

STRATEGIC PLAN 2015-2019

HEADING TOWARDS NEW HORIZON



Bangladesh Bank

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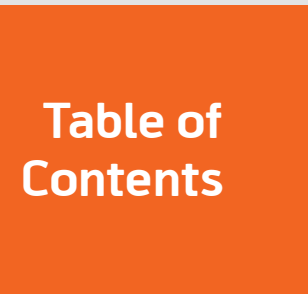


Bangladesh Bank

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Message from the Governor

It gives me immense pleasure to see the Strategic Plan 2015-2019 of Bangladesh Bank (BB) framed for the next five years coming out as an embodiment of the aspirations of entire workforce of Bangladesh Bank expressing its strategic propulsion - 'heading towards new horizon'.

I can remember the auspicious moment back in 2010 when the first ever Strategic Plan 2010-2014 of BB emerged, graduating it from the then position to a higher level of excellence. In the walk of time we had myriad of experiences, ups and downs cropped up in the global and domestic scenario. We faced the challenges boldly alongwith making the best use of opportunities to perpetuate our journey towards achieving our cherished goals. Setting strategic priorities made BB a role-model in socially responsible financing in fulfilling its role as developmental central bank. It has also become an applauded example in complementing the national aspiration of 'Digital Bangladesh' by massive automation of internal operating procedures, state-of-the-art payment systems, and pioneering mobile financial services ensuring greater financial inclusion countrywide.

However there is much to be done, more challenges to overcome. We have to ensure strategic alignment with ever-changing environment to create further historic milestones. Employees equipped with right leadership, knowledge and skill set are key to such aspirations. This can only be achieved through proper HR planning, effective capacity building through more professional training and e-Learning opportunities, setting communication and brand strategy and on top of that appropriate governance structure in place.

I wish the new Strategic Plan 2015-2019 duly crafted with 14 strategic goals, 320 action plans and 395 KPIs will be a stride par excellence towards complementing BB's role of maintaining sustainable inclusive growth and financial stability.

Dr. Atiur Rahman

Vision, Mission and Core Values



VISION

To develop continually as a forward-looking central bank with competent and committed professionals of high ethical standards, conducting monetary management and financial sector's supervision to maintain price stability and financial system robustness, supporting rapid broad based inclusive economic growth, employment generation and poverty eradication in Bangladesh.



MISSION STATEMENT

We at Bangladesh Bank are carrying out its following main functions as the country's central bank:

- formulating monetary and credit policies
- managing currency issue and regulating payment system
- managing foreign exchange reserves and regulating the foreign exchange market
- regulating and supervising banks and financial institutions, and
- advising the government on interactions and impacts of fiscal, monetary and other economic policies.

We are discharging these functions in a forward looking, proactive, responsive and consultative manner. In our aspiration for ever higher standards of performance we are aware of our limitations in independence, logistics, professional know-how and appropriateness of skill sets in staffing; we are persistent in effort to overcome these limitations. In our work we shall preserve and further strengthen the already earned confidence and trust of the nation, to continue being seen as a respected institution to be emulated.

Towards achieving these, our performance commitments to our diverse broad stakeholder groups are as follows:

For the nation

We shall catalyze and support socially responsible and environmentally sustainable development initiatives, inter alia including fuller financial inclusion of under-served productive sectors and bringing in needed new dimensions in financial markets and institutions; to facilitate broad based growth in output, employment and income, for rapid poverty eradication and inclusive economic and social progress.

For the government

We shall adopt and implement monetary and credit policies conforming with national priorities, in coordination with government's fiscal and other macroeconomic objectives. We shall optimize foreign exchange reserves and returns thereon, maintain stability in financial markets curbing excessive volatility, and provide analysis and advice to the government on issues in economic management and development.

For depositors in banks and financial institutions, investors in financial assets

We shall ensure safety of deposits in licensed banks and financial institutions with on-site and off-site supervision of their activities and with adequate financial information disclosure requirements, besides insuring small deposits. We shall maintain an interest rate structure that provides fair return on financial assets while also supporting growth in the real sector, and we shall promote and support development of markets in bonds and securities.

For banks and financial institutions in Bangladesh

We shall provide precise prudential regulatory, risk management and disclosure framework to protect solvency and liquidity of individual institutions and stability of the overall financial system, acting as lender of last resort if and when needed. We shall issue regulations and enforce compliance therewith inter alia on capital adequacy, asset classification, income recognition and provisioning, large exposure and risk management; through open consultative processes. We shall maintain external sector viability with exchange rate stability and adequate foreign exchange reserves. We shall provide a secure and quick payment settlement system. We shall promote and support development of new financial products, services and instruments.

For banks abroad

We shall maintain a solvent and liquid domestic financial system with precise prudential regulatory, risk management and disclosure framework in line with global best practice standards. We shall maintain external sector viability with exchange rate stability and adequate reserves. We shall maintain a secure, quick payment system for settlement of claims.

For the business community, including farm and non-farm SMEs

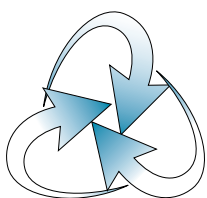
We shall maintain liquidity conditions and credit policies ensuring adequate credit flows at market driven flexible interest rates for all productive economic activities, including sectors like agriculture and SMEs where markets have not been very responsive. We shall foster macroeconomic stability through monetary and external sector management. We shall promote and support development of new financial products, services and instruments. We shall maintain a secure and quick payment system for settlement of claims.

For Bangladeshis abroad

We shall facilitate remittances from your earnings abroad to Bangladesh through legitimate banking channels free of involvement of money launderers or terrorism financiers. We shall support and promote development of new investment opportunities for your remittances to Bangladesh.

For our employees

We shall maintain an environment that reinforces our pride in being employees of Bangladesh Bank with compensation structure adequate to attract and retain the best talents in the market, job assignments and logistically well resourced work situations encouraging continuous learning and rewarding innovativeness and performance excellence by fast tracking in career path, clear delegation and delineation of responsibilities and accountabilities, fairness and objectivity in performance appraisal and personnel placement decisions.

**CORE VALUES**

In a working session of the Strategic Planning and Management Strengthening Workshop, participants brought up suggestions for a set of core values of BB employees to underpin morale and ethics in performing day to day activities.

The following set of core values was agreed upon:

Professionalism

We are committed to devoting the best of our attention and abilities to proper discharge of tasks, roles and responsibilities assigned to us in BB, continually upgrading of our skills and knowledge base keeping abreast with ongoing local and global developments, aiming at setting examples of excellence to inspire others within and outside BB.

Transparency & Accountability

We are committed to transparency and accountability to our stakeholders in discharge of our official decisions and actions in BB.

Open-mindedness & Receptivity to new ideas

We are committed to receptivity to new ideas and suggestions, in-house or external, coming through open vertical and lateral communication channels in setting and proactively pursuing our organizational objectives and goals.

Teamwork

We are committed to participatory, collaborative work in team relationships towards attainment of organizational objectives extending across business/ functional lines, including change management.

Integrity

We are committed to highest standards of probity and integrity in our actions and decisions in BB. We shall carefully avoid any abuse for personal gain of privileged information obtained in connection with official duties in BB; we shall also carefully avoid conflicts of institutional interests of BB with our private interests.

Abbreviations and Acronyms

AAOIFI	=	Accounting and Auditing Organization for Islamic Financial Institutions
ACC	=	Anti-corruption Commission
ACS	=	Access Control System
ADs	=	Authorized Dealers
AFI	=	Alliance for Financial Inclusion
AIT	=	Advance Income Tax
AML/CFT	=	Anti-Money Laundering and Combating the Financing of Terrorism
APG	=	Asia/Pacific Group
APRACA	=	Asia-Pacific Rural and Agricultural Credit Association
ATA	=	Anti Terrorism Act
BACH	=	Bangladesh Automated Clearing House
BB	=	Bangladesh Bank
BBO	=	Bangladesh Bank Order
BCA	=	Bank Company Act
BCP	=	Business Continuity Plan
BDT	=	Bangladesh Taka
BIA	=	Bangladesh Investment Aboard
BMRE	=	Balancing, Modernization, Replacement and Expansion
BoP	=	Balance of Payments
BPR	=	Business Process Reengineering
BSA	=	Bangladesh Standards on Auditing
BSEC	=	Bangladesh Securities and Exchange Commission
BTCL	=	Bangladesh Telecommunications Company Limited
CAAT	=	Computer Assisted Auditing Tool
CBE	=	Certified Bank Examiner
CBS	=	Core Banking System
CID	=	Criminal Investigation Department
CMT	=	Cutting, Measuring and Trimming
CSR	=	Corporate Social Responsibility
CTR	=	Cash Transaction Reports
DC	=	Data Center
D-SIB	=	Domestic Systemically Important Bank
DIS	=	Deposit Insurance Scheme
DNFBP	=	Designated Non-Financial Business or Profession
DORO	=	Disbursement, Overdue, Recovery and Outstanding
DR	=	Disaster Recovery
DTI	=	Deposit Taking Institution
EDW	=	Enterprise Data Warehouse
EMV	=	Europay, Master Card, and Visa
EPZ	=	Export Processing Zone

ERM	=	Enterprise Risk Management
ERP	=	Enterprise Resource Planning
ESMF	=	Environmental and Social Management Framework
ESRM	=	Environmental and Social Risk Management
FAS	=	Financial Access Survey
FATF	=	Financial Action Task Force
FC a/c.	=	Foreign Currency Account
FDI	=	Foreign Direct Investment
FERA	=	Foreign Exchange Regulation Act
FinNet	=	Financial Network
FIs	=	Financial Institutions
FISIM	=	Financial Intermediation Service Indirectly Measured
FIU	=	Financial Intelligence Unit
FOB	=	Free on Board
FPM	=	Financial Projection Model
FSSP	=	Financial Sector Support Project
GDDS	=	General Data Dissemination System
GDP	=	Gross Domestic Product
GNP	=	Gross National Product
ICAAP	=	Internal Capital Adequacy Assessment Process
IDA	=	International Development Association
IDP	=	Individual Development Plan
IFRS	=	International Financial Reporting Standard
IFSB	=	Islamic Financial Services Board
IIAD	=	International Internal Audit Standard
IMF	=	International Monetary Fund
ISO	=	International Organization for Standardization
ITIL	=	Information Technology Infrastructure Library
ITM	=	Interbank Transaction Matrix
KPI	=	Key Performance Indicator
LCR	=	Liquidity Coverage Ratio
LOLR	=	Lender of Last Resort
M&E	=	Monitoring and Evaluation
ME	=	Mutual Evaluation
MFI	=	Microfinance Institution
MFS	=	Mobile Financial Services
MLPA	=	Money Laundering Prevention Act
MLPR	=	Money Laundering Prevention Rules
ML/TF	=	Money Laundering/Terrorism Financing
MoF	=	Ministry of Finance
MOU	=	Memorandum of Understanding
MPR	=	Monetary Policy Reviews

MPS	=	Monetary Policy Statement
NBDC	=	Non-Bank Depository Corporations
NBR	=	National Board of Revenue
NGO	=	Non Government Organization
NID	=	National ID
NPSB	=	National Payment Switch Bangladesh
NRB	=	Non Resident Bangladeshis
NSFR	=	Net Stable Funding Ratio
OBU	=	Off-shore Banking Unit
PA	=	Project Agreement
PCI DSS	=	Payment Card Industry Data Security Standard
PD	=	Primary Dealer
PEC	=	Proposal Evaluation Committee
PI	=	Portfolio Investment
PMS	=	Performance Management System
POS	=	Point-of-sale
PSED	=	Private Sector External Debt
RFID	=	Radio Frequency Identification Device
RIT	=	Rationalized Input Template
RMS	=	Requisition Management System
RTGS	=	Real Time Gross Settlement
SDDS	=	Special Data Dissemination Standard
SLA	=	Subsidiary Loan Agreement
SME	=	Small and Medium Enterprise
SRP	=	Supervisory Review Process
STR	=	Suspicious Transaction Reports
TEC	=	Tender Evaluation Committee
TNA	=	Training Needs Assessment
TOR	=	Term of Reference
TOT	=	Terms of Trade
USD	=	US Dollar
VAT	=	Value-added Tax

Departments and Offices

Serial	Name of the Departments	Acronym
1	Accounts and Budgeting Department	ABD
2	Agricultural Credit and Financial Inclusion Department	ACFID
3	Bangladesh Bank Library	BBL
4	Bangladesh Bank Training Academy	BBTA
5	Bangladesh Financial Intelligence Unit	BFIU
6	Banking Regulation and Policy Department	BRPD
7	Central Bank Strengthening Project Cell	CBSPC
8	Chief Economist's Unit	CEU
9	Common Services Department-1	CSD-1
10	Common Services Department-2	CSD-2
11	Credit Information Bureau	CIB
12	Debt Management Department	DMD
13	Department of Banking Inspection-1	DBI-1
14	Department of Banking Inspection-2	DBI-2
15	Department of Banking Inspection-3	DBI-3
16	Department of Banking Inspection-4	DBI-4
17	Department of Communications and Publications	DCP
18	Department of Currency Management	DCM
19	Department of Financial Institutions and Markets	DFIM
20	Department of Foreign Exchange Inspection	DFEI
21	Department of Off-site Supervision	DOS
22	Deposit Insurance Department	DID
23	Equity and Entrepreneurship Fund Unit	EEF
24	Expenditure Management Department	EMD
25	Financial Integrity and Customer Services Department	FICSD
26	Financial Stability Department	FSD
27	Foreign Exchange Investment Department	FEID
28	Foreign Exchange Operation Department	FEOD
29	Foreign Exchange Policy Department	FEPD
30	Forex Reserve & Treasury Management Department	FRTMD
31	Governor's Secretariat	GS
32	Green Banking and CSR Department	GBCSRD
33	Grihayan Tahbil & Fund Management Unit	GTFMU

Serial	Name of the Departments	Acronym
34	Human Resources Department-1	HRD-1
35	Human Resources Department-2	HRD-2
36	Investment Promotion & Financing Facility Project cell	IPFF
37	Information Systems Development Department	ISDD
38	Integrated Supervision Management Cell	ISMC
39	Internal Audit Department	IAD
40	IT Operation and Communication Department	ITOCD
41	Law Department	LD
42	Monetary Policy Department	MPD
43	Payment Systems Department	PSD
44	Research Department	RD
45	Secretary's Department	Sect.Deptt
46	Security Management Department	SMD
47	SME & Special Programmes Department	SMESPD
48	Special Studies Cell	SSC
49	Statistics Department	SD

Serial	Branch Offices	Acronym
1	Motijheel	MOT
2	Sadarghat	SGT
3	Chittagong	CHT
4	Khulna	KHL
5	Rajshahi	RAJ
6	Sylhet	SYL
7	Barisal	BSL
8	Rangpur	RNG
9	Bogra	BOG
10	Mymensingh	MYM

Strategic Planning Process 2015-2019

Bangladesh Bank formulated a well laid Strategic Plan for the first time in 2010 to support sustainable economic growth of the country reinforcing a dynamic, efficient and resilient financial system combined with large scale digitization of processes. A total of 17 strategies were adopted in the strategic plan which was pursued by Bangladesh Bank during the last five years.

Amid the growing complexities of the financial industry in the last couple of years, Bangladesh economy was confronted by a number of global and domestic challenges. Nevertheless, significant achievements were made in a range of areas of the entire financial sector as a result of commendable efforts made by Bangladesh Bank. The right balance was maintained between containing inflation and supporting economic growth. Innovative policy support and guidance towards the inclusiveness helped establishing a socially responsible and environmentally sustainable financing system. The efficient payment system equipped with updated technologies facilitated improved quality of services and increased accessibility of masses to the banking system. Substantial foreign exchange reserves provided a buffer against external shocks and demonstrated the country's external sector viability.

Prior to the preparation of formulating the next phase of strategic plan, the stock of outcomes in the last five years was assessed and previous strategies were re-visited and refined to formulate the Strategic Plan for the period 2015-19 in the context of continuing financial stability concerns and to address the challenges likely to be faced in near future. The next strategic plan has been developed through participatory approaches of different departments of BB and through fervent contributions from the high level officials of the Bank. The foundation of the plan was initially developed by all the departments which were further dwelled upon in the executive retreat 2014. Six strategic key areas were given priority to put the new strategic plans in place. These key areas were i) Balanced and coordinated monetary policy, ii) Supervision & regulation for ensuring financial stability, iii) Optimization of human capital, iv) Promoting more liberalized foreign exchange regime, v) Socially responsible (sustainable) financing and inclusive growth, and vi) Enterprise Resource Management, Effective communication and image building.

Before finalization of the strategic plans, several issues were brought into the discussion table. The government's pursuit of inclusive, environmentally sustainable growth and poverty eradication necessarily triggered the effective contribution of BB by conducting accommodative monetary management. Upholding the financial stability necessitates the formulation of new regulatory mechanisms to reduce possible disruptions in the financial intermediation process. Continuing improvements in the central banking functions required modernized and updated human capital under comprehensive and integrated plan combined with development initiatives. Adequate dissemination of central bank's policy measures and directives to the stakeholders are also required for inducing utmost public confidence on the banking sector.

Before convening the executive retreat, a survey was conducted to have feedback from both the internal and external stakeholders. The stakeholders enthusiastically responded by delineating their expectations from the central bank on the identified key strategic areas. A summary of responses is attached towards the end of this document. Conscious attempts were made to address those expectations in formulating the new strategic plans.

In tandem with intense brainstorming, discussion and debate among the retreat participants, and incorporating the feedback received from the stakeholders, Bangladesh Bank has finalized strategic plan 2015-19 consisting of 14 strategic goals. These high level goals will be reached through a total of 105 objectives which would essentially be attained by systematic implementation of 320 action plans in the medium and long run. Implementation of these action plans will be assessed by 395 number of measurable performance indicators. Based on the strategic plan, all the departments/offices will prepare their own operational plan for contributing their role in achieving the strategic goals of the bank.

This document is the outcome of the Executive Retreat 2014 (bankwide consultative process, external and internal stakeholder) and delineates the objectives and action plans Bangladesh Bank will undertake in the next five years to realize each of the strategic goals identified in the retreat.



**Strategic
Goal**

Strategic Goal

Conduct accommodative monetary management to ensure inclusive economic growth and price stability

Background Bangladesh economy was confronted by a number of global and domestic challenges and BB's monetary stance played an important role in addressing the impact of these events. BB's monetary policy aims to maintain the right balance between keeping inflation contained and supporting economic growth in light of global and domestic conditions. BB will continue to follow its policy stance while opening further avenues to promote investment through greater financial inclusion. BB's inclusive, environmentally sustainable supportive credit and financial policies will make meaningful contribution in supporting the government's pursuit of sustainable growth and poverty eradication on the country's path towards prosperity.

Objective 1.1 Ensure precise research input to conduct macroeconomic and monetary management

Action Plans	Key Performance Indicators	Timeline	Departments
a. Determine priority areas of research on monetary management, fiscal and other macroeconomic issues	<ul style="list-style-type: none"> i. Priority areas identified for policy research and analysis ii. Annual research plan formulated iii. Adequate coordination maintained on policy research and analysis 	Quarterly basis	Lead: RD, CEU Associate: MPD, SD, All relevant departments
b. Extend affiliation with various internal and external organization/units to conduct joint research & development initiatives	<ul style="list-style-type: none"> i. Number of affiliation created with external organization/units ii. Number of assignments/research initiatives per year 	Ongoing basis	
c. Collect and collate relevant data for analysis in order to provide input to the BB Quarterly, MPS, MPR, Annual Report, finally a time series review on the BD economy	<ul style="list-style-type: none"> i. Data quality, coverage and reporting standard improved ii. Quality of publications improved iii. Bangladesh economy reviewed on periodical basis 	Quarterly/ Half-yearly/ Yearly basis	
d. Widen consultative process in framing monetary policy and streamlining channels of communication	<ul style="list-style-type: none"> i. Adequate consultative process followed ii. Substantial feedback received 	Half-yearly basis	

Objective 1.2 Review the linkages between growth, price and the monetary variables utilized in the monetary management

Action Plans	Key Performance Indicators	Timeline	Departments
a. Collect and collate relevant data to examine the trends of correlation, leads and lags between the variables	<ul style="list-style-type: none"> i. Data coverage improved for better research and analysis 	Ongoing basis	Lead: RD, CEU
b. Conduct forecasting on inflation and other macroeconomic variables	<ul style="list-style-type: none"> i. Report submitted 	Ongoing basis	Associate: MPD

Objective 1.3 Review the linkages between monetary management and inclusive growth strategy

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct survey on financial inclusion in light with the monetary management	i. Financial inclusion survey conducted ii. Number of Working Paper/Policy notes submitted	March 2016	Lead: RD, CEU
b. Organize seminars/workshops, to address stakeholders' response and perception	i. Feedback/suggestions compiled for future reference and use	Ongoing basis	Associate: MPD

Objective 1.4 Review the linkages between monetary management and the financial stability

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct impact study on monetary management in light with financial sector development	i. Number of Working Paper and Policy Notes/Papers published	December 2017	Lead: RD, CEU
b. Organize seminars/workshops to assess stakeholder's feedback	i. Feedback report submitted	Ongoing basis	Associate: MPD

Objective 1.5 Revisit interplay between domestic macroeconomic variables and the global contagion

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review the diversity and magnitude of cross border transmission channel and its impact on domestic economy	i. Review report submitted with recommendations to facilitate policy decisions	Half-yearly basis	Lead: RD, CEU
b. Identify and assess external sector vulnerabilities	i. Analytical report submitted with detailed assessment	Half-yearly basis	Associate: MPD

Objective 1.6 Enhance data coverage of different macroeconomic and monetary parameters

Action Plans	Key Performance Indicators	Timeline	Departments
a. Enhance BoP coverage	i. Relevant data on Current Account, FDI, EPZ & Private FC a/c. are compiled, analyzed and published ii. Survey on Cutting, Measuring and Trimming (CMT) conducted iii. Value of financial intermediation services estimated through the Financial Intermediation Service Indirectly Measured (FISIM) iv. Free on Board (FOB) basis import data collected and compiled v. Terms of Trade (TOT) data collected and compiled	September 2019 December 2019 December 2019 December 2016 December 2016	Lead: SD Associate: ISDD ITOCD
b. Enhance data coverage on Foreign Direct Investment (FDI), Private Sector Short Term and long Term External Debt (PSED), Portfolio Investment (PI), Bangladesh Investment Aboard (BIA)	i. Necessary data collected, compiled and reported	December 2016	Lead: SD Associate: CEU ISDD ITOCD

c. Enhance coverage of monetary, financial and banking statistics	i. NBDCs guidelines formulated to enhance monetary statistics data coverage	December 2016	Lead: SD Associate: ISDD ITOCD
	ii. Money & banking data from Off-shore banking Units (OBU) compiled	December 2016	
	iii. Data on assets & liabilities from deposit taking Micro Credit Institutions and cooperative banks are compiled	December 2019	
	iv. SME & Agricultural Credit data compiled on quarterly basis and included in the "Scheduled Banks Statistics" publication	December 2016	
	v. New booklet on Disbursement, Overdue, Recovery & Outstanding (DORO) prepared	December 2017	
	vi. E-banking and E-commerce data incorporated in Monthly Economic Trends	December 2016	
d. Enhance coverage of Financial Access Survey (FAS)	i. Coverage and quality of data for Financial Access Survey (FAS) improved complying with IMF requirement	June 2017	Lead: SD Associate: ISDD ITOCD

Objective 1.7 Upgrade the GDDS to SDDS Category

Action Plans	Key Performance Indicators	Timeline	Departments
a. Upgrade General Data Dissemination System (GDDS) to Special Data Dissemination Standard (SDDS) to improve the quality of data as per IMF requirement	i. Special Data Dissemination Standard (SDDS) facility in place	December 2019	Lead: SD Associate: ISDD

Summary: Strategic Goal 1

Total Number of Objectives: 07	Total Number of Action Plans: 17	Total Number of KPIs: 33
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**Strategic
Goal**

Strategic Goal

Strengthen regulatory and supervisory framework to enhance overall financial sector stability and increase confidence in depository institutions

Background Sound legal, regulatory and supervisory frameworks for effective and efficient supervision combined with a strong infrastructure are essential for ensuring a secured and resilient financial sector. It is immensely important to ensure stable financial sector with mitigating probable financial risks by reducing possible disruptions in the financial intermediation process. The anticipatory supervisory system has to be introduced in line with Basel Core Principles accompanied by implementation of Basel-III capital framework which would consequently develop effective governance in risk management and control processes and strengthen the transparency and disclosures.

Objective 2.1 Achieve broad-based compliance with the Core Principles for Effective Banking Supervision of the Basel Committee on Banking Supervision

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct a self-assessment of compliance with the 2012 Basel Core Principles to facilitate external assessment	i. BCP self assessment report published	December 2015	Lead: BRPD DFIM
b. Establish a BB supervisory committee to address gaps in compliance of Basel Core Principles and monitor progress	i. Gaps have been identified and mitigation programs in place	December 2016	Associate: DBI-1,2,3,4, DOS, FSD, FEPD, BFIU, GBCSRD, FICSD, DFEI ISM Cell, HRD-1

Objective 2.2 Upgrade the skills, professional qualifications, and experience of the banking supervision management and staff

Action Plans	Key Performance Indicators	Timeline	Departments
a. Introduce an Individual Development Plan (IDP) for each employee in the supervision-related area, with a program of required classroom training and on-the-job experience to create specialization among the employees	i. Individual Development Plan (IDP) in place for all supervision staffs ii. Allow employees to remain in their main functions for a period of at least seven years	June 2016	Lead: All supervision departments HRD-2
b. Introduce Certified Bank Examiner (CBE) accreditation to those who have successfully completed specific curriculum and have necessary amount of on-the-job experience	i. Specific curriculum for CBE prepared and launched ii. At least 50% of the bank examiners accredited as CBE	June 2016 December 2019	

Objective 2.3 Ensure proper selection of qualified, fit and proper executive management, and promote their professional development for effective implementation of corporate governance

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate fit and proper criteria i.e., qualifications, fitness, and propriety for key executive officials of banks/FIs	i. Key executives' fit and proper guidelines issued	December 2015	Lead: BRPD, DFIM
b. Ensure training courses in the areas of accountabilities, risk management, and internal audit/ internal controls for key executive officials of banks and FIs	i. Specific curriculum prepared and launched ii. 100% key executive officials received training	June 2016 December 2019	Lead: HRD-1, HRD-2 CBSPC (FSSP) Associate: BBTA, All regulation & supervision departments
c. Strengthen supervision on the activities of Board, AC, EC, Senior Management, CC and internal audit of scheduled banks/FIs	i. Improved Supervision framework developed to this effect	June 2016	Lead: BRPD, DFIM Associate: All supervision departments

Objective 2.4 Produce timely, accurate, risk-focused comprehensive bank inspection report that captures the overall risk exposure of banks

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a risk focused supervision framework	i. Risk focused supervision framework in place	December 2015	Lead: DBI-1,2,3,4, DFEI Associate: BRPD, DOS, FEPP
b. Update and revise the Inspection Guidelines/Manuals and inspection procedures to consolidate the Comprehensive Inspection with the Core Risk Inspections	i. Revised inspection manual issued ii. Consolidated report format developed iii. Inspection calendar and team composition reviewed	June 2016	Lead: DBI-1,2,3,4 DFEI Associate: BRPD, DOS, FEPP
c. Develop and implement appropriate tools and mechanisms for supervision of activities of all types of subsidiaries of banks and FIs through proper consultation with other regulators	i. Consultation meetings organized periodically ii. Consolidated supervision guidelines issued	Ongoing basis December 2016	Lead: BRPD, DFIM Associate: All supervision departments.

Objective 2.5 Ensure that all essential data and information of banks and FIs are fully disclosed to all concerned stakeholders in a timely, accurate, and easily-accessible manner, aligned with domestic and international standard

Action Plans	Key Performance Indicators	Timeline	Departments
a. Work with the accounting and auditing community to ensure compliance of the audited financial statements of banks and FIs with domestic and international accounting and auditing standard	i. Financial statements of banks and FIs are compliant with domestic and international accounting and auditing standard	December 2016	Lead: BRPD, DFIM Associate: DOS
b. Review and enhance BB's standards on scope of external audits and the content of audit-related reports	i. Guidelines issued to this effect	December 2015	Lead: BRPD, DFIM

Objective 2.6 Ensure timely and adequate enforcement actions when violations of laws, regulations, and best banking practices are present

Action Plans	Key Performance Indicators	Timeline	Departments
a. Create separate unit to oversee enforcement and implementation of inspection recommendation(s)	i. Enforcement unit created in all on-site supervision departments	December 2015	Lead: All on-site supervision departments
b. Adopt a regime of progressively more stringent enforcement actions as a bank's condition and performance deteriorates or if it has not complied with enforcement actions issued earlier	i. Progressive enforcement policy adopted	Ongoing basis	Lead: All supervision departments
c. Enhance use of electronic corporate memory to store all detected fraudulent activities of financial sectors	i. Corporate memory and necessary dashboard established	December 2016	Lead: All supervision departments Associate: ITOCD

Objective 2.7 Enhance financial system stability by identifying and measuring the vulnerabilities and resilience of financial institutions and system as a whole

Action Plans	Key Performance Indicators	Timeline	Departments
a. Implement the Financial Projection Model (FPM)	i. Financial Projection Model fully implemented	December 2015	Lead: FSD
b. Implement of the Interbank Transaction Matrix (ITM)	i. Interbank Transaction Matrix fully implemented	December 2015	
c. Develop different macro-prudential tools and indices	i. Number of tools and indices developed	December 2017	

Objective 2.8 Enhance preparedness by implementing contingency planning framework to combat any sort of systemic banking crisis

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop and implement step-by-step actions in accordance with the contingency planning and the bank intervention /resolution framework	i. Contingency plan in place	December 2016	Lead: FSD
b. Develop and implement the Lender of Last Resort (LOLR) framework	i. Lender of Last Resort (LOLR) framework in place	December 2016	

Objective 2.9 Explore new areas of risk associated with the financial system not accounted for

Action Plans	Key Performance Indicators	Timeline	Departments
a. Identify risks associated with payment systems and their effects on financial stability	i. Risks associated with payment systems identified	June 2016	Lead: FSD
b. Measure the size of shadow banking activities and its impact on the financial stability	i. Report published to this effect	December 2016	Associate: DCM, PSD

Objective 2.10 Achieve an adequate and stable legal and regulatory framework that promotes best banking practices and takes stakeholders’ input into account, while giving BB all the necessary authority it requires to carry out its functions of protecting depositors and ensuring the stability of the payments system

Action Plans	Key Performance Indicators	Timeline	Departments
a. Fully implement the Basel III framework customized to the Bangladesh context	<ul style="list-style-type: none"> i. Capital adequacy framework implemented ii. Special supervision regime for Domestic Systemically Important Banks (D-SIB) implemented iii. Counter cyclical capital buffer implemented iv. Supervisory Review Process (SRP) and Internal Capital Adequacy Assessment Process (ICAAP) implemented v. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) implemented 	<ul style="list-style-type: none"> January 2019 January 2019 January 2019 Ongoing basis January 2019 	<ul style="list-style-type: none"> Lead: BRPD Associate: DOS, FSD
b. Prepare comprehensive risk management guidelines by updating and combining existing Core Risk Management Guidelines and Risk Management Guidelines	<ul style="list-style-type: none"> i. Comprehensive risk management guidelines issued ii. Stress testing guidelines addressing systemic risks revisited iii. Macro stress testing framework developed 	<ul style="list-style-type: none"> June 2016 	<ul style="list-style-type: none"> Lead: BRPD, FSD Associate: DOS
c. Institute a program of stakeholder consultation before important regulatory changes are announced	<ul style="list-style-type: none"> i. A well defined mechanism to obtain stakeholders’ inputs in place 	<ul style="list-style-type: none"> December 2015 	<ul style="list-style-type: none"> Lead: All circular issuing departments
d. Formulate comprehensive valuation policies for assets and collaterals of banks and FIs	<ul style="list-style-type: none"> i. Policy issued to this effect 	<ul style="list-style-type: none"> December 2019 	<ul style="list-style-type: none"> Lead: BRPD Associate: All supervision departments
e. Formulate a comprehensive loan restructuring framework for banks and FIs	<ul style="list-style-type: none"> i. Loan restructuring framework in place 	<ul style="list-style-type: none"> Ongoing basis 	<ul style="list-style-type: none"> Lead: BRPD, DFIM Associate: All upervision departments
f. Improvise Islamic Banking Regulation framework in line with IFSB and AAOIFI Standards	<ul style="list-style-type: none"> i. Regulation framework in place 	<ul style="list-style-type: none"> December 2019 	<ul style="list-style-type: none"> Lead: BRPD, DFIM Associate: CBSPC
g. Develop comprehensive risk management framework for Islamic banking	<ul style="list-style-type: none"> i. Comprehensive risk management guidelines issued 	<ul style="list-style-type: none"> December 2016 	<ul style="list-style-type: none"> Lead: BRPD, DFIM Associate: CBSPC

h. Develop comprehensive consumer protection framework through improvising existing guidelines on customer service and complaint management	i. Comprehensive consumer protection framework in place	December 2016	Lead: BRPD, FICSD
i. Facilitate initiatives for strengthening regulatory and supervisory capacity of BB under FSSP	i. Regulatory and supervisory consultants recruited	June 2016	Lead: CBSPC (FSSP)
	ii. Recommendations of consultants reviewed and implemented	December 2019	Associate: All supervisory departments
	iii. Anticipatory supervision system introduced	December 2019	

Objective 2.11 Bolster financial inclusion using mainstream banking infrastructure

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate policy on low-cost banking service outlet	i. Policy issued to this effect	June 2017	Lead: BRPD
b. Increase number of low-cost banking service outlet	i. Number of low-cost branch increased significantly	December 2019	

Objective 2.12 Support development of long term debt market

Action Plans	Key Performance Indicators	Timeline	Departments
a. Facilitate the scoping study on long term debt market development under FSSP	i. Study completed and report submitted	December 2016	Lead: BRPD DFIM Associate: DMD, DOS, CBSPC (FSSP)
b. Provide policy support for developing diverse long term debt instrument	i. Policy support provided to this effect	Ongoing basis	
c. Provide policy support for creating a vibrant and resilient long term debt market	i. Policy support provided to this effect	Ongoing basis	
d. Coordinate and collaborate with concerned regulatory and government agencies	i. Proper coordination mechanism in place	Ongoing basis	

Objective 2.13 Enhance the coverage and scope of Deposit Insurance Scheme

Action Plans	Key Performance Indicators	Timeline	Departments
a. Undertake legal developments aimed to expand Deposit Insurance Scheme (DIS) membership to include all licensed banks and FIs	i. All banks and FIs brought under the DIS	December 2016	Lead: DID Associate: BRPD, DOS
b. Undertake proactive measures to enhance the coverage limit for the depositors from the existing BDT 100,000.00	i. DIS coverage limit enhanced	December 2017	
c. Examine the feasibility to establish Deposit Insurance Department (DID) as a separate affiliate of BB enabling inclusion of various Deposit Taking Institutions (DTIs) in addition to banks and FIs	i. Feasibility study conducted	December 2019	

d. Review and prepare appropriate policies, procedures and other mechanisms to implement the strategic priorities and create a compliance infrastructure for the DTIs to ensure stability in the financial markets	i. Appropriate policy framework in place ii. Compliance infrastructure for the DTIs developed	December 2015	
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Objective 2.14 Enhance public confidence in DTIs through comprehensive awareness program

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct awareness program for the depositors with a view to promulgating new or updated laws and regulations and for adopting best practices to uphold public confidence in DTIs	i. Number of awareness programs arranged	Ongoing basis	Lead: DID Associate: GBCSRD DCP

Objective 2.15 Set criteria to dissolve the liquidated banks and FIs and oversight thereof

Action Plans	Key Performance Indicators	Timeline	Departments
a. Prepare a prioritized action plan to dissolve maximum number of Liquidated Bank among 10	i. Action plan in place	December 2019	Lead: DID
b. Undertake immediate measures to ensure orderly payment system in case of winding up of any insured banks or FIs	i. Comprehensive payment framework developed to this effect	December 2019	Associate: BRPD

Objective 2.16 Enhance the scope of credit information and ease the process of obtaining data/credit reports to make credit operation more efficient

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a new standard solution to enhance functionalities and features of CIB online services	i. New system in live operation	December 2016	Lead: CIB Associate: IT OCD, ISDD, CBSPC (FSSP)
b. Introduce mechanism to establish a link between CIB and Election Commission Database (NID Database)	i. Link established with NID database	December 2015	
c. Provide necessary trainings to BB officials, commercial bankers and other external users of the system on a periodical basis to keep them conversant with the installed system	i. Half yearly training provided	Ongoing basis	Lead: CIB Associate: HRD BBTA

d. Set criteria for monitoring and supervision of the stakeholders to avoid malfunctioning of online solution and to develop data quality	i. User compliance criteria established	December 2016	Lead: CIB Associate: All Supervision Departments & FSD
e. Provide necessary support to establish a credit bureau for MFIs	i. Feasibility study completed	December 2016	Lead: CIB Associate: MRA ITOCD, ISDD, CBSPC (FSSP)

Objective 2.17 Develop an integrated complaints management system to increase stakeholders' satisfaction through fast and effective compliant settlement

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a system for complaint management covering automated system for collecting, processing, monitoring and reporting of complaints	i. Automated system installed ii. Effective and efficient communication modality in place	June 2016	Lead: FICSD
b. Ensure quality service delivery by formulating and implementing necessary guidelines for customers' interest protection	i. Guidelines to this effect in place ii. Necessary infrastructure is in place iii. Number of customer awareness programs organized	June 2016	Associate: ITOCD, ISDD

Objective 2.18 Develop a comprehensive database for keeping the schedule of special inspections, inspection reports and compliance report in order to track the progress of inspections and reports

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a comprehensive automated database system for preserving inspection schedule, reports and their compliance status	i. Automated database system installed	June 2016	Lead: FICSD Associate: ITOCD, ISDD

Summary: Strategic Goal 2

Total Number of Objectives: 18	Total Number of Action Plans: 52	Total Number of KPIs: 70
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**Strategic
Goal**

Strategic Goal

Promote socially responsible, inclusive and environment-friendly financing to ensure sustainable development

Background BB is engaging the financial sector for ingraining socially responsible, inclusive, environmentally sustainable financing ethos over last couple of years. The entire financial sector has responded enthusiastically with their own innovative approaches in reaching out with financial services to new inclusion client bases. Such inclusiveness has served Bangladesh economy well during and following the Global Financial Crisis of 2008, upholding domestic output and demand, compensating for weak export demand in global growth slowdown. BB will continue its effort in pursuit of this objective in coming years to achieve sustainable inclusive growth of the country.

Objective 3.1 Increase emphasis on meeting financial needs of agricultural sector

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate annual agricultural and rural credit policy and programs exploring new promising thrust sectors	i. Annual agricultural and rural credit policy in place ii. New thrust sectors identified and financed	Ongoing basis	Lead: ACFID Associate: BRPD DFIM
b. Promote 'Contract Farming' as an effective tool for ensuring fair price of agricultural products	i. Guidelines on Contract Farming prepared and communicated ii. Impact and outcome assessment continued	June 2016	
c. Promote financing in agricultural sector through different projects	i. Project development objectives achieved	December 2019	
d. Enhance capacity building for PCBs and FCBs in Agriculture Financing	i. Number of communication and networking program arranged	Ongoing basis	

Objective 3.2 Identify and implement tools for mitigating risks in agricultural lending

Action Plans	Key Performance Indicators	Timeline	Departments
a. Explore the feasibility of introducing crop insurance	i. Feasibility report submitted	June 2018	Lead: ACFID
b. Monitor the proper utilization of agricultural credits through banking network and MFI partnerships	i. Effective monitoring mechanism in place	Yearly basis	

Objective 3.3 Provide macro prudential policy support to promote environmentally sustainable green financing in agriculture

Action Plans	Key Performance Indicators	Timeline	Departments
a. Promote bank lending for green financing in agricultural sector like solar irrigation pump, biogas, vermi-composting, etc.	i. Effective framework in place	Yearly basis	Lead: ACFID

Objective 3.4 Facilitate the initiatives to provide medium to long term finance for SMEs and manufacturing industries

Action Plans	Key Performance Indicators	Timeline	Departments
a. Identify the demand and supply gap in the medium to long term SME financing	i. Survey conducted and report submitted to this effect	December 2019	Lead: SMESPD

b. Implement domestic and donor funded projects aimed at providing credit to productive investment in equipments and facilities through the banks and FIs	i. Project development objectives achieved	December 2018	
c. Explore feasibility of developing Credit Guarantee System for the SMEs	i. Feasibility report submitted to this effect	December 2015	
d. Administer the Long Term Financing window of Financial Sector Support Project (FSSP)	i. Disbursement of designated fund for long term financing	December 2019	Lead : FRTMD, CBSPC (FSSP) Associate: GBCSRD FEPD

Objective 3.5 Provide prudential policy support for creating new entrepreneurs in SME Sector with special emphasis on women entrepreneurship

Action Plans	Key Performance Indicators	Timeline	Departments
a. Promote new entrepreneurs through active policy support to various public and private sector initiatives	i. Action plan prepared and initiatives taken to this effect	December 2019	Lead: SMESPD
b. Create and implement a financing program for startup business through policy and funding support	i. Action plan prepared and initiatives taken to this effect	December 2019	

Objective 3.6 Extend support towards achieving national goal of reducing unemployment through skill development for self employment and jobs for the unemployed youth

Action Plans	Key Performance Indicators	Timeline	Departments
a. Identify suitable development partners to prepare action plan for achieving training objectives	i. Partner organization selected ii. Action plan including training schedule prepared	Ongoing basis	Lead: SMESPD
b. Arrange training for the job seekers to develop their skills suitably for self employment and/or appropriate jobs in the SME sector	i. 10,000 job seekers have been trained for skills development	December 2017	

Objective 3.7 Integrate socially responsible financing philosophy into core business operation of banks and FIs

Action Plans	Key Performance Indicators	Timeline	Departments
a. Introduce Annual Green Credit Policy and identify newer green products	i. Credit policy in place	December 2016	Lead: GBCSRD Associate: BRPD DFIM
b. Develop detailed policy for climate risk fund, green marketing, green branch, in-house environmental management, carbon footprint measurement framework for banks and FIs	i. Action plan formulated and implemented to develop all these policies and regulatory framework	June 2018	
c. Develop Sustainability Reporting Framework for banks and FIs	i. Sustainability Reporting Framework in place	December 2017	

Objective 3.8 Prepare the Environmental and Social Risk Management (ESRM) Framework for banks and FIs by upgrading the existing Environmental Risk Management (ERM) Framework

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and update guidelines through incorporation of social risk management in ERM framework	i. Guidelines reviewed and updated	December 2017	Lead: GBCSRD
b. Develop sector specific ESRM policy for banks and FIs	i. Sector specific policy in place	December 2017	Associate: BRPD DFIM BBTA
c. Prepare training manual for ESRM and develop expert trainers	i. Adequate trainers developed	March 2018	

Objective 3.9 Diversify financial products and service delivery channel for greater financial inclusion

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop appropriate banking products for all un-served and underserved as well as underprivileged, marginal and poor people of Bangladesh	i. Appropriate banking products developed and introduced	December 2019	Lead: GBCSRD
b. Strengthen financial inclusion drive by widening geographical coverage, increasing number of beneficiaries and providing improved service	i. Financial inclusion drives streamlined and institutionalized	December 2019	Associate: BRPD PSD FEPD DMD SMESPD
c. Ensure effective implementation of UK-DFID funded 'Business Finance for the Poor-Bangladesh' program	i. Effective implementation of the project ensured ii. Project objectives achieved	December 2019	

Objective 3.10 Formulate National Financial Inclusion Strategy and ensure concerted approach among related agencies

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct study on the financial needs of users, barriers encountered by them as well as socio-economic and demographic characteristics	i. Proper need assessment done and report submitted	December 2016	Lead: GBCSRD
b. Develop comprehensive financial inclusion policy	i. Comprehensive financial inclusion policy in place	December 2017	Associate: BRPD SMESPD PSD FEPD DMD

Objective 3.11 Strengthen financial education initiatives

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop comprehensive financial education policy of BB	i. Comprehensive policy in place	December 2016	Lead: GBCSRD
b. Enrich the Financial Education web portal of BB.	i. Web portal designed and maintained	December 2017	
c. Conduct countrywide financial education campaign	i. Roadmap for financial education campaign in place	December 2018	

Objective 3.12 Enhance CSR activities of the financial sector including Bangladesh Bank

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop onsite and offsite monitoring methodology	i. Appropriate monitoring methodology in place to ensure proper utilization of resources	June 2017	Lead: GBCSRD Associate: BRPD
b. Formulate quantitative scoring model for CSR performance evaluation	i. Proper scoring model adopted to this effect	December 2017	
c. Widen the area of CSR activities of BB	i. All CSR initiatives streamlined	June 2018	

Objective 3.13 Create awareness, extend networking and capacity building for financial inclusion

Action Plans	Key Performance Indicators	Timeline	Departments
a. Organize national and international seminars, workshops and conferences on agricultural, SME and green financing as well as Green Banking	i. Yearly action plan formulated and implemented to this effect	Ongoing basis	Lead: ACFID SMESPD GBCSRD
b. Maintain membership and relationship with concerned international forums like APRACA, AFI	i. Roadmap prepared to this effect	June 2017	

Summary: Strategic Goal 3

Total Number of Objectives: 13	Total Number of Action Plans: 34	Total Number of KPIs: 38
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**Strategic
Goal**

Strategic Goal

Augment efficiency of currency management and payment systems for smooth, secured and real-time transaction settlements

Background Efficient payment system has a profound impact on economy as it increases efficiency of banking system and creates avenue to serve the unbanked segment of the population. Real time payment settlement system also reduces the settlement risk and increases the sustainability of the financial system. Introduction of modern technology in payment system enrich the quality of service and also increases the accessibility of masses to the banking services. Similarly, wide availability of banking services help to increase financial activities of the citizens and enhance the inclusion base. BB will continue its endeavor to increase the efficiency of the payment system to enhance cost efficient off-branch financial service delivery.

Objective 4.1 Improve operational efficiency of cash management by augmenting modern technology

Action Plans	Key Performance Indicators	Timeline	Departments
a. Install more note processing machines to improve service delivery to banks	i. Adequate note processing machine supplied and installed	December 2015	Lead: DCM Associate: EMD, CSD-1
b. Create congenial working environment to foster workers' efficiency	i. Proper working environment ensured for vault operation and cash management staff	December 2015	
c. Upgrade the security arrangements of vaults	i. Security arrangement upgraded	December 2015	
d. Install modern equipments for better vault management and note handling system	i. Adequate equipments supplied and installed	June 2016	

Objective 4.2 Promote availability of clean currency in circulation

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a Clean Note Policy to reduce soiled and mutilated notes	i. Clean Note Policy issued and adopted	June 2016	Lead: DCM
b. Enforce compliance of banks with BB's instruction to accept soiled and mutilated notes from clients	i. Ensure banks fully comply with BB instructions and non-compliance thereof properly enforced	Ongoing	
c. Enhance note printing capacity of the Security Printing Corporation	i. Roadmap for BMRE or capacity enhancement prepared and implemented to this effect	December 2015	

Objective 4.3 Improve the payment systems for increasing efficiency and reducing settlement risk

Action Plans	Key Performance Indicators	Timeline	Departments
a. Establish Real Time Gross Settlement (RTGS) system.	i. Full operation of RTGS in place	December 2015	Lead: PSD
b. Upgrade Bangladesh Automated Clearing House (BACH)	i. Upgraded BACH in operation	December 2016	
c. Enhance coverage of National Payment Switch Bangladesh (NPSB)	i. NPSB coverage enhanced	December 2017	Associate: CBSPC (FSSP), ITOCD, ISDD
d. Expand the coverage of Mobile Financial Services (MFS)	i. MFS coverage enhanced	December 2019	

Objective 4.4 Achieve international accreditation to make payment infrastructure safe and secured

Action Plans	Key Performance Indicators	Timeline	Departments
a. Upgrade the payment system to PCI-DSS compliant environment	i. Payment systems upgraded	December 2018	Lead: PSD Associate: ITOCOD, ISDD, CBSPC (FSSP)
b. Attain EMV Compliant Transaction system	i. EMV compliance achieved	December 2018	

Objective 4.5 Establish required legal and regulatory framework for efficient payment system

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate National Payment Systems Act	i. National Payment Systems Act promulgated	December 2015	Lead: PSD Associate: ITOCOD, ISDD, CBSPC (FSSP)
b. Formulate Bangladesh Payment Systems Oversight guidelines	i. Bangladesh Payment Systems Oversight guidelines in place	December 2015	
c. Formulate operating rules and guidelines for RTGS, NPSB, MFS	i. Operating rules and guidelines for RTGS, NPSB, MFS in place	December 2016	
d. Formulate Business Continuity Plan (BCP) for payment system infrastructure	i. BCP for payment system infrastructure adopted and implemented	December 2019	

Summary: Strategic Goal 4

Total Number of Objectives: 05	Total Number of Action Plans: 17	Total Number of KPIs: 17
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**Strategic
Goal**

Strategic Goal

Streamline foreign exchange regime to promote external sector competitiveness

Background The current trends of foreign reserve's buildup to new heights, and sustained exchange rate strength of Taka amid general edginess in emerging economy currencies amply demonstrate the continuing gains in external sector viability. The current position of strength and stability should be best utilized for the next round of further opening up towards closer integration with the global financial markets at a measured, manageable pace. Perception of high costs of regulatory compliance with the FX regulatory regime may also be playing a part, needing to be redressed urgently to attract the kind of large FDI inflows that will be needed for attaining the growth vision of raising the country's per capita Gross National Income to the upper middle income country group threshold. Attaining this growth vision will also require a substantial phased easing of capital account controls on resident owned businesses, towards fuller integration with the global economy. Based on the current FX regime and its broader backdrop; the five-year strategic plan towards further liberalization on current FX regime is proposed.

Objective 5.1 Enhance ease in current account transactions

Action Plans	Key Performance Indicators	Timeline	Departments
a. Simplify current account transaction related regulations with minimal, essential documentation and reporting requirement	i. ADs allowed to conduct more outward current account transactions without BB's approval ii. Limits for individual FX needs revised iii. Full-fledged online link with customs houses/NBR established iv. Trade transactions of AD banks based on data available at NBR database reconciled v. Online reporting system for banks to submit EXP/IMP and other related statements simplified	December 2016 March 2017 June 2017 June 2017 June 2017	Lead: FEPD Associate: FEOD, FEID ITOCD
b. Review the monitoring process of outward and inward remittances and modify to ease the process	i. Effective post facto monitoring process for outward remittance and inward remittances/ investments in place	September 2017	

Objective 5.2 Promote Business-friendly investment climate to attract Foreign Investment

Action Plans	Key Performance Indicators	Timeline	Departments
a. Simplify approval process for foreign investors/business entities under FERA	i. Relevant sections of FERA amended properly	June 2017	Lead: FEPD
b. Further simplification for repatriation of disinvestment proceeds for unlisted firms	i. Repatriation process further simplified	June 2018	Associate: FEOD, FEID ITOC
c. Introduce automated application system for external loan by EPZ entities to make the approval process more efficient	i. Proper automated application system in place	June 2018	

Objective 5.3 Review the operational framework for Money Changers

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review of operational modalities of money changers to enhance their viability and usefulness	i. Scope of business including transaction limit streamlined	June 2016	Lead: FEPD
b. Bring money changers under online reporting system	i. Online reporting system in place	June 2017	Associate: FEOD, FEID IT OCD

Objective 5.4 Formulate comprehensive risk based onsite supervision framework for FX transactions of AD banks, OBUs, money changers and exchange houses

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review the existing methodology for onsite supervision of FX transactions	i. Methodology reviewed and amended to this effect	March 2016	Lead: FEPD Associate: FEOD, FEID
b. Update policy guidelines for OBUs	i. Policy guidelines reviewed and updated	June 2017	
c. Update FX risk management guidelines	i. Risk management guidelines reviewed and updated	June 2017	
d. Initiate FX transaction capacity enhancement programs including risk management in banks	i. Effective capacity development and risk management programs in place	September 2017	
e. Implement effective compliance procedures for the inspected institutions	i. Effective compliance procedures implemented	June 2018	

Objective 5.5 Widen the scope of investment by NRBs in domestic economy

Action Plans	Key Performance Indicators	Timeline	Departments
a. Explore the feasibility of introducing savings products for NRBs	i. Feasibility explored and appropriate measures undertaken	June 2018	Lead: FEPD Associate: FEOD, FEID

Objective 5.6 Facilitate overseas direct investment by resident businesses to increase external income

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a comprehensive policy framework duly considering the impact of investment abroad, potential sectors, investment viability, etc.	i. A proper broad based framework developed and implemented	June 2017	Lead: FEPD Associate: FEOD, FEID

Summary: Strategic Goal 5

Total Number of Objectives: 06	Total Number of Action Plans: 14	Total Number of KPIs: 18
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**Strategic
Goal**

Strategic Goal

Manage foreign exchange reserve and government domestic debt efficiently

Background Record-high foreign reserves provide a buffer against external shocks and demonstrate country's external sector viability. However, management, maintenance and investment of such huge reserve posture new challenges for BB. On the other hand, BB's role in supporting government financing needs, maintaining appropriate balance between fiscal and monetary targets requires prudential managerial actions. Secondary market operation of government debt instruments to provide adequate liquidity to the financial system need to be ensured.

Objective 6.1 Facilitate activities to create a strong and vibrant domestic debt market

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a comprehensive regulatory framework for Govt. securities depository	i. Proper framework developed and implemented.	March 2017	Lead: DMD Associate: ISDD, CBSPC (FSSP)
b. Develop a market based benchmark yield curve of Govt. securities to facilitate secondary bond operation	i. Process identified, adopted and implemented	June 2017	
c. Review the feasibility of introducing derivatives such as Short selling, Interest Rate Swaps and Financial Futures etc.	i. Detailed study conducted and appropriate measures undertaken	September 2017	
d. Promote efficient price discovery by organizing Primary Dealers (PDs) within an appropriate market structure	i. Process organized and implemented	June 2017	
e. Review and update the existing PD regulations to help improving the business viability of the PDs	i. Regulations reviewed and updated properly	June 2016	
f. Create awareness among the PDs and other stakeholders about the opportunities of Govt. Securities market	i. Appropriate awareness created among the PDs and other stakeholders	June 2017	
g. Continue persuasion of creating long term savings vehicles like defined contribution individual retirement/pension funds, life insurance, etc.	i. Market for long term saving instruments operational	June 2017	
h. Promote loan securitization by concerted BB-BSEC initiative of streamlining issue processes and paring down the issue cost	i. Necessary regulatory measures undertaken to facilitate loan securitization	June 2018	
i. Facilitate the activation of mortgage backed securities market	i. Mortgage backed securities market activated by facilitating appropriate measures	June 2019	

Objective 6.2 Improve operational efficiency of Govt. savings instruments to create ease for the investors

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a depository system for all types of Govt. savings instruments in order to make them scripless	i. Depository system for government savings instrument in place	June 2016	Lead: DMD Associate: ISDD
b. Introduce an online selling platform for Govt. savings instruments	i. Online selling platform introduced	June 2017	
c. Establish automated system for settlement of coupon and principal payment directly to the beneficiaries' bank account	i. Automated payment mechanism introduced	December 2015	

Objective 6.3 Develop oversight mechanism for call money and interbank repo market

Action Plans	Key Performance Indicators	Timeline	Departments
a. Introduce an electronic platform for real-time call money transactions.	i. Electronic call money platform introduced	March 2017	Lead: DMD Associate: ISDD

Objective 6.4 Promote primary and secondary transactions in Islamic bond market

Action Plans	Key Performance Indicators	Timeline	Departments
a. Dematerialization of Islamic Bonds through creation of a central depository	i. Central depository created and Islamic Bonds dematerialized	December 2015	Lead: DMD Associate: ISDD
b. Develop an electronic platform for Islamic bond market operation	i. Appropriate electronic platform developed to facilitate Islamic bond market operation	December 2015	
c. Develop policy framework for secondary transactions of Islamic Bonds	i. Regulatory guidelines for secondary operation of Islamic bond issued	December 2016	

Objective 6.5 Increase efficiency in performing the debt management functions of the Govt.

Action Plans	Key Performance Indicators	Timeline	Departments
a. Upgrade existing systems to accommodate new features of the debt management	i. Market Infrastructure system upgraded to accommodate re-issue, special repo, new auctioning system, call money platform, etc.	June 2016	Lead: DMD Associate: ISDD

Objective 6.6 Optimize returns from prudent investment of resources, with due attention to liquidity and risks of losses as well as effective execution of the key Forex reserve management functions

Action Plans	Key Performance Indicators	Timeline	Departments
a. Engage external asset management companies for managing a portion of reserves within a specific framework	i. Specific framework for investment through external asset management companies developed ii. External asset management companies engaged	June 2017	Lead: FRTMD
b. Participate in securities lending program to achieve highest return from investment in securities	i. Specific policy guidelines prepared for securities lending program	June 2017	
c. Include currencies of emerging economies as approved foreign exchange	i. Base of the approved foreign exchange widened	June 2018	
d. Appoint more counterparts to diversify credit risk and ensure competitive return	i. More counterparts appointed	June 2018	

Summary: Strategic Goal 6

Total Number of Objectives: 06	Total Number of Action Plans: 21	Total Number of KPIs: 22
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**Strategic
Goal**

Strategic Goal

Ensure operational autonomy of Bangladesh Financial Intelligence Unit (BFIU) as a national central agency to deter money laundering, terrorist & proliferation financing and related offences effectively

Background Bangladesh Financial Intelligence Unit (BFIU) has been established in Bangladesh Bank (BB) as a national center for detecting and preventing Money Laundering (ML), Terrorist Financing (TF), Proliferation Financing (PF) of weapons of mass destruction and other related offences as per the provision of Money Laundering Prevention Act (MLPA), 2012 and Anti Terrorism Act (ATA), 2009. For ensuring operational autonomy of BFIU in line with the requirements of relevant UN Conventions, Protocols, Financial Action task Force (FATF) and Egmont Group, MLPA and Money Laundering Prevention Rules (MLPRs), 2013 have been enacted and issued. MLPRs contains that on behalf of Bangladesh government, BB shall provide all required resources like premises, manpower, logistics, security, etc. for efficient functioning of BFIU. Enactment and issuance of required law and rules were the focus of last Strategic Plan and implementation of those Acts and Rules are the main focus of this Strategic Plan. For achieving the above mentioned strategic goal, BB has developed the following Action Plan consulting with BFIU commensurate with National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2015-2017. BB and BFIU are firmly committed to complete all the action items of the Action Plan in time as BFIU did in previous Strategic Plan.

Objective 7.1 Identify and mitigate Money Laundering and Terrorist Financing risks and vulnerabilities at national and sector level

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct National ML/TF Risk and Vulnerabilities Assessment	i. Draft report finalized	July 2015	Lead: BFIU Associate: ACC, CID respective regulatory Agencies
b. Develop National Strategy for preventing Money Laundering and Combating Financing of Terrorism 2015-2017	i. Draft strategy approved by the National Coordination Committee (NCC) and necessary action taken to publish the strategy	July 2015	
c. Implement the strategies for identification and mitigation of Money Laundering and Terrorist Financing risks	i. Necessary follow-up in place	Ongoing basis	
d. Introduce Risk Based Approach for the monitoring of reporting organizations	i. Appropriate mechanism place	December, 2015	
e. Issue ML/TF Risk Assessment Guidance for Reporting Organizations	i. Risk Assessment Guidance issued	July 2016	
f. Conduct ML and TF risk assessment of all sectors in Bangladesh	i. Risk assessment of Insurance & Capital Market, NGO and DNFBP in place	June 2017	
g. Issue ML/TF Risk Management Guidance for Reporting Organizations	i. Appropriate action plan in place	December 2017	

Objective 7.2 Meet the international standards for AML & CFT

Action Plans	Key Performance Indicators	Timeline	Departments
a. Amendment-MLPA, 2012 , MLP Rules and other related Acts	i. Draft amendment of MLPA prepared	July, 2015	Lead: MoF, BFIU
b. Issue circular for different Reporting Organizations as per FATF requirement	i. Circulars issued	July, 2015	Associates: MoHA, MoFA MoLJPA
c. Maintain the process for exchanging information with foreign FIUs as per Egmont Procedural Manual	i. Appropriate communication process in place	Ongoing basis	AG Office All registration authorities all Regulatory agencies

Objective 7.3 Get prepared to face the 3rd Round Mutual Evaluation (ME) of APG in an effective manner and implementation of the recommendations of ME on priority basis

Action Plans	Key Performance Indicators	Timeline	Departments
a. Submit the technical compliance response to APG on time	i. Necessary action plan for ME in place and complied thereof ii. Appropriate preparation and close monitoring in place	July 2015	Lead: MoF, BFIU Associates: MoHA MoFA MoLJPA AG Office All Registration Authorities All Regulatory Agencies
b. Submit the filled in effectiveness questionnaire to APG on time	i. Appropriate preparation and close monitoring in place	July 2015	
c. Actively participate pre ME meeting	i. Pre ME meetings attended	July 2015	
d. Prepare all stakeholders to face the onsite meeting with the assessors of APG	i. Appropriate preparation and close monitoring in place	September 2015	
e. Meet/Face the onsite team	i. Appropriate preparation and close monitoring in place	October 2015	
f. Provide comments on draft MER	i. Comments on MER provided in time	January 2016	
g. Attend the APG annual Meeting to get approval of MER	i. MER approved	July 2016	
h. Prepare action Plan to implement the recommendations of MER	i. Action plan prepared	October 2016	

Objective 7.4 Strengthen and enhance the functional efficiency of Bangladesh Financial Intelligence Unit (BFIU)

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop expert team for analyzing CTR, STR and other related complaints	i. Number of experts developed	July 2016	Lead: BFIU
b. Update knowledge & skill-base of analysts by arranging regular training programs	i. Number of training programs arranged	Ongoing basis	Associate: All regulatory agencies All reporting agencies ISDD

c. Implement online reporting system for CTR, STR and other complaints for all reporting organizations	i. Online reporting system introduced ii. Standard tools & techniques for on-line connectivity, analysis and data/file reservation procured	December 2016	
d. Ensure online connectivity among the respective stakeholders and reporting agencies	i. Online connectivity established with relevant authorities and agencies	December 2015	
e. Develop a central database relating to accountholders information (banks and FIs)	i. Database in place	December 2016	
f. Create platform to share other agencies database	i. Platform for database sharing in place	Ongoing basis	
g. Make goAML an effective tool for STR analysis	i. Appropriate measures taken	October 2015	
h. Create expertise on strategic and tactical analysis of ML/TF cases	i. Number of trained analyst in place	October 2015 Ongoing basis	

Objective 7.5 Implement the provisions of MPL Rules for ensuring operational independence of Bangladesh Financial Intelligence Unit

Action Plans	Key Performance Indicators	Timeline	Departments
a. Implement Rule 9 of Money Laundering Prevention Rules, 2013 to ensure the operational independence of Bangladesh Financial Intelligence Unit	i. Adequate follow-up in place	July 2015	Lead: BB BFIU Associate: HRD-1 ITOCDD ISDD
b. Develop and launch separate website for BFIU	i. Website launched and continually updated	Ongoing basis	

Objective 7.6 Enhancement of Regional and international cooperation

Action Plans	Key Performance Indicators	Timeline	Departments
a. Signing of MOU with other jurisdiction	i. Appropriate measures taken	Ongoing basis	Lead: BFIU
b. Exchange of information and intelligence with other FIUs	i. Information exchanged with safety and security as per Egmont Standard	Ongoing basis	
c. Exchange of expertise/technical Assistance (TA)	i. TA exchanged with others	Ongoing basis	

Objective 7.7 Effective Coordination among law enforcement and other related agencies

Action Plans	Key Performance Indicators	Timeline	Departments
a. Arrange periodic meetings with law enforcement agencies	i. Meeting conducted regularly	Ongoing basis	Lead: BFIU
b. Ensure exchange of information & intelligence within relevant authorities	i. Information and intelligence shared with ACC, CID and other respective authorities	Ongoing basis	

Objective 7.8 Take Necessary initiatives for maintaining the Egmont Standard and performing the role as Regional Representative of Asia & Pacific Region of Egmont Group

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and update BFIU manual	i. Draft manual prepared	July 2015	Lead: BFIU
b. Extend cooperation towards the FIU of other jurisdiction as sponsor or cosponsor for getting their Egmont membership	i. Extension of cooperation continued	Ongoing basis	
c. Enforce Egmont standards	i. Egmont standards complied	Ongoing basis	
d. Take preparation to face the Egmont Census	i. Appropriate action plan in place	July 2016	
e. Implement the business plan as Regional representative for the Asia & Pacific region	i. Adequate preparation & follow-up in place	Ongoing basis	

Objective 7.9 Enhance compliance status of reporting agencies

Action Plans	Key Performance Indicators	Timeline	Departments
a. Issue guidance notes for separate reporting agencies using the Risk-based approach as per FATF recommendation	i. Guidance note issued	December 2016	Lead: BFIU
b. Ensure effective on-site and off-site supervision on AML and CFT	i. Effective on-site and off-site supervision in place	Ongoing basis	Associates: All regulators

Objective 7.10 Ensure proper capacity building and awareness of the stakeholders

Action Plans	Key Performance Indicators	Timeline	Departments
a. Arrange capacity building programs for reporting and law enforcement agencies	i. Number of programs arranged	Ongoing basis	Lead: BFIU
b. Conduct public awareness program on AML/CFT	i. Yearly action plan prepared	Ongoing basis	Associates: All regulators, reporting agencies

Summary: Strategic Goal 7

Total Number of Objectives: 10	Total Number of Action Plans: 42	Total Number of KPIs: 44
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8

**Strategic
Goal**

Strategic Goal

Streamline Human Resources Management to ensure professional excellence and high ethical standard

Background Human Resource Management framework covering the business functions of Bangladesh Bank need to be modernized and updated to transform human resources into human capital, enable and encourage appropriate leadership development and practice core values and good governance in every steps of discharging the mandate of the central bank. BB will focus on improving the work culture and industry standard human resource management under comprehensive and integrated HR Plan and development initiatives.

Objective 8.1 Select manpower with right kind of skills and talents suitable for discharging central banking functions

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review existing recruitment policy and process to identify the opportunities of improvement	i. Recruitment policy reviewed and new areas of improvement identified	December 2015	Lead: HRD-1 Associate: HRD-2
b. Modernize the recruitment process to effectively judge required traits appropriate for BB	i. Appropriate methodology adopted in line with talent management paradigm	June 2016	
c. Check feasibility of recruiting staff in a single stream for the general, research and statistics cadre	i. Feasibility report submitted	June 2016	

Objective 8.2 Implement effective training policy to enhance professional excellence and grooming

Action Plans	Key Performance Indicators	Timeline	Departments
a. Reinstate a process to identify individual training requirements to prepare bank wide TNA	i. Appropriate process adopted and implemented	December 2015	Lead: HRD-1 Associate: HRD-2 BBTA
b. Revisit training policy in order to streamline nomination process and selection criteria	i. Training nomination process and selection criteria streamlined	December 2015	
c. Institutionalize the training outcome in regular business functionality	i. Post-training monitoring mechanism adopted and implemented	June 2016	

Objective 8.3 Ensure that right people are posted in the right place

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a placement policy for ensuring appropriate career planning for each of the management officials	i. Placement policy in place in line with the comprehensive HR Plan	March 2016	Lead: HRD-1 Associate: HRD-2
b. Review and implement rotation policy with due consideration of job specialization	i. Rotation policy adequately reviewed and implemented	March 2016	
c. Introduce succession planning aligned with the transfer policy	i. Succession planning in place	June 2016	
d. Introduce career planning	i. Career planning in place in line with the comprehensive HR Plan	June 2017	

Objective 8.4 Ensure performance based evaluation and motivation for the staff

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and modernize the current performance appraisal system	i. Detailed study conducted and appropriate process adopted	September 2015	Lead: HRD-1 Associate: HRD-2
b. Develop an effective and impartial implementation framework for PMS	i. Proper framework developed and implemented	December 2015	
c. Create competitive environment based on performance, competence and productivity	i. Process identified, adopted and effectively implemented	March 2016	
d. Enhance employee motivation for performance and capacity building	i. Number of new initiatives taken for performance motivation	Ongoing basis	

Objective 8.5 Streamline promotion policy among different cadre and position

Action Plans	Key Performance Indicators	Timeline	Departments
a. Check feasibility and advisability of streamlining promotion policy among various cadre	i. Feasibility study conducted and inconsistency significantly reduced	June 2016	Lead: HRD-1
b. Review and update promotion policy in line with individual performance and productivity	i. Promotion policy streamlined	September 2016	Associate: HRD-2

Objective 8.6 Modernize business processes and procedures to improve operational efficiency

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate comprehensive HR Plan to ensure long term (10 years+) human resource development initiatives	i. Industry standard HR Plan deployed and implemented	June 2018	Lead: HRD-1 Associate: HRD-2 SSC CBSPC (FSSP)
b. Review and update various business processes, procedures and operational manuals	i. Existing manuals and business process reviewed and updated	June 2018	
c. Adopt automation and Business Process Reengineering (BPR) in possible areas of business operation	i. Proper automation/BPR in place following a priority of implementation	June 2016	
d. Explore feasibility of introducing cluster based departmental structure and organizational restructuring	i. Feasibility report submitted	June 2016	
e. Finalize 'Comprehensive Rules of Business of BB'	i. Rules of Business adopted and implemented	December 2019	

Objective 8.7 Improve physical facilities for better working environment and benefits

Action Plans	Key Performance Indicators	Timeline	Departments
a. Establish 'Human Resource Development and Excellence Centre' at Chittagong	i. Construction work started ii. Industry standard administrative framework and logistic facilities created iii. Pursue affiliation with international training institutions	December 2015 December 2018 December 2019	Lead: HRD-1 Associate: HRD-2 EMD, CSD-2 CBSPC (FSSP)

Objective 8.8 Transform BBTA as a centre of excellence to attain global standard in training and development

Action Plans	Key Performance Indicators	Timeline	Departments
a. Enhance financial empowerment of BBTA to procure goods, services and maintenance more smoothly within budgetary allocations	i. Necessary amendment of Expenditure Regulations of BB enacted	December 2015	Lead: BBTA HRD-1 Associate: HRD-2 CSD-1,CSD-2 EMD
b. Prepare training plan, programs and academic calendar in line with TNA of BB officials and other stakeholders in the financial sector	i. Training calendar prepared aligned with TNA	Yearly basis	
c. Improve the physical and logistic facilities of BBTA	i. Hostel building extended to accommodate international participants, trainers, faculties & organizers with adequate logistics including air conditioning, Wi-Fi zone, etc.	June 2017	

Objective 8.9 Upgrade and modernize training modules to impart knowledge and skill-base of central bankers

Action Plans	Key Performance Indicators	Timeline	Departments
a. Prepare training plan, programs and academic calendar in line with TNA of BB officials and other stakeholders of financial market	i. Foundation Training and other training courses revamped with emphasis on requisite knowledge, skill, discipline, etiquette & manner, leadership development etc.	December 2016	Lead: BBTA Associate: HRD-2, DSM
b. Familiarize BB officials with contemporary global issues and developments	i. Number of conference/seminar workshops conducted	Ongoing basis	Lead: BBTA Associate: HRD-1 HRD-2 ITOCD ISDD CBSPC (FSSP)
	ii. Learning opportunities created for certification and professional skill development	Yearly basis	
	iii. Number of leadership soft development program conducted for appropriate target group	Yearly basis	
	iv. Learning opportunities created through e-learning as well as simulation based training modules	Yearly basis	
	v. Number of distinguished scholar's lecture series arranged	June 2016	
	vi. TOT arranged on specific subject or soft skills development	Yearly basis	
	vii. Quality and standard of BBTA Journal improved	Ongoing basis	

Summary: Strategic Goal 8

Total Number of Objectives: 09	Total Number of Action Plans: 27	Total Number of KPIs: 35
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**Strategic
Goal**

Strategic Goal

Maintain state-of-the-art ICT infrastructure to ensure functional reliability, security and business continuity

Background BB's success in transforming its business from largely manual to automated processes entails further efforts in the areas like IT Security, redundancy, standard certification, etc. to ensure functional reliability, security and business continuity. These initiatives will help BB to take the existing ICT infrastructures to the next level of excellence.

Objective 9.1 Upgrade IT infrastructure and applications (hardware and software) to enhance performance standard at highest level

Action Plans	Key Performance Indicators	Timeline	Departments
a. Identify areas of improvement in Networking, Banking, ERP, EDW, BACH, CIB systems and address the requirement of functional departments	i. Areas of improvement identified and requirements are adequately address	September 2015	Lead: IT OCD ISDD CBSPC (FSSP) Associate: ISDD EMD CSD-1 ABD CBSPC (FSSP)
b. Enhance internet bandwidth as per growing demand of the network	i. Adequate bandwidth in place	June 2015	
c. Update Uniform Code and Rationalized Input Template (RIT) for banks and FIs	i. RIT designed and implemented properly	March 2016	
d. Prepare web based management system for travel, advance, bill adjustment and miscellaneous payments, etc. for EMD	i. Number of systems designed and implemented successfully	March 2016	
e. Prepare web based Inventory and Requisition Management System for all kinds of dead stock, stationary articles, IT accessories etc. for CSD and EMD	i. Number of systems designed and implemented successfully	June 2016	
f. Create integration between existing software applications/packages	i. Proper integration in place	September 2016	
g. Virtualization of network hardware and software	i. Scope identified and necessary system procured	June 2017	

Objective 9.2 Establish third Data Center (DC) for BB to ensure 99.99% uptime of mission critical applications

Action Plans	Key Performance Indicators	Timeline	Departments
a. Set up new data centre at different seismic zone than that of Dhaka	i. New data centre established	December 2016	Lead: IT OCD ISDD CBSPC (FSSP) Associate: EMD CSD-1
b. Ensure new data centre equipped with simultaneous load sharing and Disaster Recovery (DR) facilities	i. Data sharing and DR facilities in place	December 2016	
c. Secure data replication, system management, network management applications and hardware	i. Database management system properly functional	June 2017	
d. Data Center and DR site unification replacing existing three data centers and three disaster recovery sites	i. Data Center and DR site unification operational	June 2017	

Objective 9.3 Ensure quick maintenance of ICT installations and required accessories for uninterrupted service delivery

Action Plans	Key Performance Indicators	Timeline	Departments
a. Create an imprest fund at IT Department for emergency procurement of spares and supplies for IT systems	i. Wait time for trouble shooting reduced significantly (zero tolerance)	September 2015	Lead: ITOCD ISDD
b. Streamline coordination between CSD-1, CSD-2, ITOCD and ISDD regarding IT installation and backup support	i. Ensure preparedness for contingency and preemptive measures in place	September 2015	Associate: EMD CSD-1, 2

Objective 9.4 Enhance ICT security to maintain system integrity and protect from external and internal threats

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and update ICT Governance and associated risk management framework for BB	i. Review and update completed successfully	September 2015	Lead: ITOCD ISDD CBSPC (FSSP) Associate: EMD CSD-1
b. Develop cyber security strategy to minimize gap of current ICT security policy with standard benchmark and practices	i. Cyber security ensured (with zero tolerance of risk)	December 2015	
c. Introduce automated internal audit mechanism (Computer Assisted Audit Tool etc.)	i. Automated internal audit in place	June 2016	
d. Improve audit trail, log trail, etc. for monitoring the use of applications and database	i. Appropriate monitoring mechanism in place	September 2016	
e. Introduce Digital Signature	i. Digital signature introduced	December 2016	

Objective 9.5 Enhance transaction security in the financial sector by creating dedicated network

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a Financial Network (FinNet) to provide low cost secured network connectivity for all banks and FIs	i. Low cost secured financial sector network in place	December 2019	Lead: ITOCD ISDD CBSPC (FSSP) Associate: EMD CSD-1
b. Introduce Extranet with banks and FIs (WAN link)	i. Extranet deployed and implemented	December 2018	
c. Update ICT Security Guideline for banks and financial institutions	i. ICT security ensured (with zero tolerance for risk)	December 2016	

Objective 9.6 Establish necessary IT infrastructure for promoting electronic transactions

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop Web based gateway to receive Government dues like VAT, AIT, Tax, various fees, etc.	i. Appropriate mechanism in place	December 2016	Lead: ITOCD ISDD, PSD CBSPC (FSSP) Associate: EMD, CSD-1

b. Develop local chip standard aligned with Euro Master and VISA (EMV) standard chip cards	i. Adequate standard established	December 2017	
c. Obtain necessary international certification (PCI-DSS, COBIT, ISO, ITIL, etc.)	i. Proper authentication for online transaction is in place	December 2019	

Objective 9.7 Strengthen CIB query management by using NID database of Bangladesh Election Commission to verify authenticity of the borrower

Action Plans	Key Performance Indicators	Timeline	Departments
a. Design and upgrade appropriate interface to link CIB and the NID database	i. Interface between CIB and the NID database established	December 2016	Lead: ISDD
b. Integrate the API tool with web interface of NID	i. Integration completed	December 2017	Associate: CIB

Objective 9.8 Formulate Business Continuity Plan (BCP) to ensure system integrity

Action Plans	Key Performance Indicators	Timeline	Departments
a. Design, formulate and implement BCP	i. BCP framework effectively designed and implemented	December 2016	Lead: ITOCD ISDD
b. Keep congruence with BCP Charter, Disaster Recovery Plan, Process Documentation, etc.	i. Standard operating procedures adequately followed	December 2017	

Summary: Strategic Goal 9

Total Number of Objectives: 08	Total Number of Action Plans: 28	Total Number of KPIs: 28
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**Strategic
Goal**

Strategic Goal

Ensure excellence in corporate services delivery to create conducive work environment

Background The quality of corporate services delivery can largely influence the employee productivity in modern office environment. BB's effort to achieve excellence in corporate service delivery is aimed to increase its employees' productivity adding additional pace in its operation.

Objective 10.1 Ensure adequately equipped and well furnished modern office environment

Action Plans	Key Performance Indicators	Timeline	Departments
a. Assess the need for office equipments, furniture, supplies, etc. of different departments and offices to prepare comprehensive supply chain management plans	i. Supply chain management plans are in place	June 2016	Lead: CSD-1, EMD
b. Implement the plan for ensuring adequate and timely supply of office equipments	i. Timely delivery of office equipments, furniture and other supplies	Ongoing basis	

Objective 10.2 Expand and modernize office area to accommodate growing business needs

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate a comprehensive master plan for expansion and development of office and residential facilities to meet the growing business needs of all offices	i. Master plan is prepared based on all probable future needs ii. Modern residential complex created within premises of all existing staff/officer's quarter iii. Convention center established with multipurpose facilities such as conference hall, meeting rooms, plenary hall, executive guest rooms, modern gymnasium, learning resource centre, Officers' club etc. iv. A new canteen established at Head Office premises v. Dormitory cum guest house modernized at all offices	June 2016	Lead: CSD-2

Objective 10.3 Ensure uninterrupted service deliveries maintaining highest level of safety, security and business continuity

Action Plans	Key Performance Indicators	Timeline	Departments
a. Prepare a business continuity plan.	i. Business continuity plan in place	June 2017	Lead: CSD-2
b. Upgrade and install systems that enhance safety and securities	i. Fire hydrant system is modernized	June 2017	
	ii. Waste water treatment plan installed iii. Elevators (lift) with stand-by generator are refurbished		

Objective 10.4 Betterment of employee service deliveries to enhance employee satisfaction

Action Plans	Key Performance Indicators	Timeline	Departments
a. Develop a business process for effective online data verification for all types of advances	i. Existing business process reviewed and upgraded	June 2016	Lead: EMD Associate: ITOCD ISDD CBSPC (FSSP)
b. Efficient, effective & automated fund management (i.e. provident fund, gratuity, death benefit, pension fund, medical allowance, travel allowance, telephone bill, etc.)	i. An automated system installed and functional	June 2017	
c. Develop a business process for Online requisition, approval, adjustment of TA Bills, Misc Payment, Dead Stock & Stationeries, etc.	i. Relevant processes are developed	June 2017	

Objective 10.5 Ensure highest level of protection for properties of banks and its employees

Action Plans	Key Performance Indicators	Timeline	Departments
a. Install System for Infra-Red Device in existing CCTV System for night vision capabilities	i. Appropriate security system installed	December 2016	Lead: SMD CSD-2
b. Installation of Radio Frequency Identification Device (RFID) for better Access Control System	i. Better access control system installed and functional	June 2017	

Objective 10.6 Create legal awareness among employees in discharging their duties

Action Plans	Key Performance Indicators	Timeline	Departments
a. Arrange minimum two comprehensive training programs (minimum one week duration) per annum	i. Necessary curriculum finalized ii. Appropriate trainer selected and training programs conducted	December 2018 Ongoing basis	Lead: LD

Objective 10.7 Increase Specialization of Law Department

Action Plans	Key Performance Indicators	Timeline	Departments
a. Establish a full-fledged Knowledge Management Centre	i. Knowledge sharing programs are arranged	December 2017	Lead: LD
b. Arrange annual conference with panel lawyers & expert lawyers to facilitate the views of this department	i. Annual conference arranged	Yearly basis	
c. Establish a research unit to analyze the contemporary important judgment and its impact in financial sector	i. Research unit established	December 2019	

Objective 10.8 Promote legitimacy in BB processes to ensure its superior position in case of probable legal prosecution

Action Plans	Key Performance Indicators	Timeline	Departments
a. Institute a framework for consultation with Law Department before issuance of circulars/ guidelines by different functional departments to ensure the conformity with the existing law of the land	i. Appropriate framework established	December 2019	Lead: LD Associate: ITOCD
b. Develop a mandatory policy for taking legal opinion before initiating process of disciplinary action by HRD against any BB employee	i. Adequate policy in place	December 2019	
c. Update legal action monitoring system	i. Appropriate monitoring system in place	December 2019	

Objective 10.9 Supervise and monitor the legal activities of all commercial banks and financial institutions

Action Plans	Key Performance Indicators	Timeline	Departments
a. Issue a circular under Section No. 45 of Bank Company Act, 1991	i. Circular issued to this effect	December 2019	Lead: LD
b. Establish a separate wing in the Law Department for discharging the functions in achieving the objective	i. Separate wing established to this effect	December 2019	

Summary: Strategic Goal 10

Total Number of Objectives: 09	Total Number of Action Plans: 18	Total Number of KPIs: 25
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**Strategic
Goal**

Strategic Goal

Align accounting, internal control and compliance practices with domestic and international standards

Background BB has adopted International Internal Audit Standard (IIAD) and International Financial Reporting Standard (IFRS) to become fully compliant with international norms and practices. Efforts will be continued to maintain the quality standard ensuring reliability, transparency and full disclosure of its financial transactions.

Objective 11.1 Ensure objective assurance to management and the Board on the effectiveness of risk based internal control operations

Action Plans	Key Performance Indicators	Timeline	Departments
a. Follow IAD Charter in internal control and compliance	i. IAD Charter properly implemented for internal control and compliance	September 2015	Lead: IAD
b. Introduce ERM unit with feedback on the states of risk management process	i. ERM unit introduced ensure adequate risk management	December 2015	
c. Update procedure manuals	i. Procedure manuals updated	June 2016	

Objective 11.2 Adopt aspects of national and international standards in financial management and internal control

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and implement the standards of IFRS/IAS & BSA in keeping financial records and reporting to ensure compliance of international standards	i. Financial records and reporting in compliance with international standards	June 2016	Lead: IAD, ABD

Objective 11.3 Strengthen internal controls

Action Plans	Key Performance Indicators	Timeline	Departments
a. Engage consultants to assist in implementing Risk Based Audit, IT Audit and capacity building	i. Consultants recruited to assist in implementing Risk Based Audit, IT Audit and Capacity Building	September 2016	Lead: IAD
b. Adopt necessary automation for internal control and compliance	i. Computer Assisted Auditing Tools (CAATs) installed and implemented	December 2016	Associate: ITOCD, ISDD CBSPC (FSSP)

Summary: Strategic Goal 11

Total Number of Objectives: 03	Total Number of Action Plans: 06	Total Number of KPIs: 06
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**Strategic
Goal**

Strategic Goal

Ensure effective communication with stakeholders as well as build up stronger brand image of BB

Background As part of the recent reform and development initiatives of BB; it is required to strengthen the communication channels to disseminate central bank's policy measures and directives to stakeholders more effectively and efficiently. The communication strategy is anticipated last but not least guide to operational excellence and good governance by adopting standard mode of various channels like internet, print, electronic and other available mass media to build stronger positive brand image and more credibility as a central bank of the country.

Objective 12.1 Review and upgrade the standard and quality of BB publications

Action Plans	Key Performance Indicators	Timeline	Departments
a. Review and rationalize the number of publication as par stakeholders' demand	i. Number of hardcopy publication rationalized in line with green initiatives	Yearly basis	Lead: DCP
b. Check and review probable areas of improvement in BB publications	i. Areas of improvement identified and addressed	December 2015	Associate: EMD, CEU, MPD, RD,SD, CBSPC (FSSP)
c. Review and upgrade content design, graphics design, quality of printing, uniform branding of the publications etc.	i. Uniform branding concept adopted and implemented	June 2016	

Objective 12.2 Formulate a Communication Strategy for BB to streamline modes and practices of communication with stakeholders (internal and external) and the mass media

Action Plans	Key Performance Indicators	Timeline	Departments
a. Formulate communication strategy to upgrade and streamline existing communication modes and practices with external and internal stakeholders of BB	i. Detail study conducted on existing code and mode of communication	September 2015	Lead: DCP Associate: GS, BBL, CSD-1, EMD CBSPC (FSSP) All relevant departments
	ii. New areas of improvement identified	December 2015	
	iii. Action plan prepared to formulate BB's Communication Strategy	March 2016	
	iv. Communication Strategy prepared, adopted and implemented	June 2016	
b. Check feasibility of introducing brand and style guidelines of BB to standardize norms and styles of communication with stakeholders (internal & external) and mass media	i. Feasibility report submitted	September 2015	
	ii. Areas of improvement identified and action plan prepared in line with branding concept	December 2015	
	iii. Brand Guidelines prepared, adopted, and implemented	June 2016	
c. Create and institutionalize Social Media Communication Gateway (Facebook, Twitter, YouTube, etc.) for BB	i. Official gateway for BB instituted ii. Standard operation procedure in place supported by adequate policy framework	September 2015	
a. Formalize and strengthen office of the Spokesperson	i. Appropriate framework in place	June 2016	

Objective 12.3 Keep communication channel open for external stakeholders

Action Plans	Key Performance Indicators	Timeline	Departments
a. Conduct conference, seminar, workshops, awareness programs, road shows, town hall meetings, etc. as requested by various departments	i. Facilities and capacities developed to act as event arranger ii. Quality of services improved and standardized	Ongoing basis	Lead: DCP Associate: HRD-1, EMD, CSD-1
b. Set help desk, information cell, complaints cell, display board, etc.	i. Support provided as and when required ii. Quality of service delivery ensured	Ongoing basis	
c. Publish internal news magazine (BB Parikroma) and circulate to communicate the ethos of BB	i. Quality of publication continuously reviewed and updated	Ongoing basis	
d. Organize special induction program for economic journalists/editors to foster relationship with press and media	i. Number of programs arranged	Ongoing basis	

Summary: Strategic Goal 12

Total Number of Objectives: 03	Total Number of Action Plans: 11	Total Number of KPIs: 19
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**Strategic
Goal**

Strategic Goal

Effectively implement strategic plan of BB and cater specific requirement of financial services at respective regions

Background BB is discharging its mandate through its 49 departments/cells/units and 10 regional offices. Each office replicates and corroborates the Head Office instructions, guidelines and circulars and keeps closer observation over the financial sector and ensures public service delivery at regional level. Other growth supporting activities at the regional level include promotion of real sector productive activities such as agriculture, SME, green financing and so forth.

Objective 13.1 Ensure that branch offices are engaged in implementing BB's overall mandate and fostering improved service delivery to the stakeholders

SL #	Action Plans	Cross Reference*
a.	Provide improved banking services delivery to the Govt., banks, FIs, and general people	SG-4
b.	Improve operational efficiency of cash management by augmenting modern technology	SG-4
c.	Promote availability of clean currency in circulation	SG-4
d.	Produce timely, accurate, risk-focused, and comprehensive inspection reports that capture the risk exposure of banks	SG-2
e.	Facilitate the initiatives to provide medium to long term finance for SMEs and manufacturing industries	SG-3
f.	Bolster financial inclusion and literacy using mainstream banking infrastructure	SG-2
g.	Effective implementation of annual Agricultural & Rural credit policy and program	SG-3
h.	Integrate green banking and green finance into core business operation of banks and FIs	SG-3
i.	Ensure adequately equipped and well furnished modern office environment	SG-10
j.	Expand office area to accommodate growing business need	SG-10
k.	Ensure uninterrupted service deliveries maintaining highest level of safety, security and business continuity	SG-9
l.	Improve Employee service deliveries to enhance employee satisfaction	SG-8, 10, 12, 14

Summary: Strategic Goal 13

Total Number of Objectives: 01	Total Number of Action Plans: 12	Total Number of KPIs: -**
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* SG=Strategic Goal

** KPI will be determined on the basis of respective strategic goal (SG) as cross-referenced



**Strategic
Goal**

Strategic Goal

Institutionalize and strengthen strategic plan implementation process to coordinate initiatives for organizational development

Background Bangladesh Bank started the strategic planning process in 2004 and adopted its first formal Strategic Plan 2010-2014 in May 30, 2010. With seventeen strategic priorities, 54 objectives and 157 number of action plans, BB initiated its implementation by formally setting up a Strategic Planning Unit (SPU) under CBSP Cell. SPU coordinated all the relevant departments to facilitate the implementation of the plan successfully and bring desired result in the real economy. Executive Retreats were arranged every year with all the higher management of BB where the progress and developments were evaluated. On completion of the tenure, stock taking exercise was carried out and commendable success were observed both in real and financial sector of the country. BB's strategic objectives and priorities for the next five years (2015-2019) need to be set keeping the country's vision of attaining the status of middle income country by 2021.

Objective 14.1 Establish a permanent structure for formulation and implementation of Strategic Plan

Action Plans	Key Performance Indicators	Timeline	Departments
a. Convert CBSP Cell into suitable Departmental structure	i. Department established with appropriate structure, manpower and empowerment	August 2015	Lead: CBSPC (FSSP)
b. Update job definition, job description, etc. (Terms of Reference)	i. Roles and responsibilities defined and clarified	September 2015	Associate: HRD-1
c. Allocate manpower with right knowledge, skills and attitude	i. Right placement ensured	September 2015	HRD-2

Objective 14.2 Create strategic communication and coordination framework to ensure informed decision making

Action Plans	Key Performance Indicators	Timeline	Departments
a. Design and implement strategic communication framework to convey strategic roles and responsibilities of departments and offices	i. Effective communication framework developed and implemented	December 2015	Lead: CBSPC (FSSP)

Objective 14.3 Ensure effective Monitoring and Evaluation (M&E) process of strategic plan implementation

Action Plans	Key Performance Indicators	Timeline	Departments
a. Design effective M&E mechanism to ensure proper implementation of strategic plan by the departments and offices	i. Effective M&E framework in place ii. Strategic Compliance Report submitted to Senior Management Team (SMT)	August 2015 Quarterly basis	Lead: CBSPC (FSSP) Associate: IAD

Objective 14.4 Promote implementation of the strategic plans through appropriate incentives and motivation

Action Plans	Key Performance Indicators	Timeline	Departments
a. Promote innovation, teamwork and coordination to achieve strategic goals and objectives	i. Appropriate ways and means adopted and implemented	Ongoing basis	Lead: CBSPC (FSSP) Associate: HRD-1, HRD-2

b. Adopt functional motivation to foster individual performance, core values and integrity	i. Adequate reinforcing mechanism in place to incentivize individual performance and good governance	Ongoing basis	
c. Facilitate employee satisfaction survey to maximize potentiality of human resources	i. Impact assessment conducted ii. New opportunities explored and implemented	Yearly basis	

Objective 14.5 Continue the support for business continuity of ICT projects under CBSP initiatives

Action Plans	Key Performance Indicators	Timeline	Departments
a. Upgrade Core Banking Solution (CBS) to accommodate new business functionalities of user departments	i. System for coupon and principal Payment of Sanchaypatra implemented ii. Call Money market trading platform installed iii. New auctioning system for government securities installed iv. RTGS-CBS Integrated v. Special Repo functionality installed in Market Infrastructure (MI) module	June 2015 September 2016 December 2015 July 2015 December 2015	Lead: DMD, Motijheel Office, PSD, ISDD, ITOCD CBSPC (FSSP)
b. Enhance the scope and coverage of ERP solution to bring business functionalities of various departments not covered at the initial stage	i. Project Accounting functionality (work in progress) implemented ii. DCM, HR, DCP started using Material Management (MM) module in their procurement activities	June 2016 December 2015	Lead: ABD, DCM, HRD, DCP Associate: CBSPC (FSSP)
c. Upgrade BB's enterprise network to meet increasing demand of trusted connectivity	i. BTCL Bandwidth upgraded	July 2015	Lead: ITOCD, ISDD Associate: CSD-1, CBSPC (FSSP)
d. Facilitate enhancement of the functionality of NPSB to cover more transaction types	i. POS transactions included ii. Internet banking transactions are included iii. E-payment gateway transactions are included	July 2015 December 2015 December 2015	Lead: PSD Associate: ITOCD CBSPC (FSSP)
e. Facilitate the warranty and post warranty support for all the IT applications running in the bank	i. New maintenance contract are signed if necessary ii. Continuation of existing contract	Ongoing	Lead: CBSPC (FSSP), ISDD, ITOCD Other related departments
f. Create a business support team to assist the user of different transaction application systems implemented in BB	i. A system support team created and staffed	December 2015	Lead: ABD Associate: ISDD, ITOCD, CBSPC (FSSP)

Objective 14.6 Implement Financial Sector Support Project (FSSP)

Action Plans	Key Performance Indicators	Timeline	Departments
a. Prepare and finalize the project documentation	<ul style="list-style-type: none"> i. TPP prepared and approved by the Planning Commission ii. Financing Agreement signed between GOB & IDA iii. Project Agreement (PA) signed between BB & IDA iv. Subsidiary Loan Agreement (SLA) signed between BB & GOB v. Procurement Plan prepared and approved by IDA vi. ESMF is published vii. Project Operational Manual prepared and approved 	<ul style="list-style-type: none"> June 2015 June 2015 June 2015 September 2015 July 2015 July 2015 July 2015 	Lead: CBSPC (FSSP)
b. Prepare and release all types of procurement documentation with proper approval from IDA	<ul style="list-style-type: none"> i. Bid documents for all the goods packages are prepared and published ii. Bid documents for all the service packages are prepared and published 	<ul style="list-style-type: none"> December 2016 November 2017 	Lead: CBSPC (FSSP) Associate: DCP
c. Conduct procurement activities to procure necessary goods and services planned under the project	<ul style="list-style-type: none"> i. Tender Evaluation Committee (TEC) and Proposal Evaluation Committee (PEC) formed for all packages ii. Evaluation of all procurement proposal have been completed iii. Contract have been awarded and signed with the winning bidders 	<ul style="list-style-type: none"> December 2015 December 2017 December 2017 	Lead: CBSPC (FSSP)
d. Ensure the implementation of the procured systems and services	<ul style="list-style-type: none"> i. All the new systems and services procured under the project are implemented 	December 2019	CBSPC (FSSP) will coordinate overall implementation
e. Prepare operation manual covering both implementation and monitoring framework for Long Term Financing Window and facilitate the issuance of circular by FEPD	<ul style="list-style-type: none"> i. Operational Manual for Long Term Financing prepared and approved ii. Circular Issued by FEPD 	July 2015	Lead: CBSPC (FSSP) Associate: FRTMD, GBCSRD, FEPD
f. Facilitate the administration of the Long Term Financing window through FRTMD and GBCSRD	<ul style="list-style-type: none"> i. Long Term Financing operation started 	October 2015	Lead: FRTMD Associate: GBCSRD, FEPD, CBSPC (FSSP)

Summary: Strategic Goal 14

Total Number of Objectives: 06	Total Number of Action Plans: 20	Total Number of KPIs: 40
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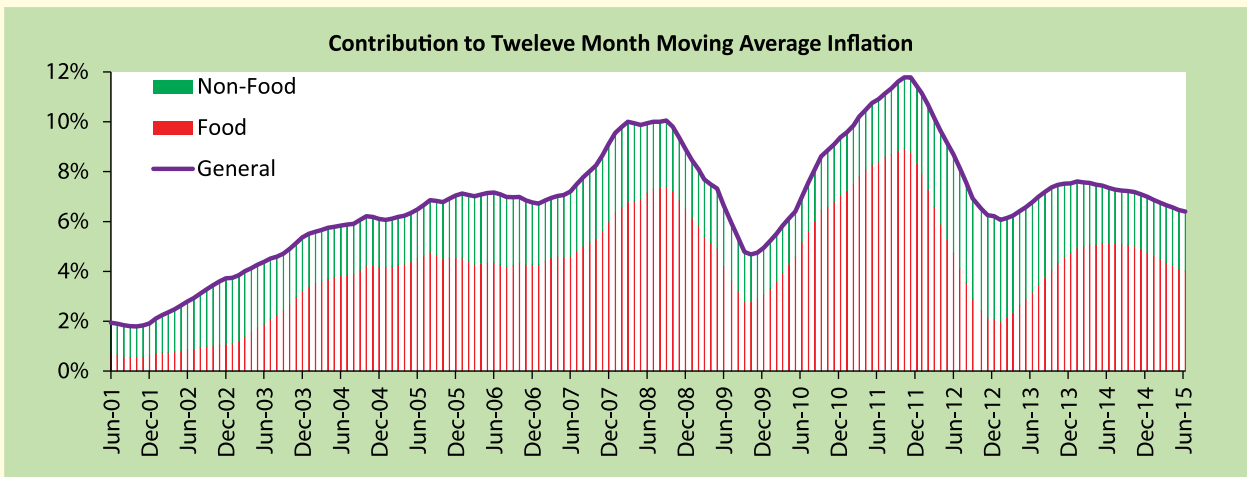
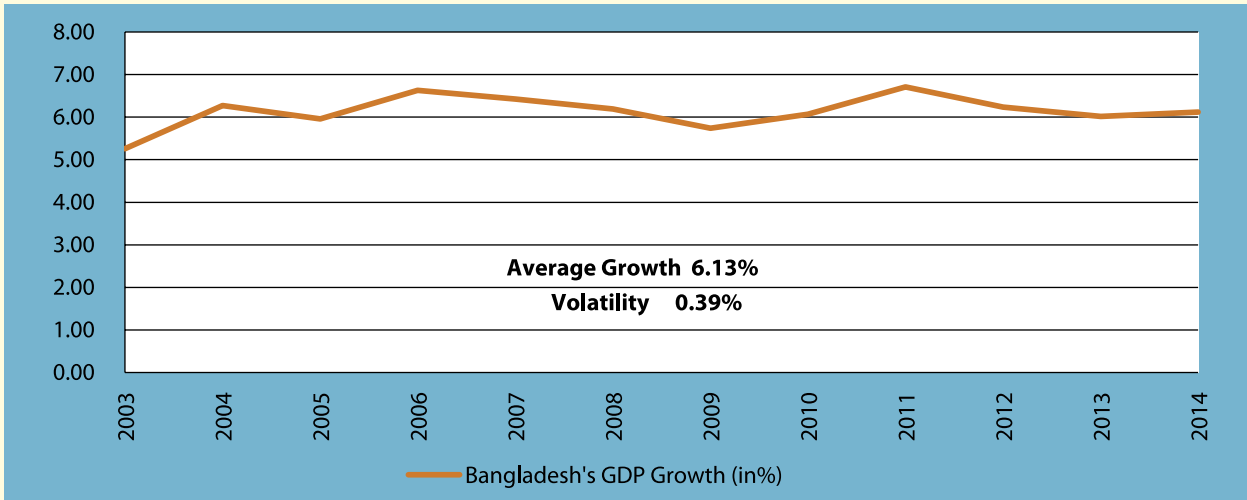
APPENDICES



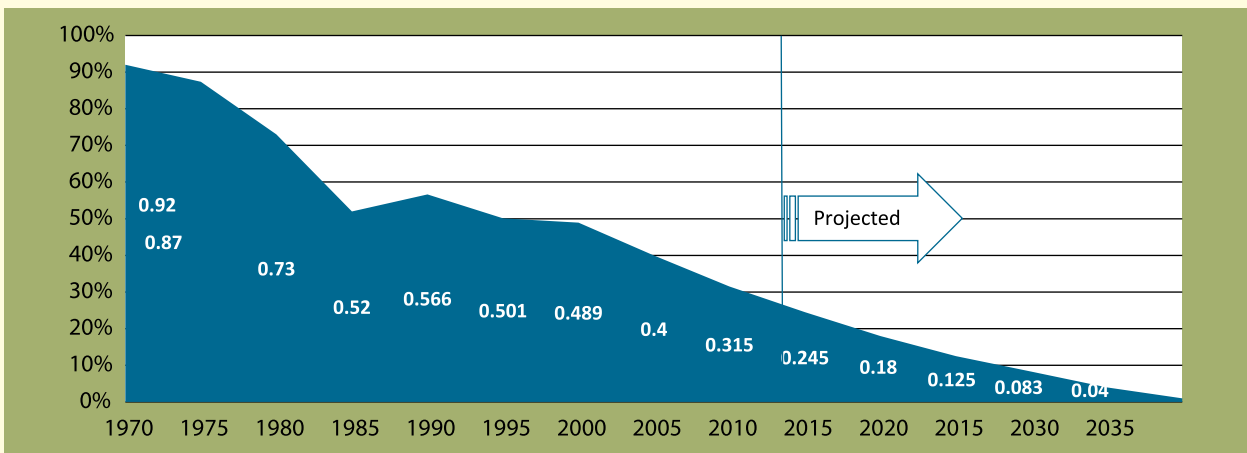
Spotlight
on milestone achievements

Monetary Management

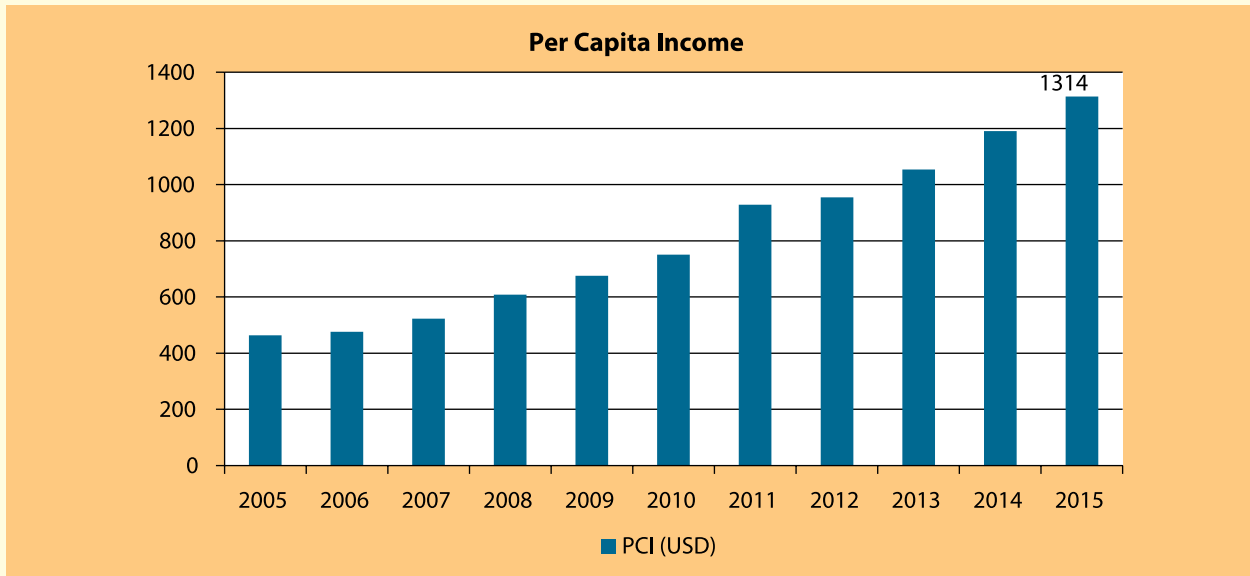
6+ percent annual GDP growth over the last decade and a moderate level of inflation showing strong resilience of the economy



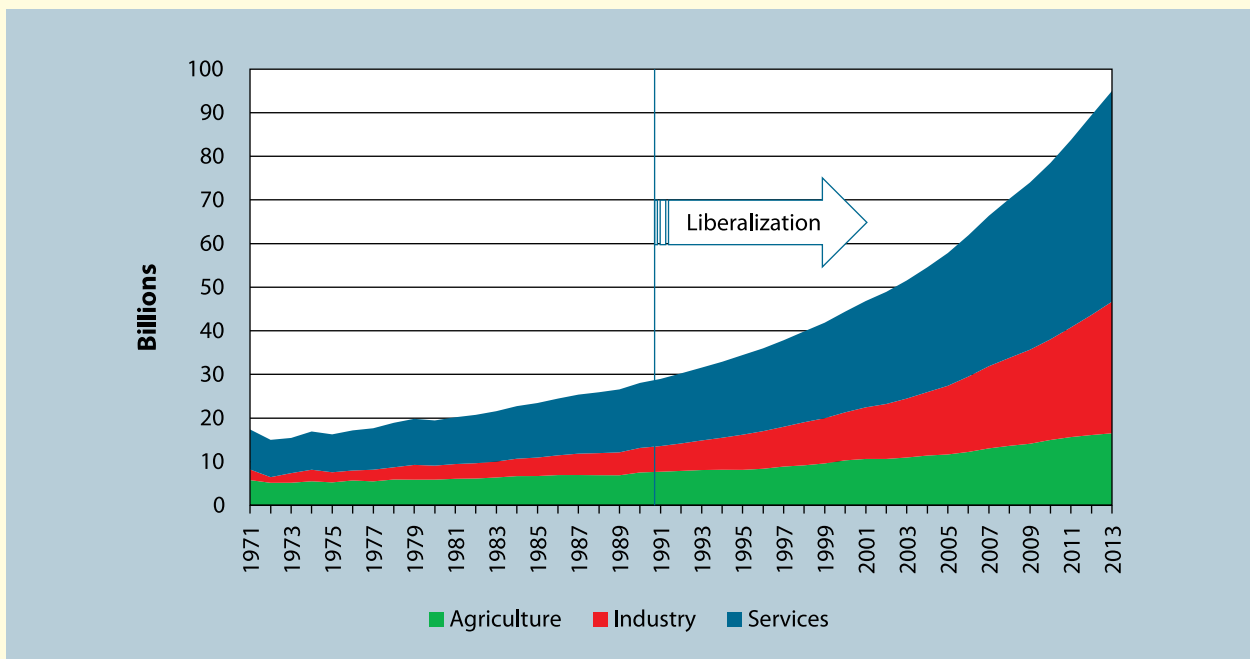
Robust Growth contributing to significant poverty reduction



Bangladesh has graduated from the lower income country to the status of lower-middle income country (MIC) as its per capita income rose to USD 1,314 this fiscal year.

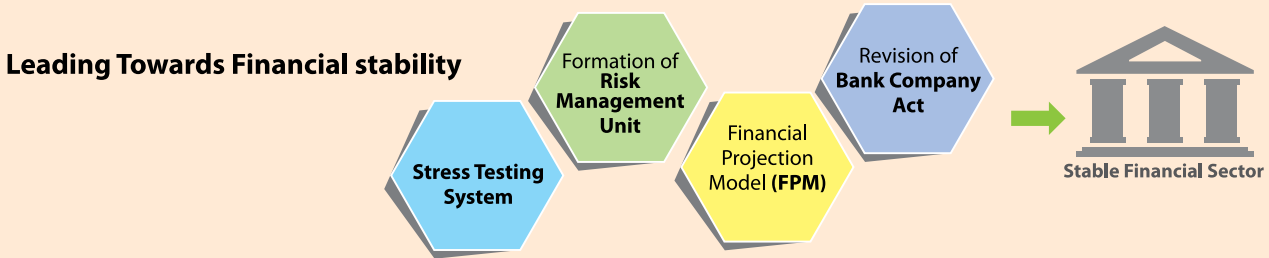
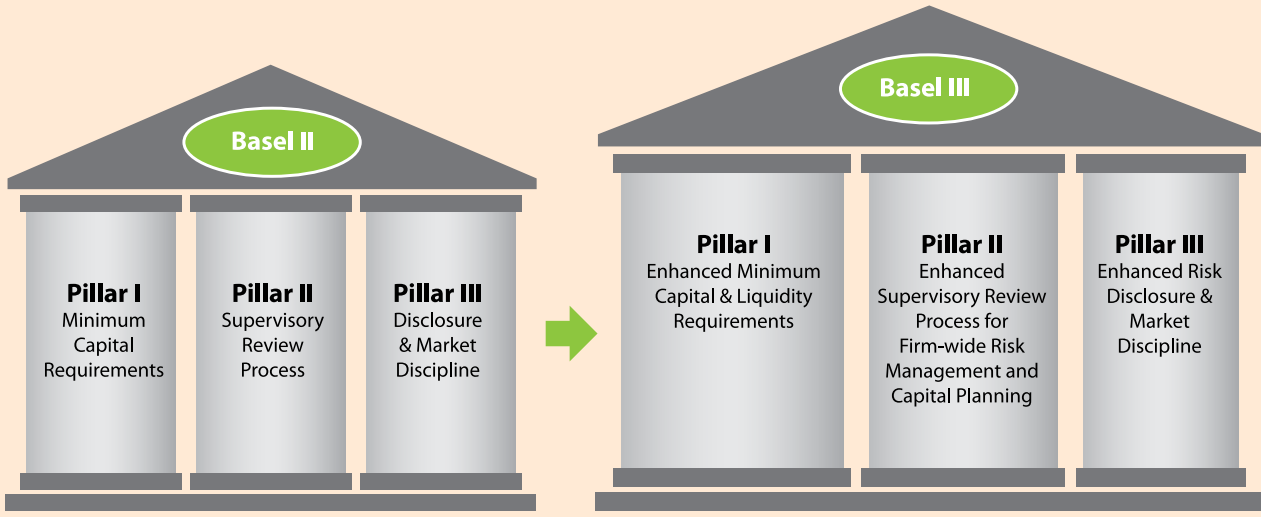
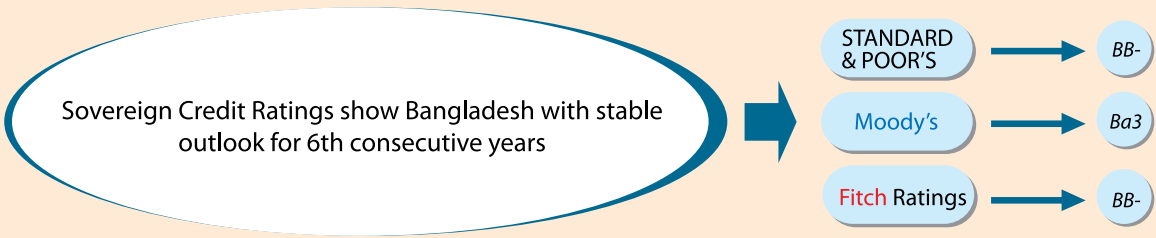
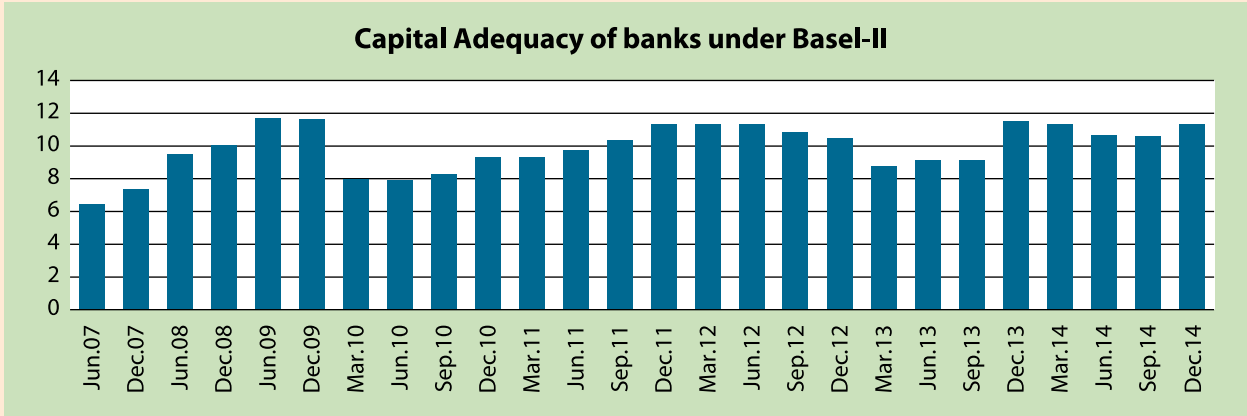


The Semi-feudal agrarian economy has transformed vastly over the decades into a predominantly manufacturing and services driven open economy



Financial Sector Stability

Financial Sector Soundness indicator



CIPC to protect customers' interests



Call

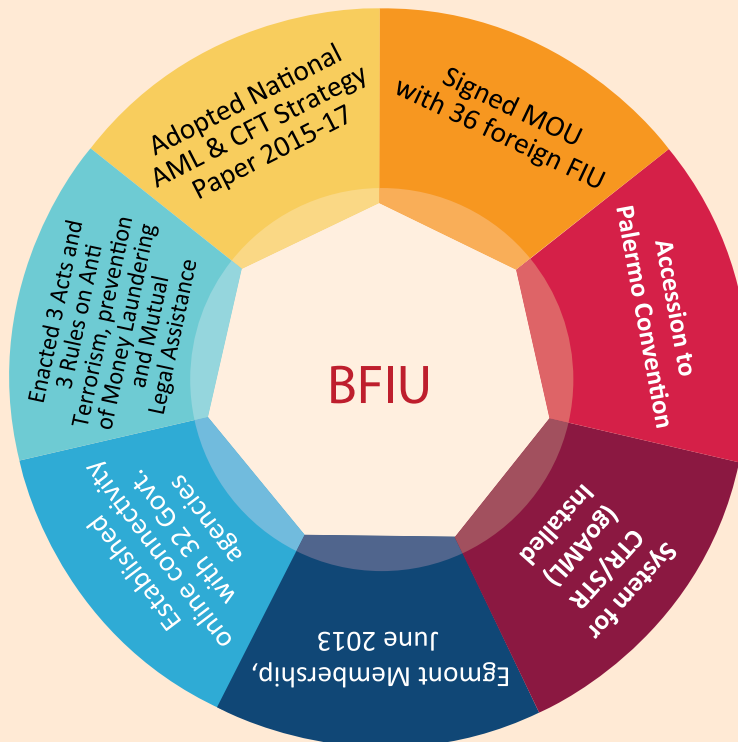
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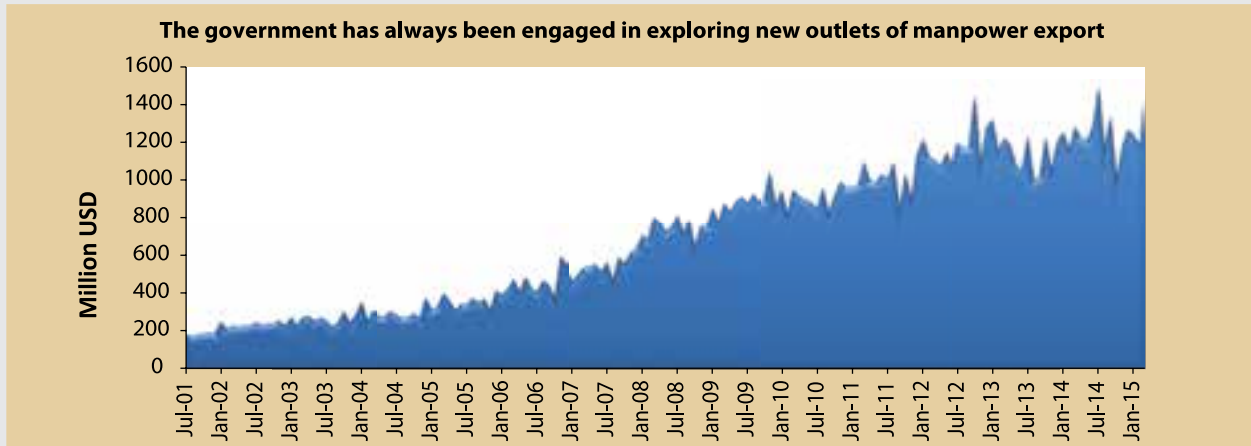


BFIU countering Money Laundering and Combating Financing of Terrorism to protect national interests

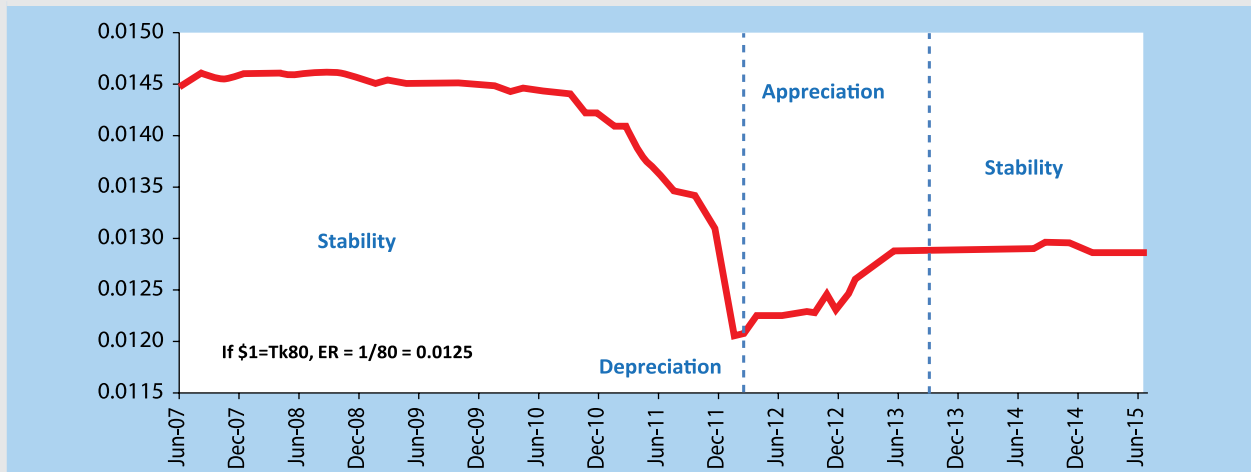


Foreign Exchange Management

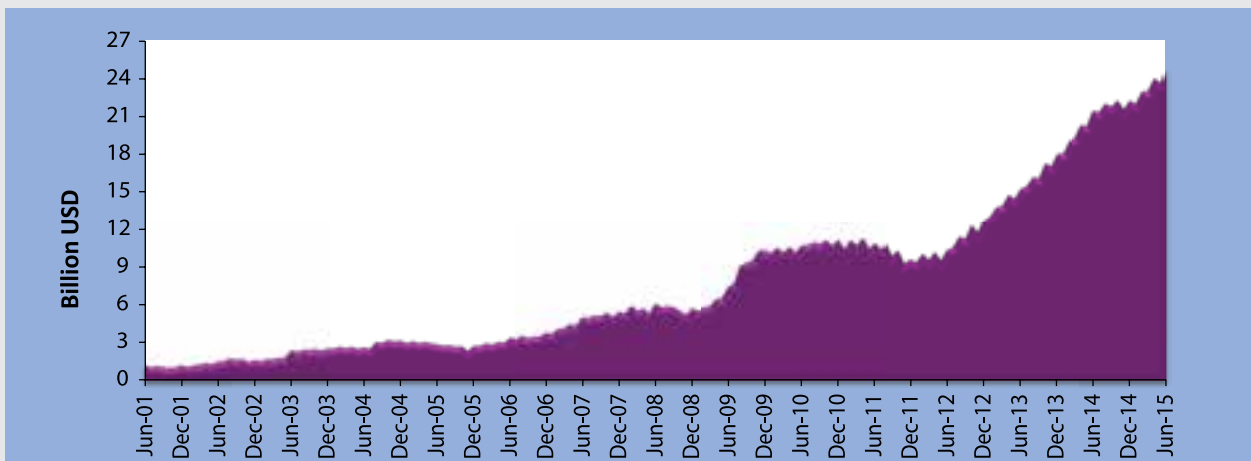
Remittances sent by Bangladeshis working abroad reached \$15.31 billion, a record in the country's history, in the FY 2014-15, marking a 7.6 per cent growth over the previous fiscal



Foreign Exchange rate is stable for the last three years



The country's Forex Reserve crossed the \$25 billion-mark due mainly to steady growth of export earnings, inward remittance, stable exchange rate as well as decreasing food import cost for increasing domestic food production with decreasing food and fuel price in international market



Financial Inclusion and Sustainable Financing


10 Tk A/C
Farmers

10 Tk A/C
Street Children

10 Tk A/C
Freedom Fighter

50 Tk A/C
Unemployed youth

50 Tk A/C
Distressed People



No. of Farmers' Accounts opened by banks	9.72 million
No. Tk. 10/50/100 Accounts opened by banks	14.96 million
CSR Expenditure by Banks	Tk. 5105.46 million
Green Finance by Banks	Tk. 435,877.09 million
Utilization of BB Refinance Scheme for Renewable Energy and Green Products	Tk. 1666.0 million

100 Taka A/C
School Banking
No. of Accounts: 85 lac
Outstanding balance: 7174.90 Million

100 Taka A/C
Garments Workers

Mobile Banking
28 banks
No. of Accounts: 26 million
Daily transaction: 4 billion

Agent Banking
5 banks

Policy driven Financial Inclusion

Branch Expansion
Banks to open at least 50% of their new branches in the rural areas across the country

Agri-loan Distribution
In relatively underdeveloped areas like chor, haor and the coastal areas

Credit Program Expansion
Sharecropper, Women and Marginal Farmers

Sharecroppers
A special re-finance scheme of Taka 5 billion was first launched in 2009

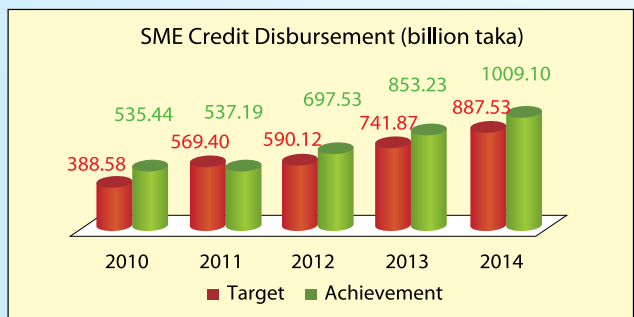
Women
Banks provided aka 7.35 billion to 3.2 lac women in FY 2011-2012,

School banking
Dec-2014
No. A/Cs- 8,50,303
Outstanding Balance- 7174.90 Million

Refinance Scheme for Green Projects
Encourage investment to enable use of solar power and environment friendly renew-able energy.

Special Loan Programs
'Refinance Scheme for Rural Based Agro Processing Industry' is in live with fund size of Taka. 2 billion

SME Loan Activities in last four years



SME Loan Activities with Women Entrepreneur Development

Taka 133.83 billion was distributed among 132,314 women led enterprises during 2010-2014.

The ratio of women led enterprises finance to total SME finance is about 4.0%.

Socially responsible financing ethos

Incentives for Green Banking

Incentives have been provided to those banks which comply with green banking policies. Adhering to the green banking policies by the banks plays a positive role in their overall evaluation or CAMELS rating.

Paperless Banking System

Easy access to internet and e-banking has reduced the use of paper use in Banks and FIs and as a result it has reduced the cutting of trees and subsequent carbon emission in the atmosphere.

Corporate Social Responsibility streamlined

2008

Mainstreaming CSR in Banks and FIs

2013

Creation of Tk. 50 million Fund for own CSR of BB

2014

Issuance of Indicative Guidelines on CSR for Banks and FIs

2015

Enhancement of BB CSR Fund to Tk. 100 million

Refinance Scheme of BB for Green Products

BB Refinance Scheme

- TK 2.00 billion
- Funded by BB
- Revolving fund
- Available for 47 green products

ADB supported Refinance Scheme

- USD 50 million
- Funded by ADB
- Revolving fund
- Available for 'Green Brick Fields'

Refinance Shariah based banks and FIs

- Funded by excess liquidity of shariah based banks and FIs- Available for 47 green products



Environmental and Social Risk Management Framework (ESRMF)

Bangladesh Bank on the Digital Frontiers

Massive automation in banking sector adding pace to financial system



47 Banks have become fully online functioning

Online Banking System Among 56 banks operating in the country, 47 banks are functioning fully online. Rest banks are in the process of implementing online banking operations by 2016.

Mobile Financial Services

The Bank average daily volume of Mobile transaction is about Tk. 1.4 billion.

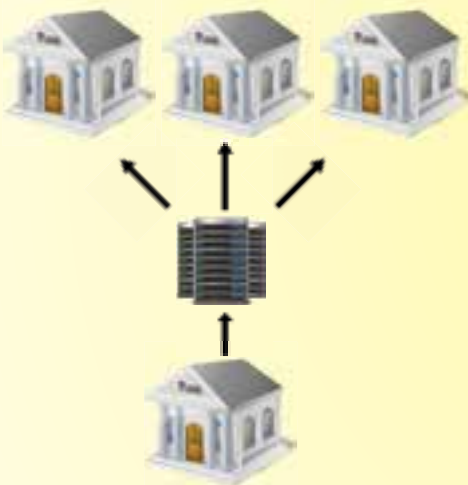


National Payment Switch Bangladesh (NPSB)

Under this system, all ATMs are interoperable irrespective of banks. Card holders of a bank can withdraw money from other banks' ATM booth at minimum charge reducing the cost of both the customers and the banks.

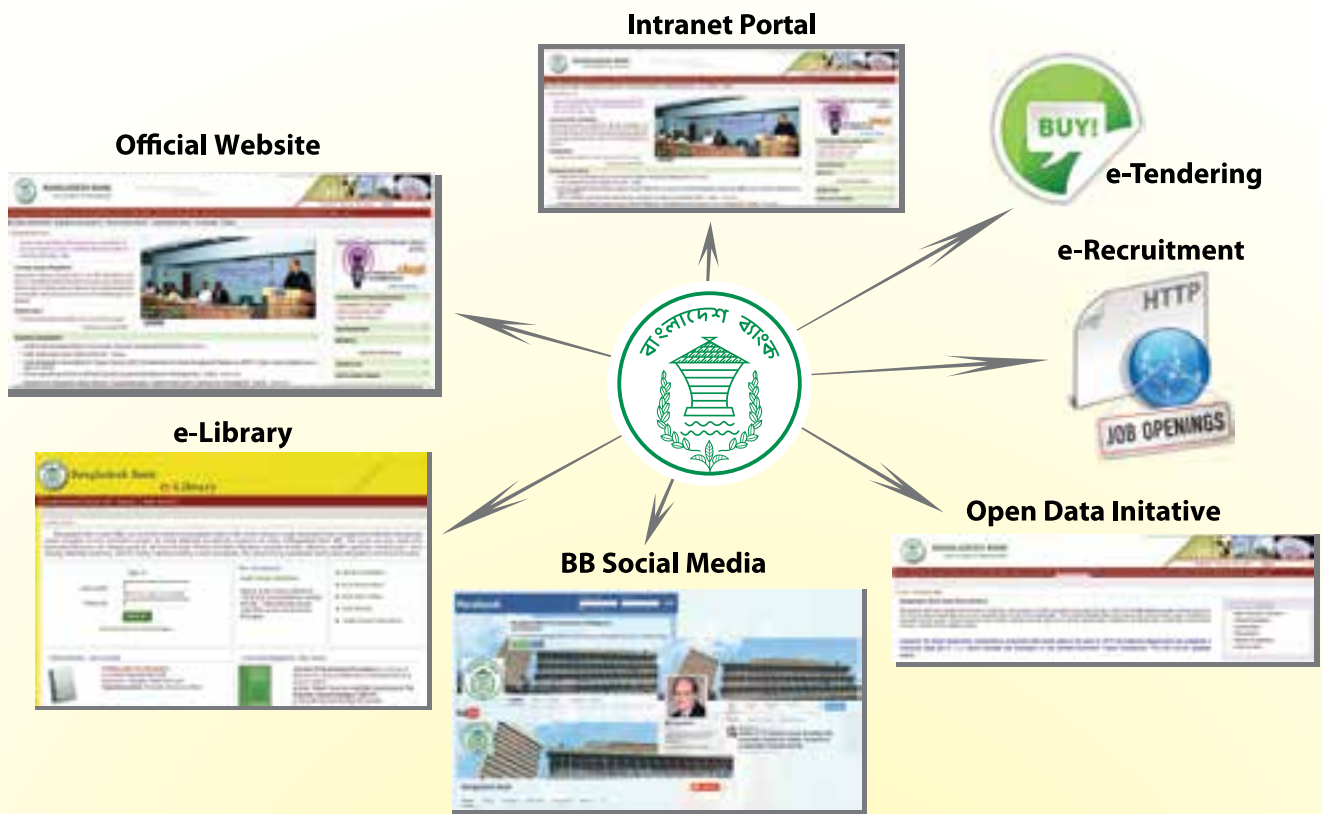
e-Commerce and m-Commerce

Total 4.6 million debit and credit card holders has created scope for spreading e-commerce and m-commerce in the country.



Bangladesh Automated Clearing House (BACH) provides an easy, cheap, fast and secure platform for transferring funds to clients of the banks.

It has two components - i) **Bangladesh Automated Cheque Processing System (BACPS)** which is basically electronic cheque processing of paper-based instruments, which uses Cheque Imaging and Truncation (CIT) technology and ii) **Bangladesh Electronic Funds Transfer Network (BEFTN)**. This network facilitates the transmission of funds between the banks electronically, which makes it faster and efficient means of inter-bank clearing over the existing paper-based system. BEFTN is able to handle a wide variety of credit transfer applications such as payroll, foreign and domestic remittances, social security, company dividends, retirement, expense reimbursement, bill payments, corporate payments, government tax payments, veterans payments, government license fees and person to person payments as well as debit transfer applications such as mortgage payments, membership dues, loan payments, insurance premiums, utility bill payments, company cash concentration, government tax payments, government licenses and fees.



Special Initiatives



C BSP

Central Bank Strengthening Project

The Central Bank Strengthening Project (CBSP) was undertaken to develop a strong and effective regulatory and supervisory framework for banking sector in Bangladesh. A successful completion of the project in 2012 helped BB to implement international best practices and prudential regulations in an effective manner. All major business process of BB have been automated through different application like Core Banking Solution, Enterprise Data Warehouse (EDW), Enterprise Resource Planning (ERP), National Payment Switch Bangladesh (NPSB), depository for Government securities etc. The Govt. payment system has been brought under Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Funds Transfer Network (BEFTN). As a result government cheques can be collected on the same day or on the next working day irrespective of place all over the country from where it has been deposited. The salary of the government officials are now paid directly to their bank account through BEFTN- saving time, use of cheques etc. Principal and interest on government savings bonds (like sanchaypatra) are now paid directly to the investor's bank account through BEFTN.



EEF

Equity and Entrepreneurship Development Fund

Employment for 17,000 employees was created in the EEF funded projects. ICT and rural economic infrastructure have also been developed due to implementation of these projects.



IPFF

Investment Promotion and Financing Facility (IPFF) Project

IPFF Project was undertaken in 2007 to promote Public-Private Partnership (PPP) in infrastructure development by way of building capacity and providing long term financing. IPFF has disbursed Tk. 1751.86 crore (equivalent USD 232.37 million) to establish 11 power plants having capacity of 529 MW, 3 Water Treatment Plants, an Inland Container Depot and one IT based infrastructure project (Nationwide Telecommunication and Transmission Network - NTTN).



SME Development

Financial Sector Project for the Development of Small and Medium-Sized Enterprise (FSPDSME)

To create a medium to long term financing market for SMEs in Bangladesh especially for the productive investments. The Fund size is 5,000 million Japanese Yen including a technical assistance component.

Skill for Employment Investment Program (SEIP)

The Government of Bangladesh has initiated a project titled "Skills for Employment Investment Program (SEIP)" with assistance of Asian Development Bank (ADB) and Swiss Agency for Development and Cooperation (SDC) to scale up skills training programmes for the young workers. BB will provide market oriented job training to 10,200 people in the next three years.

Photo Gallery



Strategy Planning Workshop 2014





Strategic
Planning
Workshop
2014





Stakeholders' Feedback

Bangladesh Bank is keen to obtain continual feedback from internal and external stakeholders those underpin the foundation of strategic planning process as well as the Strategic Plan 2015-19.

Major external stakeholders were:

- ▶ Individuals representing diverse segments of the broad population, ranging from marginal farmers and small entrepreneurs to distinguished elites rich in expertise and experience.
- ▶ Government Organizations including Ministry of Finance, Ministry of Commerce, Securities & Exchange Commission and Board of Investment.
- ▶ Development Partners including World Bank, International Monetary Fund, Asian Development Bank, International Finance Corporations.
- ▶ Trade Bodies including MCCI, Foreign Chamber and DCCI.
- ▶ Association of Bankers of Bangladesh (ABB), Association of Non Bank Financial Institutions, and a few individual banks and financial institutions.
- ▶ Internal stakeholders including officers and staff at various levels in departments and offices of BB.

Feedback from Internal Stakeholders

1. There is a lack of coordination between supervisory and regulatory departments which need to be reduced to ensure more stronger supervisory role of BB
2. Undue interferences and bureaucratic conservatism inhibits supervisory stance and good governance
3. Coordination required between financial inclusions initiatives among the target group through more comprehensive communication strategy and financial literacy program
4. Digitization of issue department is required through introducing modern chest management system for all chest and sub-chest over the country
5. Core Banking Solution needs to be upgraded in order to get full auto generated reports
6. Placement policy is absent: right persons are not ensured in the right positions
7. No succession planning in place: too much workload and dependency on selective key officials
8. More functional training is required for professional development of the staff
9. Priority should be given to prepare comprehensive HR plan and effective capacity building
10. Scopes are still limited for sharing innovative ideas
11. Promotion of support-staff to the management cadre need definite quality screening
12. Branch offices should be empowered to take decision at zonal jurisdiction
13. Staff at the branch offices should have more opportunities of foreign training/reward/ recognition
14. Staff canteen of BB is not up to the mark and should build new industry standard cafe
15. Transport facilities for the staff should be more befitting as per hierarchy
16. Discrimination of fringe benefits and perk gaps between different tires create employee dissatisfaction

Feedback from External Stakeholders

1. BB should keep-up participatory and consultative process for efficient monetary management
2. Coordination with fiscal policy should be ensured for better safeguarding price stability
3. Adequate survey should be conducted to collect and collate clean data for efficient monetary management
4. BB's authority and capacity for proper regulation and supervision of the banking system should be enhanced
5. BB should engage more emphasis on policy issues and major deviations by banks and financial institutions
6. BB should bring vast majority of people under financial service through various 'Financial Inclusion' drives
7. BB should ensure financial sector's accountability through mainstreaming the CSR activities of banks and FIs
8. BB needs to play a proactive role with regards to climate change and develop policy guideline
9. Enhance public confidence by encouraging NRBs to remit money through banking channel
10. Further liberalization should be in place of current FX regime and limited convertibility of Taka capital account
11. FERA and Guidelines for Foreign Exchange Transactions should be synchronized with Import and Export Policy
12. Efficient debt management should be ensured to enhance secondary market trading
13. BB may consider directors' training mandatory for all the directors of commercial banks including the directors of state-owned commercial banks
14. Security of ATM booths, card payment system and online fund transfer should be ensured
15. BB website's search engine should be upgraded with more advanced tools
16. BB should spend more energy to adopt a modern and scientific Human Resources Management and ensure adequate pool of resources with requisite functional, leadership and communication skills

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