

Annual Performance Agreement in Bangladesh: An Analysis on Implementation of Mandatory Strategic Objectives

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Abstract

The Government of Bangladesh has introduced performance evaluation system, known as Annual Performance Agreement (APA), for all government offices since 2014-15 financial years. The purpose was to encourage activities that are result-oriented as well as to ensure institutional transparency, accountability, proper utilization of resources and above all enhancing institutional efficiency. During preparation of APA documents, each government organization has to select its respective strategic objectives (SO) for performance enhancement. There are two types of SO's; strategic objectives that are set by respective offices according to the major responsibilities of the office and mandatory strategic objectives (MSOs) that are set by the Cabinet Division to ensure good governance, improve service delivery and enhance financial management in government offices. Every MSO has some activities that describe the tasks to achieve it. Some of the activities include promoting E-filing, implementation of National Integrity Strategy, use of Unicode in office documents, introduction of Innovation/Small Improvement Projects, Citizen's Charter and Grievance Redress System etc. Although MSOs are evaluated by the respective office every year, no research has yet been conducted to understand the challenges and prospects especially by the Cabinet Division. As the Cabinet Division determines the activities under different MSO, a research was necessary to facilitate the works of Cabinet Division in this regard. This study aims to fulfill this need. In this study, primary data were collected from the respondents through interview by using structured questionnaire. Relevant information was also collected from secondary sources. This study revealed that the provision of MSO in APA has created some positive impacts in ensuring accountability and transparency in public administration of Bangladesh. However, there exists an implementation gap between ministry and field level offices. This study also stated some challenges and made some recommendations to overcome the existing challenges for implementation of MSOs.

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1. Introduction

In order to expedite public service and its efficiency, the Government of Bangladesh formed Public Administration Reform Commission (PARC) in the year 1997. The PARC in its report in 2000 acknowledged that the success of any organization depends on its performance in a given time (GOB 2000). Tracking the financial and physical outcome of any organization after a particular time depends on the predetermined performance indicators of that organization. Here, targets need to be consistent with budget allocation available for the year. Government of Bangladesh (GOB) introduced the Budget Management Act in 2009 which also indicated the introduction of performance management system. GOB had also introduced Medium Term Budgetary Framework (MTBF) in 2009 which was the primary step to introduce Government Performance Management System (GPMS) in Bangladesh. Moreover; Government also formulated National Integrity Strategy (NIS) in 2012 with a vision to building a happy prosperous Golden Bangla. Considering all these initiatives, Government introduced GPMS in the name of Annual Performance Agreement (APA) in 2014-15 at Ministry/Division level (GOB, 2012). During introduction the Government had a plan to cascade it down to the lowest level of the organization. Consequently, it was extended to department level in 2015-16 and to field level in 2016-17.

APA is a 'record of understanding' between two government offices (higher office and its subordinate office) to focus on activities from process-oriented to result-oriented. It also aims to ensure institutional transparency, accountability, proper utilization of resources and above all enhancing institutional efficiency. The main purposes of introducing APA are: (a) shifting the focus of the government organization from process-orientation to result-orientation activities; and (b) providing an objective and fair basis to evaluate overall performance at the end of the year. APA provides a summary of the most important results that a government office expects to achieve during the financial year.

The Cabinet Division, every year, prepare an APA guideline for all offices. The guideline describes APA preparation procedure, provide the general principles, APA calendar and reveals the Mandatory Strategic Objectives (MSOs) and activities to meet the MSOs.

1.2. Problem Statement

APA requires every government office to determine respective organizational strategic objectives (SO), activities under each SOs to be performed and evaluation criteria for a given financial year. The performance of a government office, according to APA, is expressed under two types of SOs; firstly, objectives that are determined

by the respective government office according to the guiding rules of the office (known as SO) and objectives that the Cabinet Division set for all government offices (known as Mandatory Strategic Objectives or MSO). The MSOs generally focus on activities that help improve good governance practices, improving service quality and service delivery as well as financial management. Since inception of APA in 2014-15, a number of activities have been included in the MSOs. Some of the activities include promoting E-filing, implementation of National Integrity Strategy (NIS), use of Unicode in office documents, introduction of Innovation/Small Improvement Projects (SIP) and implementation of Citizen's Charter (CC) and Grievance Redress System (GRS) etc. Some activities refer to the reform initiatives taken by the Cabinet Division (e.g. NIS, GRS, CC, Innovation etc.) and some are mentioned in the Secretariat Instruction 2014. However, since introduction of APA no research has been conducted to evaluate the implementation status, impact as well as problems/prospects of keeping and implementing the activities for reaching the MSOs in APA. Therefore, there is a lack of data to further improve MSOs that are supposed to enhance good governance practices in government offices. Considering the scenarios, this study aims to find effectiveness and challenges of implementing activities under the MSOs introduced so far in APA since 2014-15 financial years.

1.3. Significance of the study

The APA is a significant tool which can play a vital role in ensuring transparency, accountability and dynamism in the public organizations. In addition, APA can also play an important role in increasing responsibility and efficiency of the officials of the respective organization. Since introduction of MSO in APA, no relevant research has been conducted to measure the effectiveness of MSO in APA. The present study focuses mainly on identifying the challenges and prospects for effective implementation of MSOs. The outcome of the research may benefit the decision makers to improve APA. It may also work as a reference for future research to identify impacts of MSO on good governance in the government offices of Bangladesh.

1. 4 Objectives of the study

This study has been designed to address the following objectives:

1. To assess the level of implementation of MSOs at ministry and field level government offices of Bangladesh.
2. To understand the present problems and prospects in implementing MSOs
3. To find ways for future improvement of MSOs.

2. Literature Review

2.1. Basic Concept of Performance Evaluation

Evaluation has a long tradition to play central role in Public Policy and performance agreements represent the culmination of this process (Carter 1983, Wholey 1983,

Picciotto and Weisner 1998, Popovich 1998, Sarji 1996 and Gore 1993). Performance evaluation is a tool to measure individual or organizational effort in the achievement of public goals. It comprises of a series of actions for individuals and organizations to improve their performance by checking their policy outputs and outcomes internally as well as externally. Thus, evaluation of performance is recognized as a necessary process for Results-based Management in public organizations. Since the late 1990s, performance evaluation has become popular among Asian countries. After the 1997 Asian financial crisis, political leaders welcomed “new public management” measures to strengthen government for coping with globalized economy. Reform measures include privatization, decentralization, civil service reform, and performance management (Koike and Kabashima 2008).

The performance management in some Asian countries with key features of respective performance evaluation program has been juxtaposed in Table-1.

Table 1: Performance Management in Asian Countries

Country	Program	Key Features	Year
Indonesia	Government Agency Performance Accountability System (SAKIP)	Five Year Performance Plan, Annual Performance Agreement	1999
Japan	Policy Evaluation System	Project evaluation, performance evaluation, comprehensive evaluation	2001
Malaysia	Integrated Results-Based Management	Integrating Results-Based Budgeting system and Personnel Performance system	1999
Mongolia	Performance Management System	Three-year Strategic Business Plans, Medium-Term Expenditure Framework	2003
Philippines	Performance Management System - Office Performance Evaluation System	Introduction of “Point System”; Medium-Term Expenditure Framework	2007
Singapore	Performance-informed Budgeting System	“Ministry Report Cards”; Focus on Outcome	2006
South Korea	Performance-based Budgeting	Self-Assessment of the Budgetary Program	1999
Thailand	Results-Based Management	key performance indicators; balanced scorecard	2003

Source: Koike and Kabashima, 2008

2.2. Performance Evaluation in Bangladesh

Ensuring good governance is one of the most important agenda of the Government of Bangladesh to materialize the Vision 2021. An effective, efficient and dynamic administrative system, in this regard, can ascertain good governance. With a view to ensuring institutional transparency, accountability, proper utilization of resources and enhancing institutional efficiency the Government introduced Annual Performance Agreement (APA) in 2014-15. Presently, APAs are implemented at ministries/divisions, departments/agencies as well as field level offices (GOB, 2015).

The purposes of APA in Bangladesh are to shift the focus of government organizations from process-orientation to result-orientation activities, and to provide an objective and fair basis to evaluate overall performance of the organization at the end of the year. APA provides a summary of the most important results that an organization expects to achieve during the financial year. The agreement contains agreed objectives, performance indicators and targets to measure progress in implementing them. Accordingly, It also contain a preamble, overview of performance of the organization, organization's vision, mission, strategic objectives, activities, performance indicators and targets leading to organization's outcome/impact (GOB, 2019).

2.3. Structure of APA in Bangladesh

The structure of Annual Performance Agreement in Bangladesh contains an overview of the performance of the Ministry/Division and the following three sections:

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

Section 2: Outcome/Impact of the Ministry/Division

Section 3: Strategic Objectives, Priorities, Activities, Performance Indicators and Targets: This is the section where Ministry/Division specifies the activities and corresponding performance indicators for a given financial year (GOB, 2016).

The features of APA are as follows:

- APA is target based and time bound;
- Targets are generally explained by vision, mission, strategic objectives, activities and indicators set by an office for a financial year;
- APA is evaluated against a total score of 100
- This score is distributed among the strategic objectives
- Each strategic objective has activities and every activity has performance indicator/s. Scores are also distributed against each indicator.
- The targets are measured in five scales: excellent (100%), very good (90%), good (80%), fair (70%) and poor (60%).

Strategic Objectives (SO) of an office for a financial year play vital role in achieving the targets. There are two types of SO in APA; one is related with the objectives that are related with the specific function of an office. The other is set by the

Cabinet Division which is related with issues like good governance, office administration and financial management that are general for all offices. The strategic objectives set by the Cabinet Division are known as Mandatory Strategic Objectives or MSOs. Some of the activities and indicators in MSO includes E-filing, National Integrity Strategy (NIS), use of Unicode, introduction of Innovation/Small Improvement Projects (SIP), Citizen Charter, Grievance Redress System (GRS), effectiveness of training, solving audit objections, settle pension cases, APA implementation status, updating official website etc. (GOB,2012, GOB, 2018,). The purposes of the Mandatory Strategic Objectives are:

- To strengthen governance through ensuring transparency, accountability and reducing corruption;
- To ensure effective use of resources;
- To develop the financial management of the organizations ; and
- To develop the quality of services as well as the procedure of service delivery (GOB, 2015).

In order to implement APA every office has to form an APA team. The team is responsible to coordinate with other employees of the office on APA preparation, monitoring and evaluation. The team also evaluates and monitors APAs of subordinate offices. At district level there is a district committee headed by the Deputy Commissioner (DC) to monitor APA progress of other district level offices. At national level there is a National Committee to oversee the overall progress of APA. This committee is headed by the Cabinet Secretary. There is also a technical committee headed by Secretary (Reforms & Coordination) to support the National Committee. The APA sections of the Cabinet Division provide secretarial support to the Technical Committee and National Committee.

Every year National Committee determines the MSOs, respective activities and indicators. The MSOs are set according to the good governance priorities of the government reflected in the election manifesto of the ruling party, five year plans, government instructions for office administration and financial management. Compliance of the MSOs has a positive impact on office management and service delivery system that are prerequisite for good governance.

2.4 Mandatory Strategic Objective:

Mandatory Strategic Objective or MSO is a special feature in Bangladesh APA. These are the strategic objectives that are mandatory for every government office to adopt in respective APA. Cabinet Division, every year, specifies the MSOs and corresponding performance indicators for all levels of APA. The objective of MSOs are basically to strengthen good governance reform tools such as National Integrity Strategy, Citizen Charter, Grievance Redress System and office procedures stipulated in the Secretariat Instructions. Since inception of APA in the 2014-15 financial years, a number of issues have been selected as MSO. Some of the major MSO indicators are discussed below:

2.4.1 National Integrity Strategy: The Government published National Integrity Strategy (NIS) in 2012 to establish good governance through enhancing integrity practices and preventing corruption (Cabinet Division 2012). Since 2015, almost all ministries/divisions and respective subordinate offices have been preparing NIS work plan every year. Since 2014-15 financial years, implementation of NIS work plan has been included as a performance indicator in the MSOs for all APAs.

2.4.2 Citizen Charter: The Citizen's Charter initiative is one of those, which was introduced in 2007 with the stated goal of providing the citizens with high quality services within the ambit of transparency, responsiveness and accountability (Jahan, 2006). To meet the citizen expectation; the PARC recommended the introduction of a Citizen's Charter in public offices (Ministry of Establishment and UNDP, 2010). Uniform format (Seven columns) of Citizen's Charter for Ministries, Divisions and Directorate was approved by the Cabinet Division in 14 September, 2015. On the other hand, the uniform format (eight column) of Citizen's Charter for field offices was approved by the Cabinet Division in and 3 August, 2017.

Since the beginning of APA (i.e. 2014-15 financial year), performances indicators such as preparation and updating of CC, reviewing the comments of stakeholders on service quality and submission of quarterly report/returns to higher authority on CC have been included in all MSOs.

2.4.3 Grievance Redress System (GRS): Government offices, under the instruction no 262(1) and (2) of the Secretariat Instruction 2014, need to address complaints of citizen on public service delivery (MoPA 2014). The Cabinet Division issued a circular in 2007 to introduce grievance redress system for the ministries. In 2015 online GRS was introduced by the Cabinet Division (GRS Guideline, 2015). GRS is now rolled out to most of the government offices. In order to strengthen GRS, performance indicators on GRS were introduced in the MSOs since the inception of APA system in 2014-15 financial years.

2.4.4 Implementation of E-file system: Instruction 15(5) of the Secretariat Instruction 2014 emphasizes on introducing e-file system (MoPA 2014). The Cabinet Division issued a circular in 2016 where instructions were given to introduce e-file system in all government offices (GOB, 2016). Since 2016-17 financial year performance indicators on implementing e-file system have been included all MSOs.

2.4.5 Use of Unicode: In order to enhance and facilitate the use of Bangla alphabet in all computer generated government works, the Cabinet Division issued a circular in 2011 stating the government order to use Bangla Unicode in all official works (Cabinet Division, 2011). The MSOs for financial years 2014-15 and 2017-18 for ministry/division included use of Unicode as a performance indicator. However, it was never introduced in the MSOs for field level offices.

2.4.6 Short Improvement Project (SIP) and Innovation: In order to expedite and simplify public service as well as encourage innovation, the Cabinet Division issued

a circular in 2013 (Circular No 18, dated 08 April 2013) to form innovation team in every offices of the Government. In order to facilitate the Innovation work plan, performance indicators such as introduction of online service, SIP, SPS have been introduced in all MSOs since 2014-15 financial years.

2.4.7 Pension: In order to expedite the PRL process, since 2016-17 a performance indicator has been included in all MSOs to ensure issuance of PRL order and pension order in time.

3. Methodology

3.1. Study Area

In this study, out of 51 APA signing Ministries/Divisions, 33 Ministries/Divisions were randomly selected. And out of 64 districts, six districts level offices were randomly selected. The selected districts are listed in Table 2:

Table 2: Study area

Sl. no	Name of the Districts	Name of the Divisions
01	Sylhet	Sylhet
02	Bogura	Rajshahi
03	Pirojpur	Barishal
04	Borguna	Barishal
05	Feni	Chattogram
06	Rangpur	Rangpur

3.2. Research design, sampling design and collection of information

The present study utilizes both qualitative and quantitative methods. Two types of questionnaires; one for field level officers and another for ministry level officers were used. Both types of questionnaire were validated by a workshop. Data were collected through interviewing. Purposive sampling method was followed for respondent selection. The respondents were preferred who is a member of APA team of concerned ministry or field level offices or took part as service provider. Relevant information was collected from secondary sources. Observation and Focus Group Discussion (FGD) methods were also followed.

3.3. Population and Sample size with sampling technique

In this study, 290 respondents from different Ministries/Divisions and districts were interviewed. The officers who are a member of APA team of concerned Ministries or field level offices or took part as service provider were selected as population. The population was selected by purposive sampling technique. Out of the 290 sample size, 33 were from ministry level officers and 257 from field level offices. All the respondents were interviewed separately with different questionnaire.

3.4. Data analysis

In this study, primary data were collected from the respondents through 'interview by using structured questionnaire. In addition, the observation and FGD method were also followed. The data were analyzed by using simple and suitable mathematical and statistical tools like tabulation, percentage and arithmetic means.

4. Results and discussion

4.1. Implementation status of MSO activities

Main activities and indicators in MSO are relating to E-filing, National Integrity Strategy (NIS), use of Unicode, introduction of Innovation/Small Improvement Projects (SIP), Citizen Charter, Grievance Redress System (GRS), effectiveness of training, solving audit objections, settle pension cases, APA implementation status, website upgrading etc. This study assessed the implementation status of some of the activities and revealed implementation challenges. Implementation status of the activities is shown in Table: 3. The comparison of implementation level between ministry/directorate level and district level are shown in Figure 1. This study revealed that the implementation status of some of the indicators like e-file, use of Unicode and settlement of pension cases are satisfactory but there is an implementation gap between ministry and district level offices.

Table 3: Implementation status of MSO activities

Sl. no	Activities	Measuring indicator	Ministry/ Directorate level	District level
01	E-file	Decreasing number of hard file	100%	58%
02	NIS	Preparing and monitoring NIS Work Plan	84.84%	15%
03	Citizen's Charter(CC)	Service delivered according to CC	9%	52%
04	GRS	Initiatives taken for awareness build up	12%	63%
05	Unicode	Use of Unicode	100%	65%
06	SIP/ Innovation	Existence of SIP/Innovation data base	15%	49%
07	Solving Audit objection	Steps taken for solving audit objection	73%	71%
08	Settlement of Pension case	Settlement of Pension case	81.82%	96.89%

No of respondents: Ministry/ Directorate level-33, District level-257

Figure: 1. Comparison of implementation level between ministry/directorate level and district level.

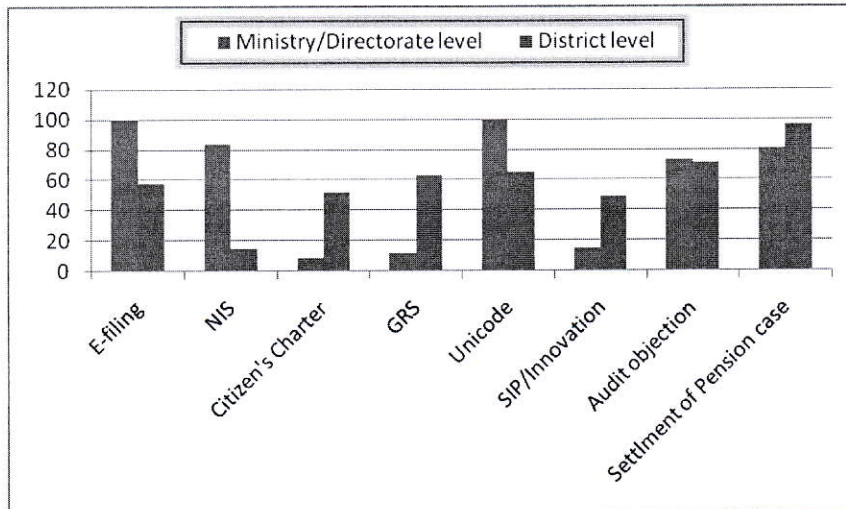
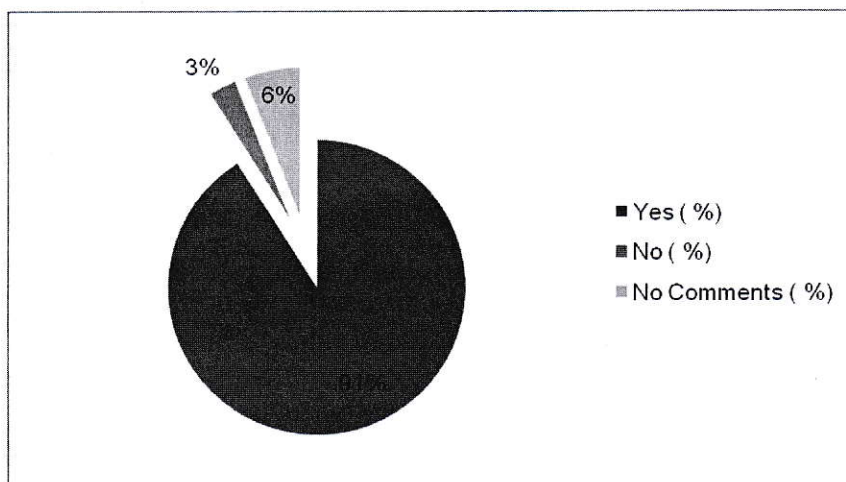


Figure 1 shows a mixed result of MSO implementation scenario. Ministries and departments are serious in implementing e-filing, NIS, use of Unicode and settling audit objection and pension cases. However, an opposite scenario has been reflected in ensuring citizens charter, GRS and SIP/innovation. On the other hand, MSO implementation at field level offices shows weaknesses in implementing e-file and NIS.

4.2. Impact of APA on MSO activities

The study asked the respondents regarding impact of APA on the MSO activities. Figure 2 shows that most of the respondents (91%) agreed that APA has a positive impact on implementing MSO activities like online service, SIP, innovation etc. Only 3 % disagreed and 6 % remained silent on the issue (Figure 14).

Figure 2: Impact of APA on MSO activities



4.3. Challenges for implementation of MSO activities

Figure 3 shows results of challenges of MSO implementation in ministry level. The respondents made 100 responses within 08 different categories. The frequencies against each of the categories are almost similar and very close. According to this study, 'Fund Crisis', 'absence of specific reward/punishment system' and 'lack of Interest among public servants' are the most frequent challenges for APA implementation. On the other hand, figure 4 shows the challenges for implementation at field level. A total of 204 responses have been made under 07 different categories. The result shows that lack of training/skill development (37%) tops the challenges. Lack of staff and logistic support/budget are also among the major challenges for APA implementation at field level. The respondents also identified integrity problem among officers as a barrier to implement APA which indicates the need for sensitizing field level officers.

Figure 3: Challenges for implementation of MSO activities at ministry level (multiple responses, Total respondents 33)

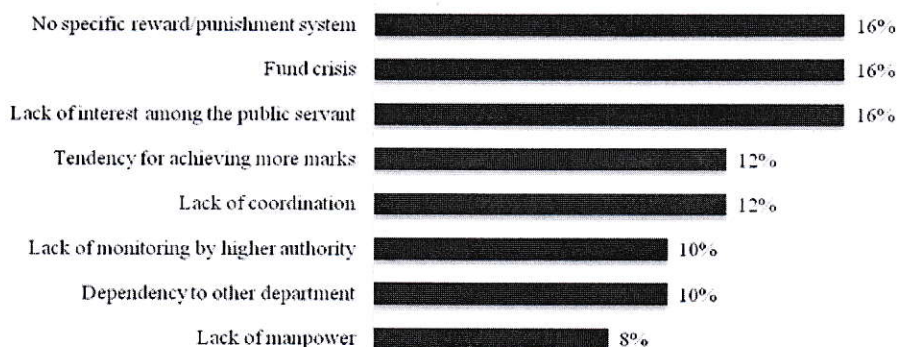
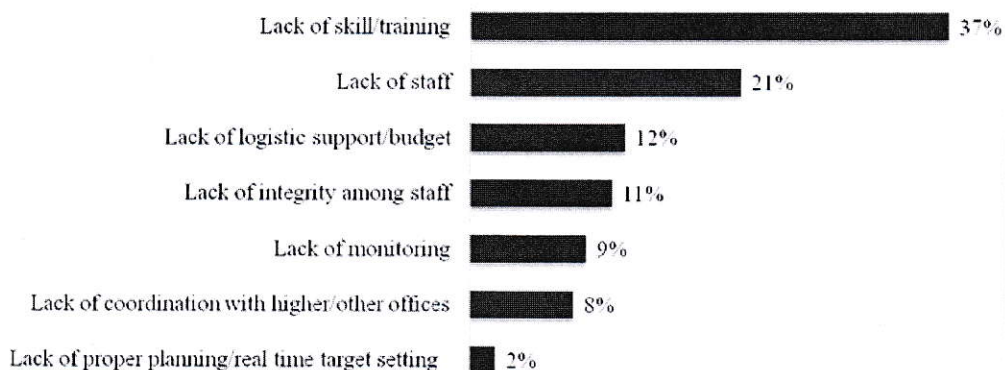


Figure 4: Challenges for implementation of MSO activities at District level (multiple responses, Total respondents 204)



5. Conclusion and Recommendations

MSOs are introduced in APA for ensuring accountability at different levels of government offices in Bangladesh. The present study was focused mainly on identifying challenges for effective implementation of activities selected in MSO part of APA and formulating some recommendations to overcome the challenges. The results found difference between the ministry/division level and field level experiences in implementing MSOs. Given the findings this study recommends the following initiatives that may contribute to successful implementation of MSOs as well as APA in Bangladesh.

- Activities under MSO to be reviewed with stakeholder consultation especially at field level every year and score on the activities may be redistributed according to the capacity and responsibility of the offices of different levels.
- In addition to the government's own assessment of APA implementation, an independent assessment like third party assessment system may be introduced.
- APA evaluation reports of every government office may be disclosed to the public.
- A separate branch/section may be created in every Ministry/Division for proper implementation and monitoring of APA.
- Linkage to be developed between APA and annual performance evaluation of individual officers for better implementation of MSO
- Cabinet Division may prepare a comprehensive guideline on evaluation of MSO.
- To reduce the implementation gap of the MSO components between field level and ministry level offices, proper monitoring system should be developed.
- To reduce the ambiguity on MSO components among the officials, a comprehensive Frequently Asked Questions (FAQ) may developed by the Cabinet Division.
- A reward system can be introduced for better implementation of MSO
- MSOs need to linked with the evaluation of individual performance of employees, (linkage with ACR)

The Annual Performance Agreement is a significant tool which can play a vital role in ensuring transparency, accountability and dynamism in the public organizations. In addition, APA can also play an important role in increasing responsibility and efficiency of the officials of the respective organizations. Moreover, implementation

of the Secretariat Instruction 2014 through MSO can strengthen office procedures. It is evident from the research that inclusion of MSO in the APA has been well accepted by the employees. However, the weaknesses identified in this research can lead to the future tasks for better implementation. The recommendations mentioned above can pave the way in this regard.

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