COMPONENT-1: REVENUE AND EXPENDITURE FORECASTING (MACRO- ECONOMIC WING, FINANCE DIVISION)

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

(a)	Serial (b)	PFM Action Plan - Activity Title (c)	Sub-activity (d)	Activity Type* (e)	Key Steps / (Current Status & Achievements) (f)	PIT member/ other official responsible (g)	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	Incremental cost lac BDT(i)	Results (j)
WORK PLAN	C1-Activity 1	Replace macroeconomic models with a dynamic macro-econometric model which enables more robust revenue and expenditure forecasting	• Identify model requirements (with specific purpose and outputs) in consultation with relevant wings	1.Analytical activities, studies, surveys;	a) Study different types of macroeconomic models for forecasting and identify what is suitable	Mr. Manwar Hossein Malla	Done	Done	Done		8.5	Model requirement specification approved by Finance Secretary.
					b) Design an outline of the specifications and get them elaborated in consultation with relevant stakeholders and experts.	Dr. Md. Khairuzzaman Mozumder						
					c) Finalizing the macroeconomic model requirement after discussing all relevant stakeholders.							
WORK PLAN			• Consult best practices from similar countries and decide on the specific nature and design of the proposed model	1.Analytical activities, studies, surveys;	a) Consult local experts and arrange workshops on macroeconomic models for forecasting	Dr. Mohammad Altaf Ul Alam	√	√	√	√	21.5	Different macroeconomic forecasting models studied.
					b) Participate in courses on macroeconomic modelling or conduct study tours.	Dr. Md Matiur Rahman	√	√		√		
WORK PLAN			• Identify software requirement for the selected model building and application	6. IT systems acquisition	a) Conduct internal research to further develop the software requirement for the selected model.	Mr. Abu Daiyan Mohammad Ahsanullah	√	√	√	√	4.5	EOIs published as per PPR rules and RFAs received.
					b) Develop a TOR against the research conducted internally and prepare specifications for the use of a TOR.		√	√	√	√		
					c) Follow procurement process and Publish the EOI.		√	√	√	√		
					d) Evaluate EOI and select and make contract with vendor(s).		√	√	√	√		
WORK PLAN			• Procure identified software ✓ Prepare specification ✓ Complete other mandatory requirements and application configuration	6. IT systems acquisition	a) Procurement of EViews software.	Mr. Abu Daiyan Mohammad Ahsanullah	DONE					
WORK PLAN			• Transfer data from the existing model set-up	6. IT systems acquisition	Not included in CY22				√	√		
WORK PLAN			• Identify possible stakeholders and make data sharing arrangement ✓ Coordinate closely with the data sources agencies such as BBS, NBR, TDM wing of FD, CGA, Bangladesh Bank, ERD, EPB, NSD, IMED, PC and other agencies, if required	3. Communication and knowledge sharing	a) Create and approve the list of potential stakeholders	Mr. Manwar Hossein Malla	Done				10.5	Draft MoUs approved by Finance Secretary and Signed by respective stakeholders.
					b) Design the criteria and framework for data sharing arrangement and create a template MoU for stakeholders to sign	Dr. Mohammad Altaf Ul Alam	√	√	√	√		
					c) Sign MoU with stakeholders	Mr. Manwar Hossein Malla		√				
					d) Arrange to have regular coordination meetings		√	√	√	√		

WORK PLAN			Task	Category		Sub-activity	Responsible	Done				No.	Output
			• Make a Program Implementation Team and capacitate the team to produce fiscal risk matrix	8. Execution of reform PFM process, 2. Training	a)	Program Implementation Team formulated.	Mr. Manwar Hossein Malla	Done					PIT team established
					b)	Conduct capacity building training for PITs on fiscal risk	Dr. Md Matiur Rahman	√	√	√	√		
			• Develop and implement capacity building/ change management plan for the MEW officials	2. Training	a)	Develop TOR for need assessment of change management for MEW officials.	Mr. Manwar Hossein Malla	√	√	√	√	70	EOI published, TOR and training module developed
					b)	Hire consultants for change management need assessment.		√	√	√	√		
					c)	Core members of MEW receive overseas training on change management.		√	√	√	√		
	C1-Activity 2	Develop scenarios for optimistic and risky fiscal outlooks to drive mid-term budgetary revisions	• Build capacity to carry out the quantification of risks to revenues and expenditures and other fiscal indicators	2. Training	a)	Conduct internal research to develop a framework for quantification of fiscal risks and other fiscal indicators	Dr. Md Khairuzzaman Mozumder	√	√	√	√	120	Draft framework approved by Finance Secretary; Training module developed.
					b)	Host internal capacity building workshops/seminars/conferences on the findings of the need assessment framework		√	√	√	√		
					c)	Core members receive training on risks to revenues and expenditures and other fiscal indicators		√	√	√	√		
			• Ensure collaboration among ministries/ agencies (such as Bangladesh Bank, Bureau of Statistics, NBR, Export Promotion Bureau, Ministry of Agriculture, Ministry of Industries, Ministry of Environment, Forest and Climate Change etc.) to set clear roles and responsibilities for fiscal risk analysis	3.Communication and knowledge sharing	a)	Organize consultation meeting/ knowledge sharing workshop/ training.	Dr. Mohammad Altaf Ul Alam	√	√	√	√	50	Training/ workshop module developed.
			• Coordinate with the SOE wing and incorporate the fiscal risks and contingent liabilities coming from the SOE sector (including extra-budgetary funds) in the fiscal forecasting model	3.Communication and knowledge sharing		Not included in CY22.				√	√		
			• Enhance communication with private sector or academic/ research institutions	3.Communication and knowledge sharing		Organize consultation meeting/ knowledge sharing workshop/ training.	Mr. Abu Daiyan Mohammad Ahsanullah	√	√	√	√	40	Training/ workshop module developed