was subsequently launched for the period 2018–2023, with its implementation later extended to 2026. The holistic and comprehensive PFM Reforms in Bangladesh is shown in Figure-1.
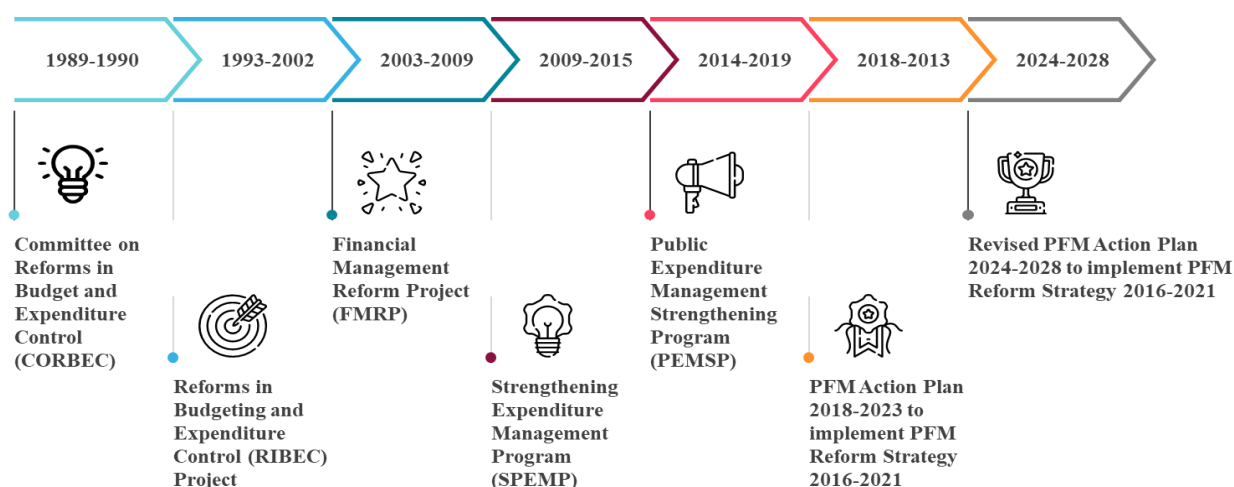
Figure 1: PFM Journey in Bangladesh

The purpose of this report is to present a concise overview of the Public Financial Management (PFM) Reform Strategy, underscore the importance of formulating Monitoring and Evaluation (M&E) Guidelines for the SPFMS Program, and ultimately deliver the second M&E Report prepared in line with the approved SPFMS M&E Guidelines.

1.1 SPFMS: PFM Reform Strategy and Action Plan

To reinforce the ongoing reform agenda and enhance government ownership of the reform process, two Public Financial Management (PFM) Reform Strategies were formulated for the periods 2007–2012 and 2016–2021 as mentioned before. The PFM Reform Strategy (2016–2021) was further supported by four policy notes and guided by several analytical studies, 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 (2016–2021)** articulated five overarching objectives, and to operationalize these, a comprehensive **PFM Action Plan (2018–2023)** was subsequently formulated, encompassing 14 components. To implement these components, an umbrella program with a financial outlay of **USD 356 million** was adopted. Within this framework, the **Finance Division (FD)** assumed a pioneering role by implementing 8 out of the 14 components through the **IDA-financed Program-for-Results (PforR) – Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)**, which has recorded significant achievements in consolidating PFM systems and institutions. In parallel, the **Strengthening Public Expenditure Management Program (SPEMP) – Bank Executed Trust Fund (BETF)** extended technical assistance in support of these reforms.

The **PFM Reform Strategy** delineates the principal goals and objectives of the reform agenda and specifies the priority actions required for their realization. The strategy was developed collaboratively by a cross-institutional team comprising the **Ministry of Finance**, the **Office of the Comptroller and Auditor General (OC&AG)**, the **Planning Commission**, and the **National Board of Revenue (NBR)**, among other stakeholders. The strategy defined the following five reform goals:
- 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 A Brief on the SPFMS Program

The Program Development Objective (PDO) is to enhance fiscal forecasting, budget formulation and execution, financial reporting, and overall transparency within the central

government. The achievement of the PDO is assessed through the following key result indicators:

    A. Utilization of data generated from an upgraded macroeconomic fiscal model in the preparation of the national budget.
    B. Improved effectiveness of Budget Management Committees (BMCs) and Budget Working Groups (BWGs), accompanied by the timely release of budgetary allocations.
    C. The proportion of budget-holding entities that effectively utilize financial information for evidence-based decision-making and ensuring transparency.
    D. The percentage of retirees receiving pension payments through Electronic Fund Transfer (EFT) is no later than the pension cycle immediately following their retirement.
    E. Submission of central government annual financial statements, prepared in compliance with International Public Sector Accounting Standards (IPSAS) on a cash basis, to the Office of the Comptroller and Auditor General (OCAG) within three months of the fiscal year's closure.

To facilitate the advancement of these reforms, **Disbursement Linked Indicators (DLIs)** serve as an effective instrument by incorporating both incremental and process-oriented targets that guide implementation. In alignment with the **SMART principle** (Specific, Measurable, Appropriate, Realistic, and Time-bound), the selected indicators are derived from the **PFM Action Plan**. These DLIs are designed to address systemic bottlenecks across the results chain, while ensuring a relatively balanced distribution of disbursements. Each DLI is associated with **Disbursement Linked Results (DLRs)**, which must be achieved as a prerequisite for disbursement.

In this context, a new **SPFMS program** was introduced to support the implementation of selected components of the PFM Action Plan, with the overarching objective of ensuring that improvements in PFM contribute to enhanced quality and accessibility of public service delivery in the social sectors. The program encompasses **eight schemes** aimed at strengthening PFM systems and enabling more effective and efficient service delivery to citizens. These schemes are outlined in the table below:

Table 2: Programmatic Components of the SPFMS

PFM Action Plan (Components)	Lead Institution
C-1 Revenue and Expenditure Forecasting 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 C-14 PFM Reforms Leadership, Coordination, and Monitoring	Finance Division

1.3 Rationale for Developing the M&E Framework in SPFMS

The **Program Appraisal Document (PAD)** of the **SPFMS Program**, dated December 29, 2018, incorporated a Monitoring and Evaluation (M&E) plan, outlining methodological details for each **Disbursement Linked Indicator (DLI)**, including data sources, collection

methods, frequency, and institutional responsibilities. However, the **Mid-Term Review (MTR) Report** of April 18, 2022, emphasized that the M&E plan was not comprehensively integrated across all components of the SPFMS Program. Furthermore, the MTR provided critical observations regarding the logical framework and associated indicators.

The PAD presents a results chain and intervention logic, together with a **theory of change (ToC)** in Annex 3. While assumptions underpinning the ToC are interspersed throughout the PAD, the ToC does not explicitly articulate the linkages between **Disbursement Linked Results (DLRs)**, DLIs, intermediate outcomes, and the **Program Development Objectives (PDOs)** or **Key Results Areas (KRAs)**. The descriptions remain at a highly aggregated level and lack specificity regarding how individual DLIs and DLRs contribute to achieving the PDOs/KRAs. Moreover, the ToC does not adequately anticipate potential constraints or adverse factors that could undermine the intended results chains. Although these risks are noted in other sections of the PAD, they are not systematically embedded within the ToC.

The detailed logical sequencing absent in the PAD's ToC is partially addressed in the **DLI technical notes**, which provide more comprehensive descriptions of objectives, intervention logic, anticipated benefits and impacts, as well as associated risks requiring mitigation. These notes "cascade" into intermediary results indicators that translate the DLRs into operational and practical targets, while also identifying cross-linkages between DLIs and DLRs. Nonetheless, the MTR underscores the absence of a comprehensive mapping of the results chain, extending from DLRs to DLIs, intermediary outcome indicators (which are not defined), and ultimately to higher-level objectives. Importantly, **PEFA indicators** are not explicitly incorporated into the results framework.

In light of these MTR findings, the overarching purpose of Monitoring and Evaluation is to assess the effectiveness of SPFMS Program implementation and to determine the extent to which specific targets have been achieved, thereby enabling the disbursement of funds from the Bank to the government.

1.4 Rationale and Objectives of the Report

Component 14: "PFM Reforms Leadership, Coordination, and Monitoring" emphasizes the implementation of an effective change management approach and governance structure to facilitate PFM reform, directly aligned with **Goal 5: Enhance the enabling environment for improved PFM outcomes**. This component encompasses six **Disbursement Linked Results (DLRs)**, with **DLR-10.5** specifically associated with the establishment of the Monitoring and Evaluation (M&E) framework within the SPFMS program. Previously, DLR-10.5 stated: *"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."* Under this arrangement, the performance of Implementation Support Consultants was assessed annually at two levels: (i) by the **Project Implementation Teams (PITs)** they supported—considering capacity transfer, results achieved, changes fostered, and overall satisfaction with support; and (ii) by the **Program Execution & Coordination Team (PECT)** evaluating institutional progress toward achieving objectives. PECT prepared an annual report submitted to the Steering Committee (SC).

However, the **World Bank Mid-Term Review (MTR)** of April 18, 2022, noted that "there is no description of what the SPFMS program's M&E system is." The MTR further highlighted that, despite the PAD including an M&E plan in Annex 1 (32) detailing methodological aspects

for each DLI—such as data sources, collection methods, frequency, and responsibilities—the program lacked a comprehensive framework capable of capturing the full complexity of its monitoring requirements.

Based on the MTR findings, the **aide-mémoire of the Implementation Support Mission** (November 13–17, 2022) recommended that SPFMS leverage existing government systems wherever possible to conduct results-based monitoring. This monitoring entails a continuous process of collecting data and comparing actual results for DLRs and results-based indicators against expected outcomes, as specified in the M&E reporting template, with the overall objective of assessing program implementation effectiveness. Consequently, **DLR-10.5 was revised** as follows: *"A Monitoring and Evaluation (M&E) framework has been developed for the PFM reforms, and M&E reports are published annually on the SPFMS website."*

The primary objective of this revised DLR is to establish a comprehensive M&E plan that adequately addresses the program's monitoring requirements. To satisfy the redefined DLR-10.5, the **SPFMS M&E Guidelines (2024)** had been prepared and approved by the Finance Division. Accordingly, the first M&E report had been produced in full compliance with DLR-10.5.

Chapter-2

Monitoring and Data Collection Process for the 8 Components of SPFMS

Chapter 2: Framework for Monitoring and Data Collection Across the Eight Components of the SPFMS

2.1 Methodological Approach to Report Preparation

The Monitoring and Evaluation (M&E) framework generally encompasses the Theory of Change (ToC), the Results Framework, the Indicator Matrix, and accompanying methodological documentation. Among these, methodological documentation serves as a comprehensive guideline for the use and interpretation of indicators. In formulating the SPFMS M&E guidelines and reporting mechanisms, three sequential phases—namely, the inception, implementation, and reporting phases—have been considered. Each of these phases is informed by the Theory of Change and incorporates the ten steps of a results-based M&E system. Building on this foundation, results-based indicators were identified and selected through the construction of results chains, covering three consecutive financial years (FY 2023–2024, FY 2024–2025, and FY 2025–2026). The following methodology was followed-
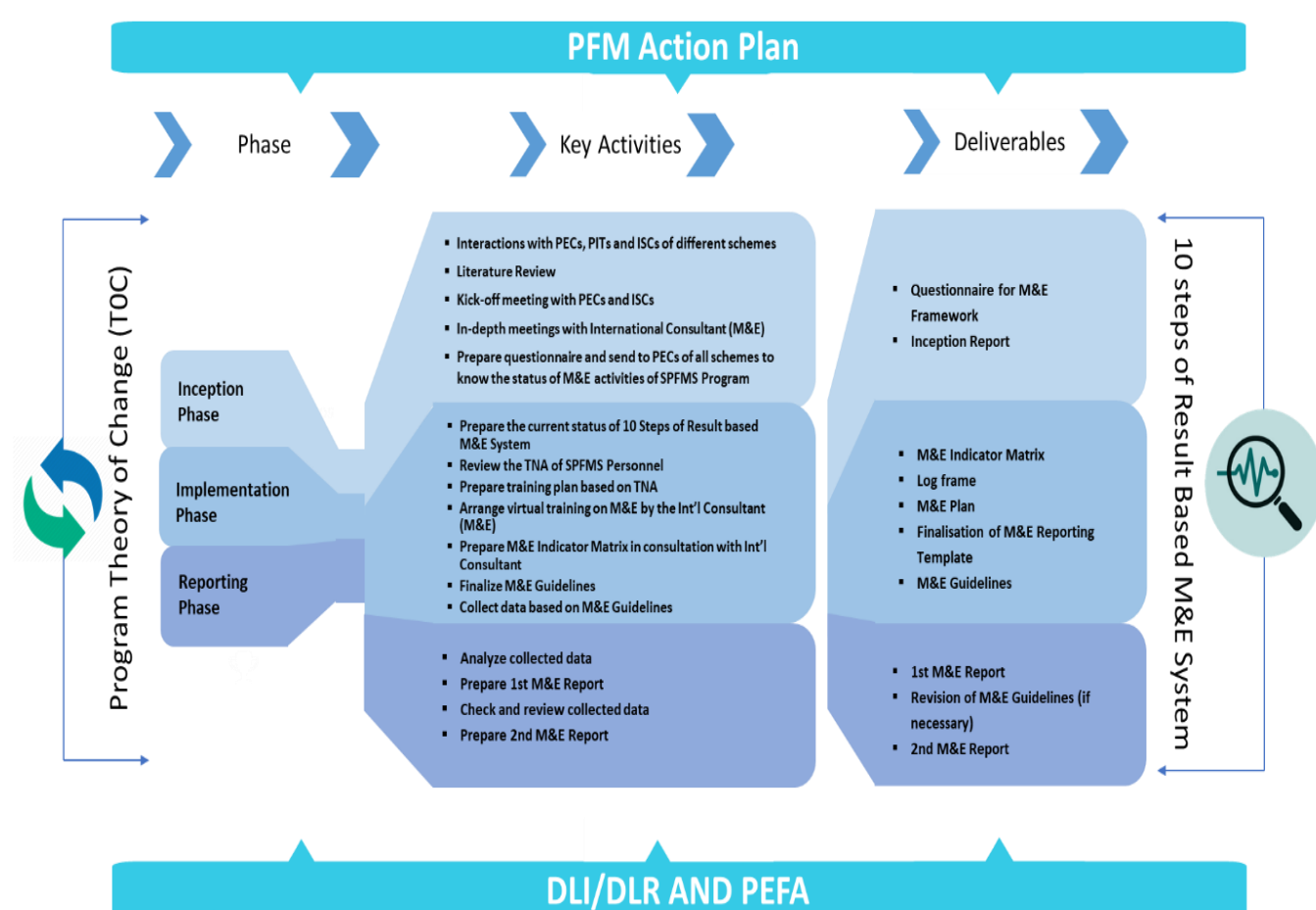
Figure 2: Methodology

The fifth section of the SPFMS M&E Guidelines highlights the processes of data collection, analysis, and reporting within the SPFMS program. These functions extend the M&E framework beyond the design stage—where indicators and targets are defined—toward practical implementation, thereby operationalizing M&E and supporting evidence-based decision-making. The section primarily concentrates on monitoring activities and delineates

the sequential steps involved in transforming raw data into a finalized report through the application of results indicators, as illustrated in Figure 3.
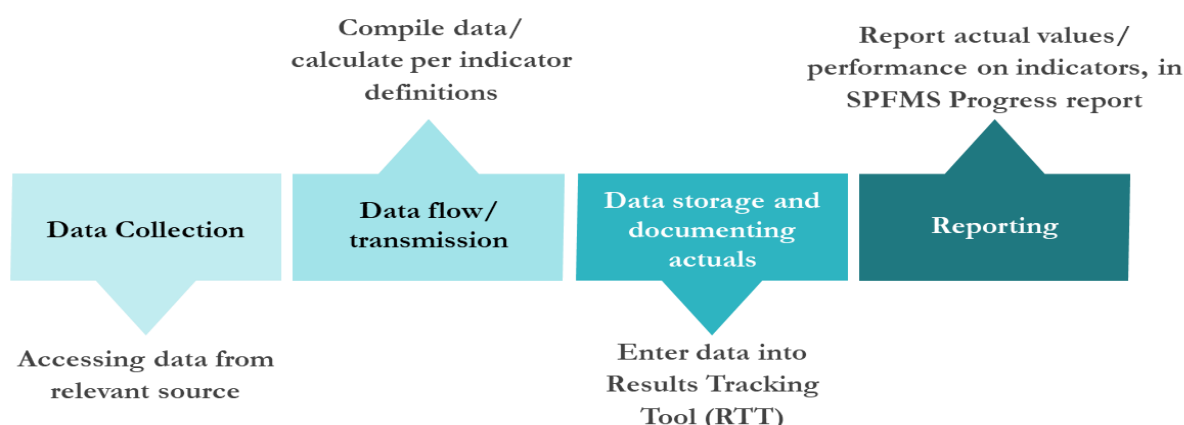
Figure 3: Data collection, analysis and reporting process

Data Collection and Stakeholder Involvement: The SPFMS data collection process engages a diverse range of actors, encompassing fifteen distinct stakeholder groups, as outlined 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 SPFMS Data Inputs and Their Sources

a) The measurement of SPFMS indicators is informed by diverse data types and collection techniques, with a predominant reliance on administrative records, iBAS++ reports, and documentary reviews.

b) A number of SPFMS components have already established, or plan to establish, databases designed to store data necessary for monitoring their respective indicators.

c) Within the SPFMS results framework, approximately 21 indicators explicitly reference iBAS++-generated reports as their primary data sources.

d) Desk reviews involve the systematic examination of selected websites to verify the availability of relevant documents and the functionality of associated hyperlinks.

e) The assessment of SPFMS results indicators also draws upon documentary reviews to evaluate the implementation of reforms and the utilization of SPFMS-supported tools and systems. This includes, for example, the timely availability of meeting minutes, as well as the use of primary data derived from surveys and field inspection reports.

2.3 Evaluation of Data Quality

Ensuring data quality is essential for indicators to provide an accurate reflection of program performance. A central rationale for the development of these M&E guidelines is the establishment of clearly defined indicators and a systematic approach to data collection, analysis, and reporting. Such measures are intended to mitigate potential risks, including errors in data gathering or analysis that may result in misinterpretation of performance outcomes. The **SPFMS Guidelines, 2024** articulate five core standards of data quality, which are emphasized as critical considerations in the design and implementation of the results framework. These are as follows:

2.3.1   Validity

Data validity refers to the extent to which the information accurately, directly, and sufficiently reflects the intended result to be measured. Validity may be compromised by factors such as measurement errors, unrepresentative sampling, or transcription and calculation mistakes. To safeguard against these risks, periodic verification of data is necessary to ensure that errors do not introduce substantial bias.

2.3.2   Reliability

Data should demonstrate stability and consistency in both collection procedures and analytical methods over time. It is essential that PECs and the M&E Senior Consultant have confidence that progress toward performance targets represents genuine changes in outcomes, rather than artifacts arising from variations in data collection practices.

2.3.3   Timeliness

Data must be generated with adequate frequency and maintained in a timely manner to effectively support management decision-making. The quality of managerial decisions is contingent upon the regular availability of current and reliable performance information.

2.3.4   Precision

Data must be sufficiently precise to provide a reliable representation of performance and to support project managers in making well-informed decisions. Errors in measurement typically arise from deficiencies in the design of data collection tools, insufficient mechanisms to control response or reporting bias, or inadequate training and supervision of enumerators and other data collectors.

2.3.5   Integrity

Collected, analyzed, and reported data should incorporate safeguards to minimize the risk of accidental or deliberate manipulation. In preparation for the first M&E report, the SPFMS M&E team engaged multiple times—both formally and informally—with PITs, PECs, Senior Consultants, ISCs, and other consultants to ensure the provision of results and process indicator data in accordance with the requirements.

2.4 Uploading Component-Collected Data into the RTT System

The Result Tracking Tool (RTT) is designed for SPFMS to document actual performance relative to established targets. The RTT is maintained as an Excel spreadsheet, updated on an annual basis, and is structured to display:

- 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.

When transferring collected data into the RTT, SPFMS personnel will adhere to the following procedures:

- M&E Senior consultant and ISC Coordination will apprise each PEC of their data collection responsibilities per the data collection plan. Moreover, they will generate the RTT for the relevant fiscal year (should include indicators that have targets in the reference year).
- All PECs and ISCS will follow the data collection plan to determine which indicators will need to report on in the current fiscal year, and the data sources/ responsible entities need to coordinate with to access data. They will also be responsible for communicating data requests to responsible entities. Where necessary, they will work with entities to complete indicator input templates including collect data from relevant entities/ sources.
- All PECs with M&E Senior consultant will calculate actual for indicator for the reference period (usually annual) following instructions in the indicator matrix and/ or per the DLI technical note. It is important to mention that the actual value of the indicator is within a realistic range given program progress.
- All PECs and ISCS with M&E Senior consultant will locate row corresponding to the relevant indicator and insert actual in the column Cumulative Actual to Date for Program Year 5 in RTT.

2.5 Analysis of Data

The M&E report presents the accomplishments, challenges, and future directions of each component, based on the selected result and process indicators. The analysis aims to address:

- 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.

Furthermore, the progress report primarily emphasizes the processes undertaken and outputs completed under each component. While the report notes the DLIs and DLRs achieved, it does not consistently compare actual indicator values with their targets or provide in-depth interpretation of performance. There may be some discussion of progress toward outcomes beyond the DLIs. Each component tends to present an extensive list of activities, with limited strategic focus on how these activities contribute to outputs and outcomes. These M&E guidelines aim to enhance the results-orientation of progress reports by incorporating additional

intermediate outcome indicators, which will be documented using an updated reporting template.

2.6 Reporting

The SPFMS quarterly monitoring and reporting processes are primarily conducted internally and are closely aligned with the implementation of the Annual Work Plan (AWP). The PIT submits quarterly reports to the PECT, enabling any emerging issues to be escalated to higher levels for appropriate resolution. Prior to submission, PIT progress reports must receive approval from their respective management. Performance is evaluated using a traffic light system:
- **Red** indicates areas requiring urgent attention,
- **Yellow** reflects modest performance, and
- **Green** signifies satisfactory performance.

The frequency of internal monitoring has varied, ranging from monthly check-ins—introduced to prevent performance slippage during COVID-19 disruptions—to quarterly meetings during the drafting of the M&E guidelines. This reporting mechanism is designed to ensure effective tracking of progress at both operational and technical levels. Moving forward, implementation monitoring is expected to be closely aligned with results monitoring as reported in the Semi-annual Progress Report. To facilitate this, process indicators for each component are systematically mapped to corresponding results indicators, thereby establishing a coherent narrative that links processes to outputs, intermediate outcomes, and final outcomes.

The first M&E progress report was produced in fiscal year 2024, marking the rollout of the revised M&E framework outlined in these guidelines. Its primary objective was to document progress in implementing the framework and to assess the extent to which program stakeholders reported indicators for tracking performance and results. The report was prepared by the M&E Senior Consultant with support from ISC under Component 14. In compliance with DLR 10.5, the program is required to produce two M&E progress reports. This document represents the second M&E report, focusing on the achievements of both result and process indicators for FY 2024–2025.

2.7 Clarification of Stakeholder Roles in the SPFMS M&E Framework

As outlined in the SPFMS M&E Guidelines, data collection and performance reporting engage stakeholders both within and outside the Ministry of Finance's SPFMS program. To ensure effective coordination, it is essential that the roles and responsibilities of all stakeholders are clearly defined in advance and well understood. The SPFMS M&E team holds primary technical responsibility for ensuring that monitoring and evaluation activities are conducted in line with appropriate technical standards, with the Senior M&E Consultant serving as the technical lead. While these guidelines establish the foundation for developing and applying adequate technical standards, additional detailed instructions—such as updates to tools (RTT, evaluations, and survey instruments)—may be introduced to provide further guidance. Component 14 ISC collaborates closely with the Senior M&E Consultant to operate the results framework, jointly constituting the M&E team. The specific responsibilities of SPFMS stakeholders in relation to monitoring are outlined in Annex 1.

Chapter-3

Status of Result and Process Indicators in the Reporting Template of 8 Components

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

3.1 Component-1: Macroeconomic Forecasting

Strengthening Public Financial Management (PFM) has been central to reforms aimed at ensuring effective macroeconomic management and enhancing good governance. Effective public financial management requires accurate forecasts of crucial macroeconomic variables, such as public revenue and expenditure. Currently, due to the lack of a robust macroeconomic modeling framework, forecasts produced by the Macro Economic Wing (MEW) are more indicative of targeted aspirations rather than realistic projections, leading to frequent mismatches between budget targets and actual outcomes. Given this context, the MEW intends to develop a reliable macroeconomic forecasting system to minimize uncertainty for policymakers regarding future economic conditions and enhance overall economic efficiency.

3.1.1 Indicators: progress towards results

Outcome area	DLR	Indicator Type	Target	Actual (July 2023-June 2024)	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 (Model results placed in the Coordination Council meeting during the budget preparation)	Yes	No	
		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	Outcome	Yes	No	
	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)	0	

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, we have not yet used the forecasted figures to develop budget estimates or as an input in the process of preparing MTMPS. This delay was primarily due to technical readiness issues, specifically the incomplete contextualization and validation of model outputs, and inadequate representation of monetary and debt dynamics since the meeting took place before the model's outputs could be fully validated and compared against established frameworks.

3.1.4 Outcome Area-2: Improved Accuracy of Macro Fiscal Forecasting in Bangladesh

Fiscal forecasting (mainly Revenue, Expenditure and Debt forecasting) is highly corelated with the macroeconomic forecasting. In other words, forecasted GDP growth, the rate of inflation, and exchange rate will determine the Medium-term government revenue, expenditure and government debt. Despite this progress, model results have not yet been placed in the Coordination Council meeting for FY 2025-26 budget preparation.[1] Even if Model results were not duly incorporated in the MTMPS of FY 2025-26, significant progress has been achieved in macro fiscal forecasting. Relevant officials from the Macroeconomic Wing, along with Scheme Consultants, have been trained in operating the model and have started conducting scenario-based forecasts and qualitative evaluations of macroeconomic outcomes. Preliminary scenario analyses, including qualitative evaluations of GDP, inflation, and revenue streams under various macroeconomic assumptions, have begun. This marks significant progress toward fulfilling DLR 1.5. This can only be accomplished during the subsequent budget announcement scheduled for June 2026.

3.2 Component-3: Debt Management

The Treasury and Debt Management Wing of the Finance Division is currently implementing a program under the World Bank (WB) co-financed Strengthening Public Financial Management Systems (SPFMS) initiative. This 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).

The program has achieved several significant milestones, including the enactment of the New Public Debt Management Act 2022, the formulation of the Sukuk Guideline 2021, and the successful issuance of Sukuk. It has also advanced capital market development by enabling government securities (G-Sec) trading in the secondary markets of the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), alongside introducing the automation of National Savings Certificates (NSC). Furthermore, the program has institutionalized regular dissemination of the Medium-Term Debt Strategy (MTDS) and the Debt Bulletin, while also completing and publishing the Debt Sustainability Analysis (DSA) report.

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[1] Consequently, no disbursements will be made against this DLR, as its completion falls outside the Program's implementation timeframe, according to the findings of the World Bank's Implementation Support Mission conducted from April 20 to May 6, 2025.

Moreover, the program has strengthened institutional coordination among Debt Management Offices by operationalizing the Cash & Debt Management Technical Committee (CDMTC), which convenes monthly, and the Cash & Debt Management Committee (CDMC), which meets semi-annually.

3.2.1 Indicators: progress towards results for July 2024- June 2025

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	95%	95%	
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	90%	90%	

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 emphasizes strengthening a country's capacity to manage its debt portfolio in a prudent and sustainable manner. This entails formulating strategies to mitigate debt-related risks, enhancing the transparency and accountability of debt operations, and ensuring that debt remains within sustainable levels. As part of these efforts, the program has been consistently publishing the Medium-Term Debt Management Strategy (MTDS). For the current reporting year, the MTDS 2025, covering FY 2025–26 to FY 2027–28, has been finalized and is ready for publication.

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

The outcome area of *comprehensive and transparent reporting on government debt* seeks to ensure that all public debt information is systematically recorded, regularly updated, and made accessible to the public. Such transparency strengthens fiscal management, mitigates debt-related risks, and enables more informed decision-making by both policymakers and citizens. In line with this objective, the program has institutionalized the regular publication of the Quarterly Debt Bulletin and the Debt Sustainability Analysis (DSA). The 14th issue of the Quarterly Debt Bulletin has been released and is available on the Finance Division website, while the DSA report has been completed and formally approved.

Significant progress has also been made in the digitization of savings schemes, with nine out of eleven schemes managed by the Department of National Savings now digitized. This has enhanced client services by enabling streamlined reimbursements and electronic fund transfer (EFT) payments. Additionally, the National Treasury Receipt (NTR) database has been

updated with data from various ministries and divisions. To further build institutional capacity, regular training programs on Treasury Single Account (TSA), debt management, National Savings Certificates (NSC), and NTR are being conducted, engaging Finance Division officials to strengthen their technical expertise and operational 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 establishing proper linkages between sectoral plans/strategies and resources and between budget and performance. Component 4 is progressing well, demonstrating that the SPFMS program is effectively supporting PFM reforms. So far, 5 out of 7 DLRs under Component 4 have been fully achieved. DLR 2.4 and DLR 2.5 are also being completed and will be sent for verification soon.

3.3.1   Indicators: progress towards results for July 2024- June 2025

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	3.22	
	Capacity built in budget preparation process including gender and climate issues	Output	1,000	1,035	
Budget execution	**Improved accuracy in budget preparation and execution**	Outcome	10%	19.03%	
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	
	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**	Output	29.00%	DLR 2.3 29.75% DLR 2.5 32.73%	

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
	which the DLR is being assessed)				
	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%	80%	
	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	08	Weighted average = 2.00
Number substantially completed (score=2)	08	100%
Number commenced but modest progress (score=1)	-	-
Not started (score=0)	-	-

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. After issuance of budget circular-1, budget circular-2, hands on training on Budget Preparation start to update and enhance the skills and knowledge of BMCs and BWGs members, officers and staff who are directly involved in the budget preparation process. Significant efforts have been made to strengthen the capacity of the process, with a special focus on integrating gender and climate considerations.

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. A monitoring framework, including a performance scorecard for the BMCs, has been successfully drafted, consulted on, issued and adopted a scorecard approach to measure the BMCs' performance through an independent peer review process. The BMCs provide strategic oversight into the budget-making process. To enhance their awareness and proactivity in budget formulation, this component implements several capacity developments programs.

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. 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. And for DLR 2.5 the total actual public expenditure in the relevant fiscal year is 32.73% 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 will be sent to Cabinet 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 out-turn 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 success and 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 2024- June 2025

Outcome area	DLR	Indicator Type	Target	Actual (July 2024- June 2025)	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 and Reporting	**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**	Output	100%	100%	
	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	3 days	1 day	
	DLR-8.5: Detailed budget execution reports	Output	4	3	

Outcome area	DLR	Indicator Type	Target	Actual (July 2024-June 2025)	Traffic light (Status)
	published by the Finance Division on MoF's official website on a quarterly basis i.e., four reports published in the relevant year				🟨
	DLR-8.6: 10 (Ten) iBAS++ reports are developed and made available in iBAS++ system for budget execution decisions.	Yes/No	Yes	Yes	🟩
TSA	**DLR 4.1: A stock-take of bank accounts of Budgetary Central Government units including projects.**	Outcome	Yes	Yes	🟩
	DLR 4.4 The number of dormant/inactive bank accounts, and the bank accounts of closed projects will be determined and reduced by 50% in the following year.	Outcome	Yes	Yes	🟩

3.4.2 Implementation progress

Number of process indicators	5	Weighted average= 1.2
Number substantially completed (score=2)	2	40%
Number commenced but modest progress (score=1)	2	40%
Not started (score=0)	1	20%

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 segments (Organization, Operation, Economic and Source of Fund). 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.

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 BB to Commercial Bank and when Commercial Banks send money to MFS.

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 DLR Price has been disbursed. Since Budget execution reports are available real-time from the system, quarterly reports are available on time.

Indicators: DLR-8.6: 10 (Ten) iBAS++ reports are developed and made available in iBAS++ system for budget execution decisions.
This DLR has been fully realized DLR Price has been disbursed. Required budget execution reports are available real time from the system.

3.4.5   Outcome Area-3: TSA

Indicators: DLR 4.1: A stock-take of bank accounts of Budgetary Central Government units including projects. &
DLR 4.4 The number of dormant/inactive bank accounts, and the bank accounts of closed projects will be determined and reduced by 50% in the following year.

Out of 90,452 government offices, 87,300 entered 195,150 bank account details into the system, and the concerned commercial banks have already verified around 70,000 of these accounts. At present, 5,458 dormant accounts have been identified, and a draft circular on the opening and closure of bank accounts is being prepared.

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 on 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.

3.5.1   Indicators: progress towards results for July 2024- June 2025

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
Pension and fund management system	DLR-5.1: The GP Fund Module and the Pension Service Module of iBAS++	Outcome	2	2	

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
	have been implemented and are operational.				
	Maintain accurate records of GPF contributions, profit, balances and outstanding loans and advances.	Outcome	Yes	Yes	
	DLR-5.2: A centralized pension roll with EFT Payment capability has been established and is operational.	Outcome	1	1	
	Communication strategy increases pensioners awareness of pension services.	Outcome	4th Quarter	4th Quarter	
	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	Yes	
	End to end integration of pension process	Outcome	Yes	Partial	
	DLR-5.5: 90% of new pensioners are paid through EFT no later than the pension payment Cycle following their retirement.	Outcome	Yes	Yes	
	Take up of life verification apps.	Intermediate outcome	70%	Partial (22.65%)	
	e-PPO Generated.	Output	Automated system	Automated system	

3.5.2 Implementation progress

Number of process indicators	14	Weighted average= 1.71
Number substantially completed (score=2)	10	71.43%
Number commenced but modest progress (score=1)	04	28.57%
Not started (score=0)		

3.5.3 Outcome Area-1: Pension and fund management system

Although a business process has been developed to integrate the end-to-end pension system, the Online Pension Tracking and Monitoring System remains at the prototype stage. Automation of pension forms has been digitalized, NOCs, ELPC, and other required documents under the iBAS++ scheme is yet to be completed, which delays full digital integration.

Despite the availability of the Life Verification App on both Android and iOS platforms, only around two lacs eight thousand eight hundred and thirty-seven (2,08,837) pensioners have completed their life verification through the app this year. This reflects limited adoption and highlights the need for stronger awareness-building and user support measures.

3.6 Component-9: SOE Governance

The SOEs' Governance Scheme is being implemented by the Monitoring Cell of the Finance Division under the SPFMS initiative, co-financed by the World Bank. This intervention falls under Component 9 of the SPFMS program and is structured around eight (8) DLRs, categorized within two (2) DLIs, namely DLI 6 and DLI 7. As of the reporting period, the scheme has successfully achieved seven (7) out of eight (8) targeted DLRs under Component 9.

Among the significant accomplishments of the scheme are:
- The preparation of Debt and Contingent Liabilities (DCL) statements for 101 SOEs and ABs.
- The independent performance evaluations were conducted for 20 SOEs and ABs.
- The formulation of a Performance Improvement Strategy for four selected SOEs; and
- The development of a standardized Policy and Procedure Manual for Property, Plant, Equipment, and Other Assets (PPE) applicable to both SOEs and ABs.

Additionally, the scheme has played a critical role in enhancing financial transparency. More than 100 SOEs and ABs have published their audited financial statements on their official websites for four consecutive fiscal years. This sustained practice reflects a commitment to improved governance and public accountability in the management of state-owned entities.

3.6.1 Indicators: progress towards results for July 2024- June 2025

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
1. 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	137	🟩
2. 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	101	🟩
3. Monitoring & Performance	**Number of SOEs supported in applying PPE manual for preparation of financial statements.**	Intermediate Outcome	5	0	🟥

Outcome area	DLR	Indicator	Target	Actual	Traffic light (Status)
management of SOEs	DLR 7.2: A policy and procedures manual for property, plant, equipment and other assets that enables to ensure the quality of management and accounting procedure of SOEs and ABs, has been drafted and issued by FD.	Outcome/ Output	Yes	Yes	
	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.	Output	10	20 (Roll out-10 & new SOE-10)	
	DLR 7.4: Performance Improvement Strategies have been developed for underperforming SOEs/ABs based on the performance evaluations mentioned in DLR 7.3	Output	2	2	

3.6.2 Implementation progress

Number of process indicators	11	Weighted average= 1.91
Number substantially completed (score=2)	10	90.91%
Number commenced but modest progress (score=1)	1	9.09%
Not started (score=0)	-	

3.6.3 Outcome Area 1: Transparency in SOE Monitoring

In pursuit of improved transparency and accountability, the SOEs' Governance Scheme has significantly contributed to the regular public disclosure of financial information. Over 100 State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) have published their Audited Financial Statements (AFS) on their respective websites, thereby fostering greater public trust and enabling informed scrutiny of public sector financial performance. The availability of these financial statements is not only a critical transparency milestone but also serves as a foundational input for the preparation of Debt and Contingent Liabilities (DCL) statements and the conduct of Independent Performance Evaluations (IPE), as mandated under the scheme.

3.6.4 Outcome Area 2: Debt and Contingent Liabilities Statement Preparation

A comprehensive statement on the debt and contingent liabilities of 101 SOEs has been prepared and submitted to the relevant authorities. This analytical report systematically assesses both aggregate and individual enterprise-level liabilities, with the objective of identifying fiscal risks and informing a strategic government response. The analysis encompasses all categories of indebtedness, including external and internal borrowings, inter-SOE debts, liabilities arising from quasi-fiscal operations, and other potential fiscal exposures.

The formulation of this statement involved rigorous data collection, validation, and analysis to evaluate fiscal vulnerabilities linked to SOEs and ABs. It offers policy-relevant insights and proposes strategic directions to mitigate contingent liabilities and safeguard fiscal sustainability.

3.6.5 Outcome Area 3: Monitoring & Performance management of SOEs

To strengthen performance management, the scheme has completed Independent Performance Evaluations (IPEs) for a total of 20 SOEs and ABs - 10 for FY 2021-22 & 2022-23 and 10 for FY 2022-23. This includes follow-up evaluations of entities previously assessed. These evaluations, presented in both aggregated and entity-specific formats, aim to enhance efficiency, transparency, and accountability across SOEs and ABs, thereby contributing to the establishment of robust governance frameworks.

Based on these evaluations, tailored Performance Improvement Strategies were developed for four underperforming SOEs. These strategies offer actionable recommendations covering key operational domains, including operations management, human resource development, financial reporting, and broader financial and non-financial performance areas.

To institutionalize improved asset management practices, a Policy and Procedures Manual for Property, Plant, Equipment, and Other Assets has also been prepared. This manual provides comprehensive guidelines for asset accounting, depreciation practices, revaluation methods, disposal procedures, and delegation of authority, thereby ensuring effective physical and financial control over public assets, promoting transparency, accountability, and consistency in asset management across all SoEs and ABs.

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

Internal audit is a significant element of the reform program. The Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) 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 these 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 2024- June 2025 (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 trainings planned for reference year	Output	100%	100%	
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	
Establishment of IAC	Number of MDAs with Functional	Output	2	2	

Outcome area	DLR/ Indicator	Indicator	Target	Actual	Traffic light (Status)
	Internal Audit Committees (IACs)				
Internal Audit reports are prepared for 2 Departments in first phase and remaining 3 Departments in second Phase	Internal Audit Reports will be prepared for any two departments, amongst five in accordance with the Model Internal Audit Charter and the Risk-based Internal Audit Manual issued under DLR 9.1 and will be submitted to the PAOs & heads of the departments of two respective MDAs.	Output	2	2	
Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve IA observation of two selected departments and Post Procurement Review findings of SPFMS	The relevant Internal Audit Committees (IACs) of Ministries/Divisions prepares an action plan to resolve at least 25% of: I) Internal audit observations of the report of two selected departments	Output	2	Partial	
Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve IA observation of two selected departments and Post Procurement Review findings of SPFMS	The relevant Internal Audit Committees (IACs) of Ministries/Divisions prepares an action plan to resolve at least 25% of: II) Procurement post-review findings of SPFMS program of Finance Division	Output	1	1	
Risk based internal audit approach rolled out	Percentage of internal audit findings resolved through audit committee	Intermediate Outcome	25%	15%	

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 plays a vital role in improving the efficiency, effectiveness, and accountability of Internal Audit Unit (IAU) officials across the selected departments i.e. DPE, RHD, PWD, LGED, and DGHS. To perform their duties effectively, IAU officials must possess a solid understanding of audit principles, techniques, and methodologies. These training initiatives equip them with the essential skills needed to conduct thorough audits, identify inefficiencies, and recommend corrective actions.

To enhance the capabilities of IAU officials, the Internal Audit Scheme has conducted a Series of workshops, seminars, and hands-on training sessions. In FY 2024-25, the scheme successfully organized more than 20 workshops and seminars covering key internal audit topics such as Risk Management, Risk Registers, the Audit Universe, and Audit Execution and Reporting Templates etc. In addition, two specialized workshops were held for officials of the Finance Division. The scheme also facilitated five Post Procurement Review & APP workshops under the SPFMS program, benefiting approximately 45 officers, consultants, and staff from July 2023 to June 2024.

The main objective of this performance indicator is to deliver capacity development training to IAU officials. During FY 2023-24, four IAUs were established within DPE, RHD, PWD, and LGED. In March 2025, IAU was successfully established in DGHS. Following its establishment, a series of targeted training sessions and workshops have been underway for DGHS IAU officials for as many as 7 weeks. Accordingly, we report 100% achievement of this indicator. List of Capacity Development Activities conducted from July 2024- June 2025 (details can be obtained from SPFMS website: https://spfms.gov.bd/site/page/e64f04a7-308a-4e40-b496-c6203c57f1d3).

3.7.4 Outcome Area 2: Establishment of IAU

In FY 2023-24 department-wise approval to establish Internal Audit Units (IAU) with possible HR deployment in four (DPE, RHD, LGED & PWD) departments have been completed as per the Charter and Manual. During the current reporting period (FY 2024-25), the remaining one IAU has been successfully established in the DGHS. Capacity building trainings are going on to the deployed HR of IAU's. Department-wise Risk Registers have been prepared according to the work plan in these four departments. Annual Risk-Based Internal Audit Plan (AIAP) as well as Piloting Risk-Based Internal Audit Plan (PIAP) have been prepared through discussion with respective top-management. DPE, RHD, LGED & PWD have already been preparing internal audit report.

For FY 2024-25, the target was to establish three IAUs, but the scheme has successfully established five. As a result, we are reporting a 100% achievement for this indicator.

3.7.5 Outcome Area 3: Establishment of IAC

Internal Audit Committee (IAC) was established in Finance Division, Ministry of Primary and Mass Education (MoPME), Local Government Division. Internal Audit Wing (IAW) were successfully established within FD. Road Transport and Highways Division (RTHD) and Ministry of Housing and Public Works (MoHPW) has initiated the process of forming their respective Internal Audit Committees. As a result, this indicator reflects a 100% achievement.

3.7.6 Outcome Area 4: Internal Audit reports is prepared for 2 Departments in first phase and remaining 3 Departments in second Phase (Target 5)

Internal Audit Reports have been prepared by the DPE and RHD and both departments have submitted the report to the Principal Accounting Officer (PAO). Meanwhile, PWD and LGED are currently finalizing the draft of internal audit reports in accordance with the Risk-Based Audit Manual. The Internal Audit Unit (IAU) in DGHS has recently been established, and capacity-building efforts are underway. Therefore, during this reporting period, only two departments—DPE and RHD—have prepared their Internal Audit Reports. As a result, this indicator reflects a 100% achievement.

3.7.7 Outcome Area 5: Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve IA observation of two selected departments and Post Procurement Review findings of SPFMS (Internal audit observations of the report of two selected department)

Internal Audit Committees have formed in 3 M/Ds. Initiatives have been undertaken to establish Internal Audit Committees (IACs) within the other respective MDAs. Upon preparation of the action plan to resolve the IA observations, DLR 9.4 will be achieved, thereby fulfilling this specific indicator. As the process is still underway, only IACs have been formed under this indicator for the current period.

3.7.8 Outcome Area 6: Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve IA observation of two selected departments and Post Procurement Review findings of SPFMS (Procurement post- review findings of SPFMS program of Finance Division)

In line with DLR 9.2, a Procurement Cell was established, annual procurement planning and post-procurement review systems introduced, and independent consultants engaged to conduct reviews. Reports on Post Procurement Review for FY 2019-20 and 2020-21 were completed, approved by FD (Ref: 07.00.0000.103.18.002.23(part)-473, dt-15.02.2023), and DLR 9.2 achieved. Considering follow-up activities of 'Post-Procurement Review' and targeting to achieve DLR 9.4, the IA scheme has been continuing procurement review and publishing of Annual Procurement Plan and roll-out/review of APP during program period. The 'Post-Procurement Review' draft reports for the FY 2021-22, 2022-23, 2023-24 have been prepared and FY 2024-25 is ongoing. Since the IAC committee in the Finance Division was recently established. However, initiatives have now been taken to submit the reports to the IAC, and after that the committee will prepare an action plan to address the observations identified in the PPR report.

3.7.9 Outcome Area 7: Risk based internal audit approach rolled out

The Internal Audit Tech-team is providing hands-on technical support to the IAUs of respective departments. Execution reports for DPE and RHD will be submitted to the respective Internal Audit Committees (IACs) to address findings. Departmental Risk-Registers and Annual Internal Audit Plans (AIAPs) have been prepared and approved by PAOs in DPE, RHD, LGED, and PWD; for MoPME, LGD, RTHD, and MoHPW. However, only IACs have been formed in the respective MDAs under this indicator. As these activities are ongoing, this indicator currently reflects 15% achievement for the reporting period.

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 2024- June 2025 (Year-5)

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
Coordination and Leadership	**Steering committee decisions taken & implemented**	Intermediate Outcome	12	10	
	Frequency of PIT check-ins held	Output	120 days between consecutive meetings	19.06 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	**Dissemination of IPF research papers**	Intermediate Outcome	100	136	
	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.	Output	1	0	
	DLR 10.4:6 field inspections to government service delivery centers to identify PFM related issues have been carried out.	Output	11 (Cumulative)	11 (Cumulative)	
Monitoring	**M&E infrastructure**	Intermediate Outcome	90%	90%	

Outcome area	DLR/ Indicator	Indicator Type	Target	Actual	Traffic light (Status)
	established and functional				
	DLR-10.5: Monitoring and Evaluation (M&E) framework has been developed for the PFM reforms and two M&E reports published on the SPFMS website on annual basis	Output	Yes	Yes	

3.8.2 Implementation progress

Number of process indicators**	6	Weighted average=1.5
Number substantially completed (score=2)	4	66.67%
Number commenced but modest progress (score=1)	1	16.66%
Not started (score=0)	1	16.66%

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. 66.67% 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 Necessary actions have been taken to submit and disburse DLR-1.3, DLR-2.3, DLR-10.3 and DLR-10.5 either fully or partially. All schemes have been capable of prioritizing the areas of action and expediting financial performance. Till the reporting period a total of 8 foreign trainings has been conducted through BETF. For smooth functioning of fiduciary arrangements, the overlapping of the same activities amongst the donors should be avoided. Development partners, including the World Bank, European Union, and JICA were engaged in similar initiatives with the institutions like OCAG, NBR and the Planning Commission. Necessary coordination efforts have been undertaken to minimize the overlapping of the initiatives. The finalization of 3rd PFM Reform Strategy 2025-2030 is going on. Due to unavoidable circumstances, the 3rd PFM stakeholder retreat could not be held in the reporting year. SPFMS coordination infrastructure is also performing effectively, with PIT check-in-meetings taking place at the regular interval.

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. It is important to note that, for 3 research papers have been disseminated to an audience of .136 participants representing several ministries/divisions and related organizations. Following table shows the status of dissemination of the research papers:

Sl	Subject of workshop	Institutions	Type of workshop	Date	Participants
1.	Long-term financing: Critical assessment of the bond market in Bangladesh and the way forward	Bangladesh Institute of Bank Management (BIBM)	Final Report	23/03/2025	37
2.	The Factors Affecting Public Spending Allocative Efficiency in Bangladesh: An Empirical Study on the Health Services	Bangladesh Institute of Governance and Management (BIGM)	Inception	23/03/2025	45
3.	State of the Real Economy: A study on Household Economic Realities and Policy Options Towards Strengthening Economic Democracy	Power and Participation Research Center (PPRC)	Draft Report	19/06/2025	54
	Grand Total				136

The program has already completed a total of eleven field visits since 2019. These visits provided insights such as DDOs submitting pay bills 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. Two PFM Action Plan stakeholder retreats conducted to review the respective semi-annual PFM Action Plan progress reports prepared under DLR 10.1 were not arranged against the target 1.

3.8.5 Outcome area 3: Monitoring

SPFMS is currently enhancing its results orientation within program monitoring and evaluation, with the expectation of achieving DLR 10.5 by the end of 2025. All stakeholders have been actively engaged in revising the results framework and indicators, drawing on support from the Strengthening Public Expenditure Management Program Bank-Executed Trust Fund (SPEMP-BETF) and the SPFMS M&E team under Component 14: PFM Reforms Leadership, Coordination, and Monitoring. The M&E team holds quarterly consultations with PECs, ISCs, senior consultants, and other experts to track progress on both result-based and process indicators, ensuring that targets are met within the stipulated timeframe. Looking ahead, stakeholders remain committed to data collection and report preparation in line with the roles and responsibilities outlined in the M&E guidelines and work plan.

Chapter-4

Analysis and Findings

Chapter 4: Analysis and Findings

Based on the reporting templates provided by the eight (8) components of the SPFMS program, the performance of the result-based indicators was evaluated using the RTT. Detailed calculations for each component, as reflected in the RTT, are presented separately in Annexure-2. The analyses of result and process indicators for all components are subsequently provided in sequence as follows:

4.1 Component-1: Macroeconomic Forecasting

In FY 2024-25, 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.*

The outcome area: ***Improved Accuracy of Fiscal Forecasting*** is measured through four result indicators. Of these, three indicators have been achieved, while progress on one proxy indicator—derived from PEFA Indicator **14.3: Macro-Fiscal Sensitivity Analysis** remains incomplete. The PEFA Assessment 2021 highlighted a critical gap: fiscal forecasts prepared by the government do not incorporate a qualitative assessment of the potential impact of alternative macroeconomic assumptions. Similarly, there is no systematic evaluation of the fiscal implications of policy changes. Current forecasts lack qualitative analysis, do not present multiple scenarios, and provide no explanation of upside or downside risks that could inform strategic dialogue among policymakers. The component has explained that the planned integration of sensitivity analyses into fiscal strategy and official publications has been delayed. The delays are primarily linked to three factors:
- Incomplete readiness of the macroeconomic model,
- Insufficient representation of monetary sector dynamics, and
- Ongoing data validation challenges.

Under this 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**, the objective was to ensure that projections from the upgraded Macro-Economic Model are effectively applied in the MTMF and budget preparation process. While a preliminary round of forecasts was generated by both the MFMod and the FPP model, the integration into the MTMF and budget process is yet to be fully realized.

Two key result indicators were identified to measure progress:
(i) **Model results placed in the Coordination Council meeting during the budget preparation; and**
(ii) **Output of the model's forecast supports the publication of MTMPS.**

With respect to indicator (i), although an opportunity existed to present the model results in the Coordination Council meeting for the FY 2026–27 budget cycle, this was not achieved. The delay was primarily attributable to outstanding technical readiness issues, including incomplete contextualization of model equations and insufficient incorporation of monetary and debt dynamics into the model framework. Regarding indicator (ii), Component-1 did not apply the forecast results in preparing the MTMPS or as an input to budget estimates. This reflects a gap between model development and its institutionalized application in core fiscal policy documents. The deviation from both indicators has been systematically captured in the Results Tracking Table (Annex-2). RTT indicates that the deviations observed in three result indicators

are unsatisfactory. In case of process indicators, the weighted average of Component 1 is 1.6 out of 2 and it shows modest performance.

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

Component 3 is structured around a single DLR, which encompasses the Medium-Term Debt Strategy (MTDS), the Debt Sustainability Analysis (DSA), and the publication of Debt Bulletins. It focuses on two key outcome areas: *(i) Improved debt management,* and *(ii) Comprehensive and transparent reporting on government debt.* Notably, this component also incorporates two **PEFA indicators—PI 13.3 (Debt Management Strategy – Proxy: Implementation of MTDS recommendations)** and **PI 13.1 (Completeness, timeliness, and quality of debt data)** to measure progress and strengthen accountability.

Total five (5) result based indicators and two (2) process indicators were selected. For process indicators, the component has got the outstanding weighted average 2.00 out of 2.00. In case of PI-13.3, As part of these efforts, the program has been consistently publishing the Medium-Term Debt Management Strategy (MTDS). For the current reporting year, the MTDS 2025, covering FY2025–26 to FY2027–28, has been finalized and is ready for publication. It includes target ranges, such as interest rates, refinancing and foreign current risks. The report shows that the component has been successful in implementing 95% of recommendations mentioned in the MTDS. For PEFA Indicator 13.1, Bangladesh received a score of "B", indicating that records of domestic, external, and guaranteed debt are maintained in a complete and accurate manner, with reconciliations conducted at least on a quarterly basis. In addition, statistical debt reports are produced every quarter and made publicly available on the Ministry of Finance website.

As noted earlier, Component 3 is primarily aligned with DLR-1.3, which focuses on two key result-based indicators: (i) updating the Debt Sustainability Analysis (DSA), and (ii) the quarterly publication of Debt Bulletins. The Ministry of Finance is responsible for preparing the DSA, while the Debt Bulletins are regularly published on the MoF website. These bulletins provide comprehensive information on outstanding public debt and contingent liabilities. The most recent publication, Debt Bulletin Issue No. 14, was released in July 2025 (https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/157830c6_9eaa_4ce7_be70_72b67c0f06e5/Debt%20bulletin-14.pdf). The RTT reflects that there are no deviations in this component.

4.2.1   Findings: Component-3: Debt Management

- **Expected Outcome:** Enhanced debt management and greater transparency in reporting government debt.
- **Actual Outcome:** Debt Sustainability Analysis (DSA) and Debt Bulletins are consistently updated and published. Capacity for managing debt data has strengthened, successfully achieving all set targets.
- **Gaps:** No significant gaps identified; actual outcomes align with expected targets, reflecting measurable improvements in debt management practices.

4.3 Component-4: Budget Preparation and Planning

Component- 4 covers three (3) outcome areas: (i) budget preparation, (ii) budget execution, and (iii) BMC performance. These outcome areas are linked to seven (7) DLRs (DLR-2.1 to DLR-2.5 and DLR-3.1 to DLR-3.2) as well as the PEFA indicator PI-8.3, which measures resources received by service delivery units. For FY 2024–25, a total of nine (09) result indicators and eight (08) process indicators were identified.

Out of the nine (9) indicators, two are associated with the outcome area pertaining to **budget preparation**. Within contemporary Public Financial Management (PFM) systems, the budget preparation process is intrinsically connected to ministerial strategic priorities, ensuring consistency with the Government of Bangladesh's overarching national objectives. At present, the Budget and Accounting Classification System (BACS) has been implemented to facilitate the digitalization of the budget formulation process. Regarding the first indicator **Alignment of the budget with strategic priorities at the ministerial level,** its definition is derived from the peer review guidelines established for BMCs and BWGs of MDAs. According to the peer review guidelines, BMCs and BWGs are assessed across four (4) thematic areas, with performance rated on a scale of 1 to 4. These thematic areas include: (i) the alignment of the Medium-Term Budget Framework (MTBF) with policy priorities and strategies, (ii) budget review and approval processes, (iii) monitoring, evaluation, and audit resolution, and (iv) capacity development of BMCs. In line with the peer review guidelines, practical training sessions on budget preparation have been initiated to strengthen the competencies and knowledge of BMC and BWG members, along with officers and staff directly engaged in the budget formulation process. This indicator is classified as an outcome-level measure, and the component has attained full (100%) achievement against it. With respect to the second indicator— **Capacity built in budget preparation process including gender and climate issues** — the report indicates that comprehensive training programs are conducted regularly in each fiscal year. These sessions address gender and climate issues as distinct areas of focus. The indicator has been fully achieved.

The third indicator, **Improved Accuracy in Budget Preparation and Execution**, is defined by the variance between the budgeted allocations and the actual expenditures of MDAs. This indicator is aligned with the PEFA indicators PI-2.1 and PI-2.2 and corresponds to the second outcome area: **budget execution**. The PEFA Assessment 2021 indicates that the variance in expenditure composition by administrative classification (excluding contingency and debt interest) exceeded 10 percent of the original budget in the fiscal years 2018–19 and 2019–20. The target for the current year was set at 10 percent; however, the component has reported that this target has not been achieved. In this context, as a result of the government's fiscal consolidation measures, actual expenditures deviated by 19.03% from the approved budget. The RTT shows 90% deviation in this result indicator (shown in Annex-2). Within this outcome area, there are four additional indicators: DLR-2.3 and DLR-2.5, the PEFA indicator PI-8.3

(proxy), DLR-3.2, and DLR-3.1. The report indicates that DLR-2.3, DLR-2.5, PI-8.3, and DLR-3.1 have been fully achieved, with no deviations reported in the RTT (Annex-2). Furthermore, for DLR-3.2- which measures the timely release and distribution of budgets to 80% of DDOs by July 31- the target has been fully met within the reporting period.

In the third outcome area—**BMC performance**—DLR-2.2, which requires that 15% of BMCs undertake inter-ministerial peer reviews in accordance with protocols established under the monitoring framework developed pursuant to DLR-2.1, has been fully achieved. Similarly, DLR-2.1, which involves drafting, consulting on, and issuing a monitoring framework (including a performance scorecard) for the BMCs, has also been fully accomplished. Furthermore, for FY 2024–25, Component-4 selected eight process indicators, all of which have been fully achieved, yielding a weighted average score of 2.00 out of 2.00.

4.3.1   Findings: Component-4: Budget Preparation and Planning

- **Expected Outcome:** Advancements in budget preparation consistent with strategic priorities, enhanced performance of BMCs, and improved efficiency in budget execution.
- **Actual Outcome:** Targets for budget preparation and execution were largely met, demonstrating alignment with established budgetary priorities.
- **Gaps:** The actual expenditures exhibited a variance of 19.03% relative to the approved budget.

4.4 Component-7: BACS and iBAS++

Component-7, covering the implementation of BACS and iBAS++, has been executed under DLI-4 (DLR-4.1 to DLR-4.4) and DLI-8 (DLR-8.1, 8.2, 8.4, 8.5, 8.6). For the reporting year, the component identified eight (8) result indicators and five (5) process indicators. For the process indicators, the component's weighted average is 1.2 out of 2.00 which is not satisfactory. This year, the result-based indicators have been selected in 3 outcome areas i.e., (i) **Budget Preparation** (ii) **Budget Execution and Reporting** (iii) **TSA** for Component 7.

In the outcome area of **Budget Preparation**, there is a single result indicator, DLR-8.1, which has been fully achieved. In the second outcome area, **Budget Execution and Reporting**, five (5) result indicators were identified, of which four (4) met their respective targets. Only one indicator, DLR-8.5, has been partially achieved, as the fourth-quarter budget execution report has not yet been published on the Ministry of Finance's official website. 25% deviation is reflected in this indicator (Annex-2). In the outcome area of **TSA,** two (2) result indicators (DLR-4.1 and DLR-4.4) are reported for this year. While DLR-4.1 has been fully achieved, DLR-4.4 has only partially met its target.

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

- **Expected Outcome:** Improvements in budget preparation, execution, and reporting have been achieved through the implementation of iBAS++.
- **Actual Outcome:** The targets for online submission of bills and government payment transactions via EFT have been fully achieved. Budget execution reports are being published in accordance with the planned schedule.
- **Gaps:** No significant gaps; most targets are achieved.

4.5 Component-8: Pension Management and Financial Reporting

For **Component 8: Pension Management and Financial Reporting**, six DLRs (DLR 5.1 to DLR 5.5 and DLR 8.3) are included. In the current financial year, nine (09) result indicators

and fourteen (14) process indicators were identified for this component through consultations with PEC, PIT, Senior Consultants, and ISC. All result indicators are aligned with a single outcome area focused on the pension and fund management system. The weighted average of process indicators of Component eight is 1.71 out of 2 and it implies good performance.

According to the component report, the achievement status of the nine (9) result indicators is summarized as follows:

a) The GP Fund Module and the Pension Service Module have been successfully implemented and are fully operational in iBAS++.

b) GPF contributions, profits, balances, and outstanding loans and advances are systematically recorded and regularly updated in iBAS++.

c) A centralized pension roll with EFT payment functionality has been established and is operational within iBAS++.

d) Pensioners are kept informed about pension and fund-related services through leaflets, brochures, and direct text messages. Additionally, instructional videos have been developed to guide them through the life verification process using mobile applications. Under the Coordination Scheme, a comprehensive communication strategy has also been adopted to ensure pensioners remain well informed about available services and procedures.

e) An annual government-wide GPF and Pension Service report can now be generated directly from iBAS++.

f) A business process has been formulated to integrate the entire pension system. Development is underway on a prototype of the Online Pension Tracking and Monitoring System, along with the automation of pension forms, NOCs, ELPC, and other essential documents. Progress to date indicates only partial achievement of this indicator. Therefore, the achievement of the indicator is 50% which has been marked by Yellow as well as shown 50% deviation in the RTT (Annex-2).

g) All government pensioners now receive their pensions through EFT.

h) The Pensioners Verification App, available on both Android and iOS platforms enables pensioners to digitally verify their life status without physical appearance. Previously, pensioners were required to appear in person every eleventh month of the year for verification. During the reporting year, 208,837 pensioners out of a total of 922,000 completed their life verification through the app. However, the compliance remains incomplete as deviation shows 68% in RTT (Annex-2).

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

- **Expected Outcome:** Transparent GP Fund Module and the Pension Service Module
- **Actual Outcome:** The GP Fund Module and the Pension Service Module are fully operational in iBAS++.
- **Gaps:** Though a business process has been designed to integrate the end-to-end pension system, a prototype of the Online Pension Tracking and Monitoring System is under development. The life verification of pensioners through the app is a commendable step toward service simplification, though further awareness initiatives may help achieve broader participation and optimal results.

4.6 Component-9: SOE Governance

For Component 9: SOE Governance, a total of six (06) result indicators and eleven (11) process indicators were established for FY 2024–25. The result indicators are aligned with DLRs 6.2, 6.3, 7.2, 7.3, and 7.4. These indicators were selected across three outcome areas: (i) Debt and contingent liabilities, (ii) Transparency in SOE monitoring, and (iii) Monitoring and

performance management of SOEs. The weighted average of process indicator of this component is 1.9 which is satisfactory.

In the first outcome area, only DLR 6.3 was selected as a result indicator, and its target has already been achieved. The second outcome area also includes one result indicator for FY 2024–25. In line with DLR 6.2, the target has been met, as 137 SOEs and Autonomous Bodies published their audited financial statements online during the year. For the third outcome area, four result indicators were adopted, of which three have successfully reached their targets. The remaining indicator, derived from DLR 7.2— "**Number of SOEs supported in applying the PPE manual for preparation of financial statements**"—has not yet met its target and RTT shows 100% deviation (Annex-2). This shortfall is due to the fact that the Policy and Procedures Manual for property, plant, equipment, and other assets was only recently approved and issued. Nevertheless, the component has initiated the application of the PPE manual in the financial statement preparation of 10 SOEs. The development of the PPE manual represents a significant achievement, as it contributes to enhancing efficiency, transparency, accountability, and overall governance performance of SOEs and Autonomous Bodies.

4.6.1   Findings: Component-9: SOE Governance

- **Expected Outcome:** Strengthened monitoring and performance management of SOEs, along with transparent reporting of debt and contingent liabilities.
- **Actual Outcome:** Debt and contingent liabilities were reported for 50 SOEs. Additionally, 137 SOEs and Autonomous Bodies published their audited financial statements online. The Policy and Procedures Manual for property, plant, equipment, and other assets was approved and issued.
- **Identified Gap**: Although at least five (05) SOEs were targeted to prepare their financial statements in accordance with the approved PPE manual, the delayed approval of the manual prevented them from applying its provisions within the reporting year, resulting in financial statements that did not reflect the updated asset management standards.

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

Component 10: Internal Audit and Audit Follow-up is mainly tasked with overseeing actions taken on internal and external audit reports in selected MDAs, as well as conducting post-procurement reviews within the Finance Division (FD). The core objective of this component is to establish a modern internal audit function in major high-expenditure and high-risk departments—such as DPE, RHD, LGED, PWD, and DGHS—through the adoption of risk-based audit approaches as part of strengthening internal controls.

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) have been fully achieved. The other two DLRs (DLR 9.3 and 9.4) are in progress. For this financial year, there are six outcome areas in M&E framework of this component: (*i) capacity development training of IAU officials,* and *(ii) establishment of IAU (iii)establishment of IAC (iv)internal audit reports is prepared for 2 departments in first phase and remaining 3 departments in second phase (v) internal audit committees (IAC)of ministries/divisions prepares an action plan to resolve IA observation of two selected departments and post procurement review findings of SPFMS (vi)risk based internal audit approach rolled out.* Moreover, three (3) process indicators have been chosen for this reporting period, but the weighted average of process indicators is not satisfactory (1 out of 2).

For the first result-based indicator, **Capacity Development Training of IAU officials,** the target was 100% to achieve and the component has achieved 100% against the target. As result

indicators, the component has made outstanding performance in establishing IAUs and IACs to fulfil its targets. Also, two internal reports have been prepared for two departments during this reporting year. However, in case of DLR 9.4 where two result indicators were selected (i) internal audit observations of the report of two selected departments (ii) procurement post review findings of SPFMS program of Finance Division. DLR-9.4 (i) is not fully achieved, and the activity of this indicator is in process. For the last result indicator, the component has made minimal progress in resolving internal audit findings through audit committee and RTT reflects 40% deviation.

4.7.1 Findings: Component-10: Internal Audit and Audit Follow-up done
- **Expected Outcome:** Establishment of Internal Audit Units (IAU) and Internal Audit Committees for capacity development.
- **Actual Outcome:** IAUs and IACs were established, and capacity-building programs were conducted successfully.
- **Gaps:** Yet to be started in resolving internal audit findings by the audit committees.

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

For Component-14, *PFM Reforms Leadership, Coordination, and Monitoring*, a total of six (6) Disbursement-Linked Results (DLRs 10.1 to 10.6) has been identified. During the current financial year, eight (8) result-based indicators and six (6) process indicators were selected for this component through consultation with PECT. The result indicators were aligned with three outcome areas: (i*) coordination and leadership*, (ii) *learning and dissemination of PFM-related issues*, and (iii) *monitoring.*

In the outcome area of *Coordination and Leadership,* three result-based indicators were selected. Regarding the indicator on **Steering Committee (SC) decisions and their implementation,** it was recorded that two SC meetings were held during the reporting year. The subsequent table provides a detailed overview of the decisions taken in these meetings and their corresponding implementation status:

Sl.	Steering Committee	Held on	No. of decisions taken	No. of decisions implemented
1.	4th SC Committee Meeting	29 August 2024	6	5*
2.	5th SC Committee Meeting	23 June 2025	6	6

It is important to mention that a decision was not implemented taken in the 4th SC Committee Meeting e.g., 3rd PFM Stakeholder retreat was not arranged on 3rd quarter FY 2024-25.

With respect to the frequency of PIT check-in meetings, a total of sixteen such meetings were conducted during the reporting period. The table below presents detailed information:

Sl	Particulars	Held on	Gap of occurring the Meeting (days)
1.	PECT Meeting	13-Aug-24	
2.	PECT Meeting	07-Sep-24	24
3.	Weekly Meeting	09-Sep-24	2
4.	Weekly Meeting	07-Oct-24	28
5.	Weekly Meeting	13-Oct-24	6
6.	Weekly Meeting	04-Nov-24	35
7.	Fortnightly Meeting	17-Dec-24	43
8.	Review of 8 schemes activities	30-Dec-24	13

Sl	Particulars	Held on	Gap of occurring the Meeting (days)
9.	Coordination Meeting	25-Jan-25	25
10.	Coordination Meeting	10-Feb-25	16
11.	Coordination Meeting	03-Mar-25	22
12.	Technical Advisory Committee (TAC)	11-Mar-25	8
13.	Coordination Meeting	19-Apr-25	38
14.	Coordination Meeting	26-Apr-25	7
15.	Implementation Support Mission	04-May-25	8
16.	Coordination Meeting	03-Jul-25	30
	Average gap of occurring the Meeting (days)		19.06

In examining the second result-based indicator, **Frequency of PIT Check-ins Held,** the established target required that each meeting be conducted within 120 calendar days, calculated as the interval between the dates of consecutive meetings. During the reporting year, a total of sixteen (16) check-in meetings were convened. The data indicates that the intervals between successive meetings consistently remained well within the 120-day target. On average, the performance of this indicator has been rated with a green traffic light (satisfactory performance), with no deviations recorded, as verified by RTT in Annex-2.

The third result indicator within this outcome area, DLR-10.1, has been fully achieved and the corresponding disbursement has been made. Evidence indicates that the PECT has been consistently submitting two *PFM Action Plan* progress reports annually, on a semi-annual basis, to the Steering Committee.

Within the outcome area of *Learning and Dissemination of PFM Issues*, three result-based indicators were identified, of which two have been assessed with a green traffic light, signifying satisfactory performance. The first indicator, **Dissemination of IPF research papers**, has been fully achieved. The report demonstrates that the target was surpassed, as the number of participants in dissemination workshops for IPF/SPFMS-supported research exceeded the planned benchmark. The details are presented on the table below:

Sl	Subject of workshop	Institutions	Type of workshop	Date	Participants
1.	Long-term financing: Critical assessment of the bond market in Bangladesh and the way forward	Bangladesh Institute of Bank Management (BIBM)	Final Report	23/03/2025	37
2.	The Factors Affecting Public Spending Allocative Efficiency in Bangladesh: An Empirical Study on the Health Services	Bangladesh Institute of Governance and Management (BIGM)	Inception	23/03/2025	45
3.	State of the Real Economy: A study on Household Economic Realities and Policy Options Towards Strengthening Economic Democracy	Power and Participation Research Center (PPRC)	Draft Report	19/06/2025	54
	Grand Total				136

The second indicator within this outcome area, corresponding to DLR-10.2, was not achieved, as no retreat was organized during the reporting year and RTT shows 100% deviation in Annex-2. By contrast, the third indicator, aligned with DLR-10.6, was successfully achieved through the conduct of field inspections in two districts. Consequently, no deviation has been observed in relation to this indicator DLR 10.6.

Within the outcome area of *Monitoring*, two result-based indicators were selected. The first indicator, **M&E infrastructure established and functional,** is of critical importance to the SPFMS program, as it encompasses progress across all program components. The achievement status of this indicator is 90% (satisfactory performance 81.00% + modest performance 9.00%) against the target 90%. Attaining the target for this indicator signifies the effective implementation of the overall program. The second indicator, DLR-10.5, has also been achieved with the publication of the first M&E report on the SPFMS website, reflecting satisfactory performance.

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

- **Expected Outcome:** Robust coordination and strategic leadership in PFM reform initiatives.
- **Actual Outcome:** Coordination and monitoring efforts are progressing effectively.
- **Gaps:** Some procedures are still in the developmental stage.

4.9 Overall Findings

A comprehensive review of the result-based and process indicators across the eight components of the SPFMS Program demonstrates that indicators were established for three financial years—FY 2023–24, FY 2024–25, and FY 2025–26—in accordance with the SPFMS M&E Guidelines. For the second financial year, a total of 57 result-based indicators were identified under the eight components. Consistent with the reporting framework specified in the M&E Guidelines, the performance of these indicators in achieving the prescribed targets has been evaluated, with a comparative analysis between FY 2023–24 and FY 2024–25 presented in the figures below.
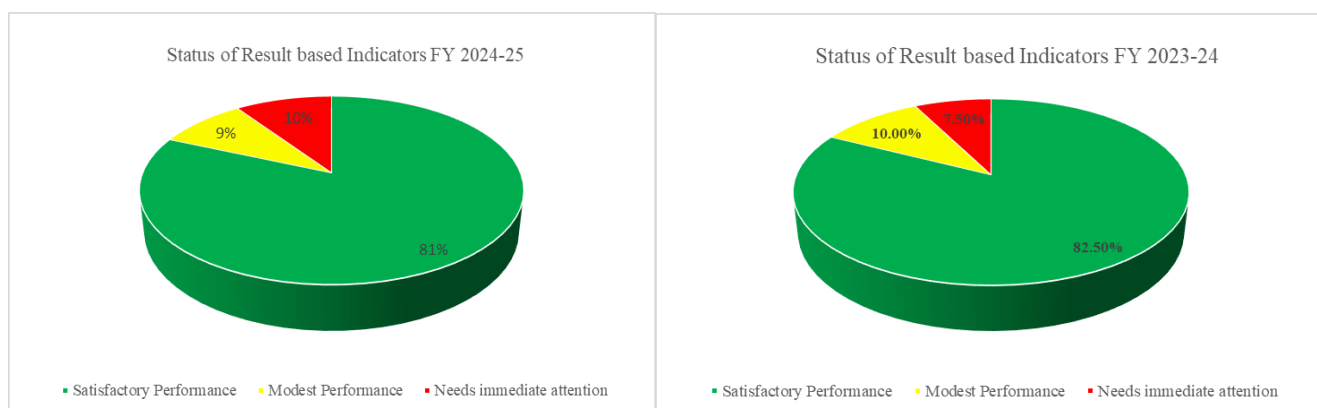
The figures indicate that the achievement status of the result indicators remained satisfactory throughout the two financial years, suggesting that the M&E processes of the SPFMS Program are progressing in the intended direction.

The performance of process indicators for FY 2024–25 reflects a decline relative to FY 2023–24. Specifically, the weighted average of process indicators decreased from 1.69 in FY 2023–24 to 1.54 in FY 2024–25. This comparison is illustrated in the figures below:
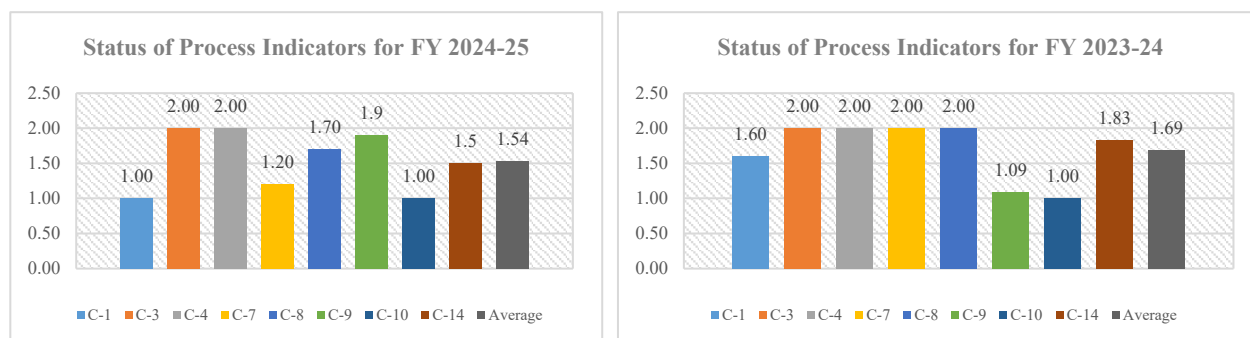
It is important to recognize that process indicators play a critical role in achieving the result-based indicators of the components and these have been selected to foster the achievement of result-based indicators as per the target in the right track for all components. Accordingly, all PITs, PECs, and ISCs must exercise due diligence in meeting the process indicator targets to ensure effective compliance with the M&E framework of the SPFMS Program. The consolidated findings of the second M&E report are presented below:

- **Major gaps** are seen in Component-1 (Macroeconomic Forecasting), the delayed application of the model's forecasts in budget preparation has hindered the timeliness of fiscal forecasting. Consequently, the actual outcomes have not yet fully aligned with expectations, as critical forecast outputs remain unused in fiscal planning. Also, for Component-4 it has been found that the actual expenditures exhibited a variance of 19.03% relative to the approved budget.

- **Moderate gaps** are present in Component-8 (Pension Management) due to a business process that has been designed to integrate the end-to-end pension system, a prototype of the Online Pension Tracking and Monitoring System is under development. The life verification of pensioners through the app has not been fully satisfactory. Additional motivational initiatives are required to achieve 100% completion of pensioners' life verification. For Component-10, it has been found that internal audit findings by the audit committees are yet to be started.

- **Minor gaps** in Component-14, the second indicator within this outcome area, corresponding to DLR-10.2, were not achieved, as no retreat was organized during the reporting year.

Chapter-5

Recommendations and Conclusion

Chapter 5: Recommendations and Conclusion

5.1   Recommendations

The subsequent recommendations aim to improve PFM areas, as derived from the reports and analyses of the relevant components:

i.   *Strengthen Program Supervision and Control:* During the M&E period (1 July 2023 to 30 June 2024), only one meeting of the Steering Committee was convened, held on 31 July 2023. According to the stipulated arrangement, the committee is expected to convene at least once every six months. It is noteworthy that this financial year reflects a positive achievement with the successful holding of two Steering Committee meetings. In fact, the legal framework mandates the Steering Committee to remain active, with responsibility for providing policy direction and strategic oversight in monitoring program implementation, functioning as the highest-level coordinating body, and addressing implementation related challenges. It is therefore necessary to hold Steering Committee meetings biannually at consistent intervals, similar to the arrangement in FY 2024–25.

ii. *Strengthening Capacity in Monitoring and Evaluation:* During the implementation of M&E activities, notable challenges have been identified in the preparation of monitoring reports. In particular, the personnel responsible for compiling these reports are not directly engaged in the execution of the indicators, while the implementation of each indicator often involves multiple individuals. To mitigate this gap, it is recommended that quarterly hands-on training and structured briefing sessions be conducted for both report preparers and indicator implementers.

iii. *M&E Systems and Processes:* The program has demonstrated a strong results-oriented approach through the formulation of the SPFMS M&E Guidelines, with DLRs and DLIs serving as the primary reference points for all PIT activities. For FY 2023–24, the SPFMS program's M&E report was published on the SPFMS website for the first time. To ensure the successful attainment of M&E indicator targets, PITs and PECT must be actively engaged in all activities related to DLRs, result-based indicators, and process indicators. Furthermore, PITs and PECT should be obligated to continuously assess the actions and measures undertaken to achieve the respective targets.

iv. *Implementation and Compliance Issues in SOEs Governance:* The implementation of the SOEs Governance Scheme has highlighted several challenges related to data collection and reform adoption. Numerous SOEs and ABs exhibit reluctance or delays in providing complete and accurate financial and non-financial data, thereby hindering timely analysis and informed decision-making. A significant number of entities do not conduct audits of their annual financial statements within the stipulated timeframe, which compromises the reliability of financial reporting. Moreover, some entities demonstrate limited responsiveness to recommendations outlined in Independent Performance Evaluation reports, particularly regarding legal reforms and enhanced financial disclosure. SOEs selected for Performance Improvement Strategies have shown only modest progress in implementing the agreed-upon recommendations, indicating a need for stronger institutional ownership and capacity-building support. These findings underscore the critical importance of sustained institutional engagement, regulatory enforcement, and targeted capacity development to achieve the full objectives of the governance scheme.

v. ***Strengthening financial integrity through online registration and enhanced payment security measures:*** Since the registration of DDOs and other users is not currently conducted online, it is challenging to accurately associate agencies with their respective DDOs. To address this issue, the registration process for DDOs and other users should be implemented through an online system. Furthermore, in the context of Pay and Allowance as well as Pension disbursements, the validation of bank accounts by the respective Commercial Banks is essential to prevent fraudulent transactions and ensure secure and reliable payments.

vi. ***Formation of a Comprehensive Debt Management Database:*** The establishment of a central database on debt is essential to facilitate the integration of data from key institutions, including the ERD, BB, NSD, and CGA, while promoting stakeholder engagement to incorporate diverse perspectives and specialized expertise. Consideration of debt market development issues should be an integral component of the broader debt management strategy, alongside the incorporation of contingent liability management. Furthermore, the existing legal framework often requires alignment with international best practices to ensure a cohesive and effective approach to debt management.

vii. ***Enhancing Budget Accuracy through Leadership Commitment and Skilled Staff Retention in Fiscal Planning:*** The absence of a clear and firm commitment from senior leadership to base the national budget on accurately projected macroeconomic indicators substantially undermines both the accuracy and effectiveness of fiscal planning processes. In the absence of strong high-level support and endorsement, macroeconomic forecasts may not be systematically incorporated into the budgeting process, leading to fiscal decisions that are driven more by aspirational targets than by robust empirical evidence. To address this challenge, it is imperative to establish a formalized and structured system for personnel postings and transfers within the Finance Division. Such a system would promote continuity and retention of trained and skilled officials who are capable of effectively utilizing, maintaining, and progressively enhancing the forecasting model, thereby ensuring that its full potential is realized in supporting evidence-based fiscal policymaking.

viii. ***Strengthening Forecasting Capacity through Institutional Systems and Structured Processes:*** The absence of specific rules, a dedicated macroeconomic modeling team, standardized procedures, and forecasting guidelines within the MEW presents significant challenges to sustaining effective forecasting practices. To address these gaps, it is essential to establish a mechanism for regularly updating high-frequency data through an online platform. Equally important is the development of a structured documentation and archival system for training resources, manuals, and software, which will support institutional memory and capacity building. Furthermore, as users gain proficiency with the newly introduced model, the integration of simulation techniques into decision-making processes will be critical for enhancing policy analysis and long-term forecasting effectiveness.

ix. ***Enhancing Pensioners' awareness and engagement to accelerate digital transformation of the pension system:*** Although a comprehensive business process has been designed to achieve end-to-end integration of the pension system, the Online Pension Tracking and Monitoring System remains in its prototype phase. While certain elements, such as the automation of pension forms, have been digitalized, the processing of NOCs, ELPC, and other requisite documents under the iBAS++ framework has not yet been fully implemented, thereby delaying the complete digital integration of the system. Furthermore, although the Life Verification App is available on both Android and iOS platforms, only

approximately 208,837 pensioners have completed their life verification using the application this year. This indicates limited adoption of the digital platform and underscores the need for enhanced awareness-building and user support initiatives. To address this challenge, targeted motivational programs should be implemented to increase pensioners' awareness and encourage active engagement with the system.

x.   ***Integrating Gender and Social Inclusion in PFM Practices:*** Gender and social inclusion considerations are integral to the BMC scorecard, the Pension component, and the collection and analysis of gender-disaggregated data for training participants. These initiatives are expected to particularly benefit women by reducing barriers related to information access and mobility, while also addressing potential gender bias and discrimination. For example, DLR 5.5 specifically targets ensuring that 90 percent of newly enrolled female pensioners, alongside 90 percent of new male pensioners, receive payments through the EFT system. Similarly, DLI 10 supports PFM training for civil servants and incorporates explicit gender targets. Across all SPFMS components, gender-focused actions in training programs include measures to ensure that female staff are well-informed about available courses and can participate effectively, complemented by targeted outreach activities designed to engage women employees.

5.2   Conclusions

The evolution of public financial management (PFM) reforms in Bangladesh demonstrates a sustained trajectory toward stronger institutional capacity, enhanced transparency, and more efficient fiscal management. The PFM reform process began in the 1990s, and in 2006, the Government of Bangladesh adopted the Financial Management Reform Strategy along with the Medium-Term Rolling Action Plan to guide the continuation of these reforms. Bangladesh has shown a committed effort to strengthen its PFM systems, achieving notable progress in areas such as budgeting, auditing, and debt management. Furthermore, a comprehensive Monitoring and Evaluation (M&E) Guidelines for the SPFMS Program has recently been developed and approved. In line with this framework, the present report represents the second M&E assessment of PFM reforms in Bangladesh for FY 2024-25.

In this reporting year, a total of 57 result-based indicators and 54 process indicators are being assessed. Overall, the performance of result indicators across the eight components is on track, reflecting the SPFMS program's role in creating an effective enabling environment for PFM reforms. To date, the program has fully achieved 32 out of 45 DLRs across the eight components, and 90% of the result indicator targets for FY 2024–2025 have been met. Key activities under the SPFMS program, such as Steering Committee meetings, check-in meetings, and various training initiatives, have gained significant momentum during 2024–25. Although not yet captured in the result indicators, SPFMS is actively working to enhance the results-orientation of the program's monitoring and evaluation framework, with DLR 10.5 expected to be achieved by 2025.

A central aspect of the M&E activities is that the initiatives undertaken by SPFMS stakeholders to enhance results-orientation have facilitated a clearer understanding of fundamental M&E concepts and enabled them to define both outcomes and intermediate outcomes. An important lesson emerging from this process is that, even though individual components may exert only partial influence over intermediate outcomes and overall outcomes, it remains essential to monitor and assess whether progress is being realized.

Finally, the SPFMS program is fostering fiscal discipline, supporting the strategic allocation of resources, and advancing performance-oriented service delivery, thereby ensuring the efficient and equitable provision of quality public services across all levels of government. Following the completion of the third M&E evaluation year (FY 2025–2026), the program is expected to achieve an even stronger results focus.

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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 for 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 components.
- 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 in 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 PECs to update indicators based on outstanding methodological gaps
- Support PITs and PECs with any data quality challenges.
- Provides data on several indicators, per the data collection plan, and maintains a training database.

- Responsible for institutionalizing continuous and systematic learning and sharing 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 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 database.
- Responsible for institutionalizing continuous and systematic learning and sharing 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: Result Tracking Tool

Component-1: Macroeconomic Forecasting

| 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 6: July 2024- June 2025) | | |
| | | | | | | Quarter 21 to Quarter 24 | | |
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	(a) Model results placed in the coordination council meeting during the budget preparation	Yes/No	Outcome	Level	Static revenue and expenditure estimates restrict effective policy making.	Yes	No	-100%
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	Yes	No	-100%

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 6: July 2024- June 2025)		
							Quarter 21 to Quarter 24		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
					of different scenarios (Screenshots)			
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 6: July 2024- June 2025)		
							Quarter 21 to Quarter 24		
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	95%	95%	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:	Yes/No	Outcome	Level	N/A	Yes	Yes	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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
	• Recent data on external debt. • Recent data of domestic debt. • Risk assessment of overall debt portfolio. • Debt service.							
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	90%	90%	0%

Component-4: Budget Preparation and Planning

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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
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	3.22	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	1035	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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
Improved accuracy in budget preparation and execution	Variance between budgeted amount and actual spending by MDAs	Percentage	Outcome	Level	10.5	10.00%	19.03%	-90%
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	29.00%	29.75%	0%
PI-8.3: Resources received by 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%	80%	0%
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++

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 6: July 2024- June 2025)		
Program Start: July 2019 **Program Closes Ends: February 2026** **Currently in Year 5 of Implementation**						**Quarter 21 to Quarter 24**		
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 CAFOs and on the other hand MFS operator delays to send money to respective beneficiaries" MFS account.	Duration (days)	Output	Cumulative	4	3	1	0%
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	Access to timely and reliable information to promote development and citizen participation in governance published online each quarter	Yes/No	Output	Level	0	4	3	-25%
DLR-8.6: 10 (Ten) iBAS++ reports are developed and made available in iBAS++ system for budget execution decisions.	Budget execution reports will show spending against approved and released budget disaggregated by organizational, activity, fund, economic and sector wise data to the DDOs for informed decision making.	Yes/No	Outcome	Cumulative (Annual)	0	Yes	Yes	0%

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation								
Indicator [1]	**Indicator Definition**	**Unit**	**Level**	**Classification**	**Baseline**	**Cumulative Target**	**Cumulative Actual**	**Deviation**
DLR 4.1: A stock-take of bank accounts of Budgetary Central Government units including projects.	Completion of the survey of Bank Accounts held by the BCG units	Yes/No	Outcome	Level	No (Number of BCG units identify)	Yes	Yes	0%
DLR 4.4 The number of dormant/inactive bank accounts, and the bank accounts of closed projects will be determined and reduced by 50% in the following year	Dormant/ inactive bank accounts identified and closed.	Yes/No	Outcome	Cumulative	0	Yes	Yes	0%

Component-8: Pension Management and Financial Reporting

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
Program Start: July 2019 Program Closes Ends: February 2026 Currently in Year 5 of Implementation								
Indicator [1]	**Indicator Definition**	**Unit**	**Level**	**Classification**	**Baseline**	**Cumulative Target**	**Cumulative Actual**	**Deviation**
DLR-5.1: The GP Fund Module and the Pension Service Module of iBAS++ have been implemented and are operational.	Documentation of processes and procedures to execute the draft GPF Fund Module and the draft Pension Service Module of iBAS++ finalized	Number	Outcome	Level	No Pension Manual and GPF Manual	2	2	0%
Maintain accurate records of GPF contributions, profit, balances and outstanding loans and advances.	Sum of individual ledgers compared to control ledger of GPF.	Yes/No	Outcome	Level	N/A	Yes	Yes	0%
DLR-5.2: A centralized pension roll with EFT Payment capability has been established and is operational.	3 more new centralised pension and fund offices for Railway, Postal and BTCL created with EFT capability.	Number	Outcome	Cumulative	No centralised office for Railway, Postal and BTCL	1	1	0%
Communication strategy increases pensioners awareness of pension services.	Number of satisfaction survey respondents (pensioners) acknowledging that they have received information on the majority of topics targeted by the communication strategy/ Total number of satisfaction survey respondents	Percentage	Outcome	Level	No Communication Strategy Paper	0%	0%	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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
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%
End to end integration of pension process	"Online Pension Tracking & Monitoring System (OPTMS)"operational.	Yes/no	Outcome	Level	No	Yes	Partial	-50%
DLR-5.5: 90% of new pensioners are paid through EFT no later than the pension payment Cycle following their retirement.	Expansion of EFT payment capability with a centralized and common shared web-based personnel and pension data base. Common shared Payroll and Pension Database to trigger some required information such as Length of Service, Nominee Info, Leave Automation, ELPC Issuance online etc. to enrich Pension Database developed.	Yes/no	Outcome	Cumulative (Annual)	Manual system	Yes	Yes	0%
Take up of life verification apps.	Total annual number of pensioners performing life verification through app/ Total annual number performing life verification	Percentage	Intermediate Outcome	Cumulative	0	70%	22.65%	-68%
e-PPO Generated.	iBAS++ generates e-PPO for pensioner.	Qualitative	Output	Level	Manual system	Yes	Yes	0%

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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
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	101	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 6: July 2024- June 2025) | | |
| | | | | | | Quarter 21 to Quarter 24 | | |
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
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	137	0%
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	2	0%
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	20	0%
Number of SOEs supported in applying PPE manual for preparation of financial statements.	Number of SoEs supported with training, whose budget submissions apply PPE manual (Fixed assets will be controlled and depreciated as per the PPE Manual).	Number	Intermediate Outcome	Cumulative (Annual)	N/A	5	0	-100%
DLR 7.2: A policy and procedures manual for property, plant, equipment and other assets that enables to ensure the quality of management and accounting procedure of SOEs and ABs, has been drafted and issued by FD	PPE Manual issued	Yes/No	Outcome	Level	No	Yes	Yes	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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
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 trainings planned for reference year	Percentage	Output	Cumulative (Annual)	0	100%	100%	0%
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%
Number of MDAs with fully functional Internal Audit Committees (IAC)	Number of MDAs with IAC formed and regularly meeting	Number	Output	Cumulative	0	2	2	0%
DLR 9.3: Internal Audit Reports will be prepared for any two departments amongst five in accordance with the Model Internal Audit Charter and the Risk- based Internal Audit Manual issued under DLR 9.1 and will be submitted to the PAOs & heads of the departments of two respective MDAs.	Number of Internal audit reports prepared	Number	Output	Level	0	2	2	0%
DLR 9.4: The relevant Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve at least 25% of: I. Internal audit observations of the report of two selected department and II. Procurement post- review findings of SPFMS program of Finance Division	9.4.1 Incremental number of IACs that have prepared action plan for 25 % of Internal audit observations of the report	Number	Output	Incremental	0	2	1	-50%
DLR 9.4: The relevant Internal Audit Committees (IAC) of Ministries/ Divisions prepares an action plan to resolve at least 25% of: I. Internal audit observations of the report of two selected department	9.4.2 Number of IACs that have prepared action plan for Procurement post-review findings	Number	Output	Incremental (Annual)	2	1	1	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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
Indicator [1]	Indicator Definition	Unit	Level	Classification	Baseline	Cumulative Target	Cumulative Actual	Deviation
and II. Procurement post- review findings of SPFMS program of Finance Division								
Percentage of internal audit findings resolved through audit committee	Average across relevant M/D (Number of findings resolved/ Total number of findings included in the report)	Percentage	Intermediate Outcome	Level	0	25%	15%	-40%

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 6: July 2024- June 2025)		
						Quarter 21 to Quarter 24		
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	12	10	-17%
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	19.06	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%
Dissemination of IPF research papers	Number of participants in the dissemination workshops for IPF/ SPFMS supported research	Number	Intermediate Outcome	Cumulative	0	100	136	0%
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 retreats in a year	Number	Output	Cumulative	1	1	0	-100%

						Cumulative Past Performance from Program Start through Last Completed Program Year (Year 6: July 2024- June 2025)		
Program Start: July 2019 **Program Closes Ends: February 2026** **Currently in Year 5 of Implementation**						**Quarter 21 to Quarter 24**		
Indicator [1]	**Indicator Definition**	**Unit**	**Level**	**Classification**	**Baseline**	**Cumulative Target**	**Cumulative Actual**	**Deviation**
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	11	11	0%
M&E infrastructure established and functional	Number of indicators reported on in annual performance report	Number	Intermediate Outcome	Cumulative (Annual)	0	90%	90%	0%
DLR-10.5: Monitoring and Evaluation (M&E) framework has been developed for the PFM reforms and two M&E reports published on the SPFMS website on annual basis	M&E guidelines and 2 M&E reports (annually) approved and published on SPFMS website.	Yes/No	Output	Level	No	Yes	Yes	0%