



Government of the People's Republic of Bangladesh

Annual Performance Agreement (APA)

Between

The Cabinet Secretary
and

The Senior Secretary, Finance Division

2014-2015

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Preamble

The Annual Performance Agreement is made and entered into on 19 March 2015

BETWEEN

The Senior Secretary, Finance Division, representing the Minister, Ministry of Finance, Government of the People's Republic of Bangladesh.

AND

The Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh.

The parties hereto agree as follows:

Section 1: Ministry's/Division's Vision, Mission, Strategic Objectives and Functions

1.1 Vision

Prudent & Sustainable fiscal management.

1.2 Mission

Fostering growth and reducing poverty by ensuring prudent and efficient fiscal management through macro-economic stability and fiscal discipline

1.3 Functions

- 1 Preparation and analysis of the fiscal policy of the government and macroeconomic management;
- 2 Research and analysis on economic policy and collection of relevant information and data, publication of Economic Review, Economic Analysis of Budget and various reports;
- 3 Matters relating to technical assistance for public private partnership and accounting and auditing;
- 4 Preparation of budget, appropriation, re-appropriation, and examination and approval of budget proposals of autonomous bodies/corporations through appropriate monitoring of activities;
- 5 Preparation of financial rules and regulations and issuing necessary orders/instructions related to pay scale/pay fixation, leave, pension/gratuity, retirement benefits, travel allowance, general provident fund and other relevant financial matters;
- 6 Communication with the World Bank, the Asian Development Bank, and other bilateral and multilateral development partners and matters related to the IMF;
- 7 Conducting matters related to treasury and public debt management along with loans and grants; and
- 8 Examining proposals for the creation of new posts and expenditure, establishing fiscal discipline and accountability and ensuring value for money through expenditure control and advice on financial regulations and cost effective organization structures.

1.4 Strategic Objectives

- 1 Maintain macro-economic stability
- 2 Maintain pro-poor growth, fiscal sustainability and efficient allocations of resources
- 3 Promote sustainable debt management policies and practices
- 4 Reform public financial management for strengthening financial accountability

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Ministry/Division Strategic Objectives										
[1] Maintain macro-economic stability	25.00	[1.1] Reinforce Coordination with Bangladesh Bank and other key stakeholders for harmonizing fiscal, monetary and exchange rate policies	[1.1.1] Consultation in Coordination Council completed (1st consultation)	Date	2.50	13/11/2014	20/11/2014	27/11/2014	04/12/2014	11/12/2014
			[1.1.2] Consultation in Coordination Council completed (2nd consultation)	Date	2.50	12/03/2015	19/03/2015	26/03/2015	02/04/2015	09/04/2015
			[1.1.3] MTMF updated (1st update)	Date	1.00	13/11/2014	20/11/2014	27/11/2014	04/04/2014	11/12/2014
			[1.1.4] MTMF updated (2nd update)	Date	1.00	12/02/2015	19/03/2015	26/03/2015	02/04/2015	09/04/2015
			[1.1.5] Consultation in MTMF Working group completed (1st consultation)	Date	1.00	06/11/2014	13/11/2014	20/11/2014	27/11/2014	04/12/2014
			[1.1.6] Consultation in MTMF Working group completed (2nd consultation)	Date	1.00	05/03/2015	12/03/2015	19/03/2015	26/03/2015	02/04/2015
		[1.2] Preparation of Reports to ensure transparency of budget implementation	[1.2.1] 'Monthly Report on Fiscal Position' published	Number	2.00	12	11	10	9	8
			[1.2.2] 'Monthly Macro-Fiscal Update' published	Number	2.00	12	11	10	9	8

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
			[1.2.3] 1st quarterly report on budget implementation prepared	Date	2.00	30/11/2014	07/12/2014	14/12/2014	21/12/2014	28/12/2014
			[1.2.4] 2nd quarterly report on budget implementation prepared	Date	2.00	30/03/2015	05/04/2015	12/04/2015	19/04/2015	26/04/2015
		[1.3] Preparation of the 'Medium Term Macroeconomic Policy Statement'	[1.3.1] Medium Term Macroeconomic Policy Statement (MTMPS) published	Date	3.00	04/06/2015	08/06/2015	14/06/2015	18/06/2015	23/06/2015
		[1.4] Providing policy inputs/suggestions on macro-economic issues	[1.4.1] Policy notes/papers prepared	Number	2.00	5	4	3	2	1
			[1.4.2] Academic sessions for policy analysis and debate among FD officials organized	Number	3.00	12	11	10	9	8
[2] Maintain pro-poor growth, fiscal sustainability and efficient allocations of resources	25.00	[2.1] Enhance government's capacity to collect revenue	[2.1.1] Government revenue as % of GDP	%	3.00	11.00	10.75	10.50	10.25	10.00
		[2.2] Maintain government expenditure at an optimum level to promote a sustainable growth	[2.2.1] Government expenditure as % of GDP	%	3.00	15.00	14.75	14.50	14.25	14.00
		[2.3] Maintain fiscal sustainability	[2.3.1] Fiscal deficit as % of GDP	%	3.00	4.50	4.75	5.00	5.25	5.50
		[2.4] Improve government's ability to estimate budget more accurately	[2.4.1] Government revenue as % of budgeted revenue	%	3.00	90	88	86	84	82

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
			(excluding grant)							
			[2.4.2] Government expenditure as % of budgeted expenditure (excluding special transfer)	%	3.00	90	88	86	84	82
		[2.5] Improve allocative efficiency through directing resources to priority sectors	[2.5.1] Consultation in Budget Ceiling Setting Committee done	Number	2.00	5	4	3	2	1
			[2.5.2] Consultation in Budget Monitoring and Resource Committee done	Number	2.00	5	4	3	2	1
		[2.6] Consultation with key stakeholders during budget process	[2.6.1] Pre-budget consultation meeting held with MPs, Economists, business associations and others	Number	3.00	10	9	8	7	6
			[2.6.2] Pre-budget consultation meeting with LMs held	Number	3.00	45	40	35	30	25
[3] Promote sustainable debt management policies and practices	20.00	[3.1] Preparing and updating debt management policy and strategy documents	[3.1.1] DSA report updated	Date	1.50	07/05/2015	15/05/2015	01/06/2015	15/06/2015	30/06/2015
			[3.1.2] MTDS report updated	Date	2.00	31/10/2014	30/11/2014	31/12/2014	31/03/2015	30/06/2015

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[3.2] Consultation with the key stakeholders for a robust debt management	[3.2.1] Yearly consultation of stakeholders through CDMC held	Number	3.00	4	3	2	1	0
			[3.2.2] Yearly consultation of stakeholders through CDMTC held	Number	3.00	12	11	10	9	8
		[3.3] Development of government securities market	[3.3.1] Monthly auction calendar prepared and issued	Number	2.00	12	11	10	9	8
		[3.4] Debt data recording in DMFAS v6.0 and publication	[3.4.1] Outstanding debt liabilities updated	%	2.00	75	70	65	60	55
			[3.4.2] Annual debt report prepared and published	Date	2.50	15/04/2015	30/04/2015	15/05/2015	31/05/2015	30/06/2015
		[3.5] Improving government's capacity of managing cash	[3.5.1] Update of Cash forecasting model	Number	1.00	4	3	2	1	0
[3.6] Improving government's capacity of managing contingent liability	[3.6.1] Coverage of outstanding contingent liability published in budget documents and submitted to the Parliament	%	3.00	100	95	90	85	80		
[4] Reform public financial management for strengthening financial accountability	15.00	[4.1] Developing new software (iBAS++) for budgeting and accounting	[4.1.1] Work completed	%	4.00	50	45	40	35	30
		[4.2] Developing new budget and accounts classification system	[4.2.1] Work completed	%	3.00	50	45	40	35	30

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[4.3] Recording date in new pensioner and employee database	[4.3.1] Data recorded	%	3.00	50	45	40	35	30
		[4.4] Capacity building of the LM officials in public financial management	[4.4.1] Officials trained	Number	5.00	300	280	260	240	220

Mandatory Strategic Objectives

* Improve Service delivery to the Public	6.00	Implementation of Citizens' Charter (CC)	Preparation and approval of CC by the Ministry/Division	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
			Publication of CC in website or others means	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
		Implementation of Grievance Redress System (GRS) system	Publishing names and contact details of GRS focal point in the website	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
			Sending GRS report(s) to the Cabinet Division from January 2015	Number of report(s)	1.0	5	4	3	2	1
		Implementing Innovations	Implemented decisions of the innovation team	%	1.0	100	80	50	30	--
			Unicode used in all official activities	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
* Improve governance	4.00	Compliance with RTI Act and proactive disclosure	Percentage of information, mentioned in the RTI Act and related regulations, disclosed in the website	%	2.0	80	70	60	50	40

* Mandatory Objective(s)

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%

Mandatory Strategic Objectives

		Preparation and Implementation of the National Integrity Strategy Work Plan	Preparation of NIS Work Plan for 2015 and get approved by the Ethics Committee	Date	2.0	28/02/2015	31/03/2015	30/04/2015	31/05/2015	30/06/2015
* Improve Financial Management	3.00	Improve compliance with the Terms of Reference of the Budget Management Committee (BMC)	Budget Implementation Plan (BIP) prepared and Quarterly Budget Implementation Report (QIMR) submitted to Finance Division (FD) meeting FD requirements	Number of report	1.0	5	4	3	2	1
			Actual achievements against performance targets are monitored by the BMC on a quarterly basis	Number of BMC meetings	1.0	4	3	2	1	--
		Improve audit performance	Percentage of outstanding audit objections disposed off during the year	%	1.0	70	55	40	30	20
* Efficient Functioning of the Annual Performance Agreement (APA) System	2.00	Timely submission of Draft APA for 2014-2015	On-time submission	Date	2.0	01/02/2015	02/02/2015	03/02/2015	04/02/2015	05/02/2015

* Mandatory Objective(s)

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
Ministry/Division Strategic Objectives								
[1] Maintain macro-economic stability	[1.1] Reinforce Coordination with Bangladesh Bank and other key stakeholders for harmonizing fiscal, monetary and exchange rate policies	[1.1.1] Consultation in Coordination Council completed (1st consultation)	Date	14/11/2012	12/11/2013	20/11/2014	15/11/2015	15/11/2016
		[1.1.2] Consultation in Coordination Council completed (2nd consultation)	Date	03/03/2013	06/02/2014	19/03/2015	25/03/2016	25/03/2017
		[1.1.3] MTMF updated(1st update)	Date	14/11/2012	12/11/2013	13/11/2014	16/11/2015	16/11/2016
		[1.1.4] MTMF updated (2nd update)	Date	03/03/2013	06/02/2014	20/03/2015	26/03/2016	26/03/2017
		[1.1.5] Consultation in MTMF Working group completed (1st consultation)	Date	05/11/2012	06/11/2013	13/11/2014	08/11/2015	08/11/2016
		[1.1.6] Consultation in MTMF Working group completed (2nd consultation)	Date	28/02/2013	30/01/2014	12/03/2015	18/03/2016	18/03/2017
	[1.2] Preparation of Reports to ensure transparency of budget implementation	[1.2.1] 'Monthly Report on Fiscal Position' published	Number	08	10	11	12	12
		[1.2.2] 'Monthly Macro-Fiscal Update' published	Number	08	10	11	12	12

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
		[1.2.3] 1st quarterly report on budget implementation prepared	Date	22/11/2012	09/03/2014	07/12/2014	30/11/2015	30/11/2016
		[1.2.4] 2nd quarterly report on budget implementation prepared	Date	04/03/2013	09/03/2014	05/04/2015	31/03/2016	31/03/2017
	[1.3] Preparation of the 'Medium Term Macroeconomic Policy Statement'	[1.3.1] Medium Term Macroeconomic Policy Statement (MTMPS) published	Date	06/06/2013	05/06/2014	08/06/2015	09/06/2016	08/06/2017
	[1.4] Providing policy inputs/suggestions on macro-economic issues	[1.4.1] Policy notes/papers prepared	Number	18	8	4	5	5
		[1.4.2] Academic sessions for policy analysis and debate among FD officials organized	Number	8	9	11	12	12
[2] Maintain pro-poor growth, fiscal sustainability and efficient allocations of resources	[2.1] Enhance government's capacity to collect revenue	[2.1.1] Government revenue as % of GDP	%	10.70	10.50	10.75	12.40	12.70
	[2.2] Maintain government expenditure at an optimum level to promote a sustainable growth	[2.2.1] Government expenditure as % of GDP	%	14.50	14.10	14.75	16.90	16.90
	[2.3] Maintain fiscal sustainability	[2.3.1] Fiscal deficit as % of GDP	%	3.80	3.60	4.75	4.50	4.30
	[2.4] Improve government's ability to estimate budget	[2.4.1] Government revenue as % of budgeted	%	91.74	89.57	88	92.00	95.00

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
	more accurately	revenue (excluding grant)						
		[2.4.2] Government expenditure as % of budgeted expenditure (excluding special transfer)	%	91.91	86.89	88	92.00	95.00
	[2.5] Improve allocative efficiency through directing resources to priority sectors	[2.5.1] Consultation in Budget Ceiling Setting Committee done	Number	4	4	4	4	4
		[2.5.2] Consultation in Budget Monitoring and Resource Committee done	Number	4	4	4	4	4
	[2.6] Consultation with key stakeholders during budget process	[2.6.1] Pre-budget consultation meeting held with MPs, Economists, business associations and others	Number	8	10	9	15	15
		[2.6.2] Pre-budget consultation meeting with LMs held	Number	50	50	40	50	50
[3] Promote sustainable debt management policies and practices	[3.1] Preparing and updating debt management policy and strategy documents	[3.1.1] DSA report updated	Date	--	--	30/06/2015	30/06/2016	30/06/2017
		[3.1.2] MTDS report updated	Date	--	--	30/11/2014	30/06/2016	30/06/2017
	[3.2] Consultation with the key	[3.2.1] Yearly consultation of	Number	4	4	4	4	4

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
	stakeholders for a robust debt management	stakeholders through CDMC held						
		[3.2.2] Yearly consultation of stakeholders through CDMTC held	Number	12	12	11	12	12
	[3.3] Development of government securities market	[3.3.1] Monthly auction calendar prepared and issued	Number	12	12	12	12	12
	[3.4] Debt data recording in DMFAS v6.0 and publication	[3.4.1] Outstanding debt liabilities updated	%	0	0	0	50	60
		[3.4.2] Annual debt report prepared and published	Date	--	--	30/04/2015	30/04/2016	30/04/2017
	[3.5] Improving government's capacity of managing cash	[3.5.1] Update of Cash forecasting model	Number	0	0	2	3	4
	[3.6] Improving government's capacity of managing contingent liability	[3.6.1] Coverage of outstanding contingent liability published in budget documents and submitted to the Parliament	%	70	70	70	80	100
[4] Reform public financial management for strengthening financial accountability	[4.1] Developing new software (iBAS++) for budgeting and accounting	[4.1.1] Work completed	%	0	10	45	75	100
	[4.2] Developing new budget and accounts classification system	[4.2.1] Work completed	%	0	10	45	75	100

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
	[4.3] Recording date in new pensioner and employee database	[4.3.1] Data recorded	%	0	0	45	75	100
	[4.4] Capacity building of the LM officials in public financial management	[4.4.1] Officials trained	Number	200	200	280	300	350

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
1	[1.1.1] Consultation in Coordination Council completed (1st consultation)	Co-ordination Council is formulated under Bangladesh Bank Order 1972 to co-ordinate fiscal, monetary and exchange rate policies and headed by the honorable Finance Minister	Macroeconomic Wing, Finance Division	Annual report	
2	[1.1.2] Consultation in Coordination Council completed (2nd consultation)	Co-ordination Council is formulated under Bangladesh Bank Order 1972 to co-ordinate fiscal, monetary and exchange rate policies and headed by the honorable Finance Minister	Macroeconomic Wing, Finance Division	Annual report	
3	[1.1.3] MTMF updated(1st update)	MTMF contains medium term projection of macroeconomic indicators of four sectors (real, fiscal, monetary and external) of the economy	Macroeconomic Wing, Finance Division	Annual report	
4	[1.1.4] MTMF updated (2nd update)	MTMF contains medium term projection of macroeconomic indicators of four sectors (real, fiscal, monetary and external) of the economy	Macroeconomic Wing, Finance Division	Annual report	
5	[1.1.5] Consultation in MTMF Working group completed (1st consultation)	MTMF working group is responsible for framing recommendation on macroeconomic indicators of four sectors and placing the same before the co-ordination council meeting	Macroeconomic Wing, Finance Division	Annual report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
6	[1.1.6] Consultation in MTMF Working group completed (2nd consultation)	MTMF working group is responsible for framing recommendation on macroeconomic indicators of four sectors and placing the same before the co-ordination council meeting	Macroeconomic Wing, Finance Division	Annual report	
7	[1.2.1] 'Monthly Report on Fiscal Position' published	The report is in the electronic form and published on Finance Division's web site on monthly basis. It contains update on fiscal i.e. revenue, expenditure and financing position of the government	Macroeconomic Wing, Finance Division	Finance Division's website www.mof.gov.bd	Generally, there is 45 days lag in getting the required data, causing minimum two months delay in publishing the monthly report
8	[1.2.2] 'Monthly Macro-Fiscal Update' published	The report is in the electronic form and published on Finance Division's web site on monthly basis. It presents latest macroeconomic scenario of the economy	Macroeconomic Wing, Finance Division	Finance Division's website www.mof.gov.bd	Generally, there is 45 days lag in getting the required data, causing minimum two months delay in publishing the monthly report
9	[1.2.3] 1st quarterly report on budget implementation prepared	This report on progress of budget implementation and analysis of macroeconomic situation is placed before the national parliament as per section 15 of the 'Public Money and Budget Management Act 2009'	Macroeconomic Wing, Finance Division	Printed version of published report and electronic version on the website www.mof.gov.bd	
10	[1.2.4] 2nd quarterly report on budget implementation prepared	This report on progress of budget implementation and analysis of macroeconomic situation is placed before the national parliament as per section 15 of the 'Public Money and Budget Management Act 2009'	Macroeconomic Wing, Finance Division	Printed version of published report and electronic version on the website www.mof.gov.bd	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

SI.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
11	[1.3.1] Medium Term Macroeconomic Policy Statement (MTMPS) published	MTMPS is placed before the national parliament along with other budget documents as per section 11 of the 'Public Money and Budget Management Act, 2009'. It contains- review of growth prospects of the economy, medium-term targets of macroeconomic indicators, strategic priorities of the government's fiscal policies and debt strategies	Macroeconomic Wing, Finance Division	Printed version of published book and electronic version on the website www.mof.gov.bd	
12	[1.4.1] Policy notes/papers prepared	As a part of in-house research work, each year, officials of the Finance Division produce a number of policy notes, concept papers and articles. These analytical papers facilitate the decision making by the policy makers. These papers led to the formulation of a number of milestone policies of the government	Officials working in different section/branches of Finance Division	Annual report	
13	[1.4.2] Academic sessions for policy analysis and debate among FD officials organized	Academic sessions in the name of 'Tuesday presentation' are organized to discuss contemporary national and international socio-economic issues	Macroeconomic Wing, Finance Division	Annual report	Generally organized on weekly basis between July and December each year
14	[2.1.1] Government revenue as % of GDP	Government revenue means tax revenues collected by NBR and tax and non-tax revenues collected by various other government departments	National Board of revenue and all other ministries/divisions and subordinate offices	Accounts data of CGA office captured in iBAS	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
15	[2.2.1] Government expenditure as % of GDP	Government expenditure under budget	All ministries/Division, their subordinate offices and autonomous bodies	Data recorded in iBAS and reported by CGA office	
16	[2.3.1] Fiscal deficit as % of GDP	Difference between government's total expenditure and total revenue (excluding grant)	Finance Division	Data recorded in iBAS and reported by CGA office	
17	[2.4.1] Government revenue as % of budgeted revenue (excluding grant)		Finance Division	Data recorded in iBAS and reported by CGA office	
18	[2.4.2] Government expenditure as % of budgeted expenditure (excluding special transfer)		Finance Division	Data recorded in iBAS and reported by CGA office	
19	[2.5.1] Consultation in Budget Ceiling Setting Committee done	Budget Ceiling Setting Committee is a high-powered government committee headed by the Honorable Finance Minister to set ministry-wise budget ceiling	Finance Division	Annual report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
20	[2.5.2] Consultation in Budget Monitoring and Resource Committee done	Budget Monitoring and Resource Committee (BMRC) is a high powered government committee headed by Honorable Finance Minister to monitor the implementation of national budget	Finance Division	Annual report	
21	[2.6.1] Pre-budget consultation meeting held with MPs, Economists, business associations and others	This series of meetings provide key policy input to national budgeting process	Finance Division	Annual report	
22	[2.6.2] Pre-budget consultation meeting with LMs held	During preparation of budget, Finance Division consult with the LMs for finalizing their budget framework. The focus of this consultation is to link the national policies with ministry's proposed activities and proposed budgetary requirements	Finance Division	Annual report	
23	[3.1.1] DSA report updated	The Debt Sustainability Analysis (DSA) is an internationally recognized indicator for assessing sustainable position of a country's debt. Assessment of such position is highly technical in nature and linked to country's overall fiscal sustainability. So far this assessment was conducted by the IMF-IDA. However, Finance Division officials acquired the skill of conducting DSA and prepared	TDM wing, Finance Division	Published updated report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
23	[3.1.1] DSA report updated	first ever report on this. This indicator is aimed mainly for assessing sustainable position in the medium term. In the context of fast changing economy of Bangladesh, this criterion has been set to be assessed on an annual basis to identify the trend and vulnerability arising out of government's debt stock and its composition more closely. Last DSA was prepared jointly by IMF and World Bank in 2011.	TDM wing, Finance Division	Published updated report	
24	[3.1.2] MTDS report updated	Medium Term Debt Strategy (MTDS) is a useful public debt management tool that recognizes the cost and risk trade-offs in setting sustainable borrowing limits and ensuring that debt is serviced under a wide range of shocks without risk of default. Current version of MTDS was prepared in FY 2014 and through an inter-ministry / organizational team led by Finance Division comprising representatives from Economic Relations Division, Bangladesh Bank, National Saving Directorate and CGA. With an intention to update the MTDS annually, it is prepared for 3 years (FY2013-14, FY2014-15, and	TDM wing, Finance Division ,Economic Relations Division, Bangladesh Bank, National Saving Directorate and Office of the Controller General of accounts (CGA)	Published updated report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

SI.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
24	[3.1.2] MTDS report updated	FY2015-16).the report got the formal approval on 21 November 2014	TDM wing, Finance Division ,Economic Relations Division, Bangladesh Bank, National Saving Directorate and Office of the Controller General of accounts (CGA)	Published updated report	
25	[3.2.1] Yearly consultation of stakeholders through CDMC held	Cash and Debt management Committee (CDMC) is a high level committee on debt and cash related issues chaired by Senior Secretary, Finance Division consisting members from all key debt and fiscal related entities. Generally committee meets once in every quarter to review the latest position and provide directive towards prudent management of debt and cash. Regular holding of this committee meeting are key to take measures to avoid any vulnerability and debt distress arising out of debt portfolio which may distort the sustainable fiscal position. Best performance is 4 meeting per fiscal year	TDM wing, Finance Division	Annual report	
26	[3.2.2] Yearly consultation of stakeholders through CDMTC held	Technical level coordination among debt related entities is key to better performance. With this in view Cash and Debt management Technical Committee (CDMTC) has been	TDM wing, Finance Division	Annual report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

SI.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
26	[3.2.2] Yearly consultation of stakeholders through CDMTC held	formed which is chaired by Deputy Secretary, Debt management Branch of Finance Division with technical level representation from all debt and cash management entities. This committee discusses and resolves functional issues, data management and exchange, regular reporting compliance and feed input for the CDMC with appropriate recommendations. Among others, CDMTC approves auction calendar for Treasury bill in consistent with the overall financing and borrowing plan of the government. Best performance is 12 meeting per fiscal year	TDM wing, Finance Division	Annual report	
27	[3.3.1] Monthly auction calendar prepared and issued	Auction calendar is the public manifestation of Government's annual and monthly borrowing plan where specific dates and amount and instrument of auction are mentioned. Finance Division in consultation with Bangladesh Bank, prepares the monthly auction calendars for Treasury bills and half yearly auction calendars for Treasury bonds and Treasury bills. Regular announcement of auction dates and strict compliance is key to the	TDM wing, Finance Division	Auction calendar published in the website	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
27	[3.3.1] Monthly auction calendar prepared and issued	development of government's security market. Best performance is 12 calendars per fiscal year	TDM wing, Finance Division	Auction calendar published in the website	
28	[3.4.1] Outstanding debt liabilities updated	At the end of every fiscal year, borrowing made during the current year is added to the outstanding debt and debt repaid is deducted. Growing outstanding debt without the relevance to government's repayment capacity adds vulnerability for the government. Therefore, an updated position of outstanding debt at the end of the year is a mechanism to monitor the direction of government's debt sustainability. This outstaying debt is also an important ingredient for calculating sustainability. Debt entities enter data on a regular basis into the DMFAS v6.0. However, this newly installed system is not operational yet resulting no target for FY2014-15. Regular data entry and updating past data are the main task to arrive at a total outstanding figure. Best performance is entering 100% debt data of a fiscal year into the system. Efficiency would be achieved	TDM wing, Finance Division	Published debt report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
28	[3.4.1] Outstanding debt liabilities updated	and maintained once past data is entered into the system	TDM wing, Finance Division	Published debt report	
29	[3.4.2] Annual debt report prepared and published	IMF-World Bank Guidelines for Public Debt Management require that member countries regularly publish and disseminate information on the size and composition of their outstanding public debt, including their mix and currency, maturity, and interest rate structure. This is an important element of the assessments for DeMPA (Debt Management and Performance Assessment) and PEFA (Public Expenditure and Financial Accountability). Reporting on this format will start from FY 2015-16. However for FY 2014-15 Finance Division has prepared a draft Annual debt report/bulletin as on February 2015 in its own format (containing most of the items found in a standard debt bulletin) comprising data up to June 2014. Since confirmation of debt data takes months after completion of the fiscal year, best performance is to	TDM wing, Finance Division	Published debt report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
29	[3.4.2] Annual debt report prepared and published	complete the report by 31st December of the next fiscal year	TDM wing, Finance Division	Published debt report	
30	[3.5.1] Update of Cash forecasting model	Treasury and Debt Management Wing of Finance Division have developed a IT based cash forecasting model on September 2014 to forecast the cash position and thus deciding the amount to be auctioned (T-Bill, T-Bond) in every month, quarter and year. Information from government's core PFM solution (Integrated Budget and Accounting System, iBAS) has been used. Based on the budget and accounts data of iBAS month-end cash balance of the government has been forecasted. Ideally a quarterly update is adequate approach for effective cash forecasting. The best performance is 4 forecasts per fiscal year	TDM wing, Finance Division	Annual report	
31	[3.6.1] Coverage of outstanding contingent liability published in budget documents and submitted to the Parliament	A list of outstanding contingent liability is published as a memorandum item in the budget documents. FD has given utmost priority on making this list as accurate as possible for enhanced	Finance Division	Annual report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
31	[3.6.1] Coverage of outstanding contingent liability published in budget documents and submitted to the Parliament	transparency of PFM	Finance Division	Annual report	
32	[4.1.1] Work completed	Developing and operationalizing new iBAS++ is a critical component of public financial reform in Bangladesh. This software which will replace the existing iBAS, is under development now	Finance Division	Annual report	
33	[4.2.1] Work completed	Drafting and adopting new chart of accounts and classification code is another critical component of public financial reform in Bangladesh. This change will enable more efficient public policy decision and more robust and functional accounts	Finance Division and CGA office	Annual report	
34	[4.3.1] Data recorded	Pensioner and Employee database will provide more accurate forecasting, budgeting and accounting of government's human resource management and public financial management	CGA office and Finance Division	Annual report	
35	[4.4.1] Officials trained	These training is part of FD's ongoing effort of building capacity of the PFM related officials across various government agencies	Finance Division, Institute of Public Finance (IPF)	Annual report	

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
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Section 5 :
Specific Performance Requirements from other Ministries/Divisions

Organisation Type	Organisation Name	Relevant Performance Indicator	What is your requirement from this organisation	Justification for this requirement	Requirement from this Organisation	What happens if your requirement is not met
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Section 6: Outcome of Ministry/Division

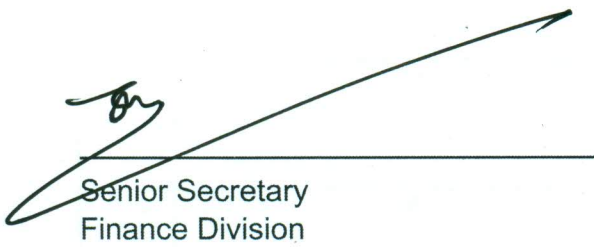
Outcome/Impact	Jointly responsible for influencing this outcome / impact with the following organisation (s) / division (s) / ministry(ies)	Performance Indicator (s)	Unit	Actual FY 12-13	Actual FY 13-14	Target FY 14-15	Projection FY 15-16	Projection FY 16-17
1 Robust GDP growth rate	All other ministries	Real GDP growth rate	%	6.03	6.12	7.3	7.6	8.0
2 Achieve sustainable debt-mix between domestic and external	Finance Division, Economic Relations Division, Internal Resources Division and Bangladesh Bank	Budget Deficit Financed from domestic sources	% of GDP	3.1	3.4	3.2	3.2	3.2
		Budget deficit financed from external sources	% of GDP	1.3	1.6	1.8	1.8	1.8
3 Government's capacity to utilize allocated budgetary resources improved	All other ministries	Government's capacity to utilize budget improved	Expenditure as % of rev. budget	91.91	86.89	88.00	92.00	95.00
4 Increase government's ability to collect revenue	NBR and all other LMs	Total government revenue collected	% of GDP	12.5	13.2	13.7	14.2	14.6
5 Maintaining fiscal sustainability	NBR and all other LMs	Overall budget balance kept well within sustainable limit	% of GDP	-4.4	-4.8	-5.0	-5.0	-5.0

Whereas,

I, the Senior Secretary, Finance Division representing the Minister, Ministry of Finance , Government of the People's Republic of Bangladesh commit to the Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh to deliver the results described in this agreement.


I, the Cabinet Secretary, Cabinet Division, on behalf of the Prime Minister, Government of the People's Republic of Bangladesh, commit to the Secretary, Finance Division to provide necessary support for delivery of the results described in this agreement.

Signed,



Senior Secretary
Finance Division

19. 3. 15
Date



Cabinet Secretary
Cabinet Division

19/3/2015
Date

Annex-1

Acronyms

Sl.	Acronym	Description
1	CDMC	Cash and Debt Management Committee
2	CDMTC	Cash and Debt Management Technical Committee
3	DMFAS v6.0	Debt Management and Financial Analysis System, version 6.0
4	DSA	Debt sustainability Analysis
5	GDP	Gross Domestic Product
6	iBAS++	Integrated Budget and Accounting System, version ++
7	LM	Line Ministry
8	MP	Member of Parliament
9	MTDS	Medium Term Debt Management Strategy

10	MTMF	Medium term Macroeconomic Framework
Annual Performance Agreement (APA) for Finance Division -(2014-2015)		
11	NBR	National Board of Revenue
12	NTR	Non Tax Revenue