



Government of the People's Republic of Bangladesh

Annual Performance Agreement (APA)

Between

The Secretary, Energy and Mineral Resources Division

And

The Chairman, Bangladesh Petroleum Corporation

2014-2015

২৫/১২/১৪
১০/১২/১৪

Table of Contents

| |
|--|
| Preamble |
| Section 1: Bangladesh Petroleum Corporation's Vision, Mission, Strategic Objectives and Functions |
| Section 2: Strategic Objectives, Activities, Performance Indicators and Targets |
| Section 3: Trend values of the Performance Indicators |
| Section 4: Description of the Performance Indicators, Implementing Department/Agencies and Measurement Methodology |
| Section 5: Specific Performance Requirements from other Ministries/Divisions |
| Section 6: Outcomes of Bangladesh Petroleum Corporation |

Preamble

The Annual Performance Agreement is made and entered into on/...../ 2015.

BETWEEN

The Chairman, Bangladesh Petroleum Corporation, representing Bangladesh Petroleum Corporation.

AND

The Secretary, Energy and Mineral Resources Division representing the Minister, Power, Energy and Mineral Resources.

The parties hereto agree as follows:

Section 1: Bangladesh Petroleum Corporation's Vision, Mission, Functions and Strategic Objectives.

1.1 Vision

Ensuring uninterrupted supply of Petroleum Products throughout the country in a reasonable price.

1.2 Mission

- Ensuring energy security for the country through import, acquire, refining & distribution of Petroleum Products.
- Developing Petroleum related infrastructures.
- Modernization of Operational activities.

1.3 Functions

- To acquire, import crude petroleum and other refined petroleum products;
- To refine crude petroleum and manufacture of various grades of refined products;
- To set up refineries and ancillary facilities;
- To plan and install petroleum (crude and refined) storage facilities;
- To determine allocation of petroleum products against the marketing companies;

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

| Strategic Objectives | Weight of Strategic Objective | Activities | Performance Indicator (PI) | Unit | Weight of PI | Target/Criteria Value | | | | |
|--|-------------------------------|--|-------------------------------------|---------|--------------|-----------------------|-----------|------|------|------|
| | | | | | | Excellent | Very Good | Good | Fair | Poor |
| | | | | | | 100% | 90% | 80% | 70% | 60% |
| (1) Import of crude oil, refined petroleum products and procure refined products from local sources. | 40 | [1.1] Import of finished petroleum products | [1.1.1] Finished Products imported | Lakh MT | 20 | 43.85 | 40 | 37 | 35 | 30 |
| | | [1.2] Import of crude oil | [1.2.1] Crude oil imported | Lakh MT | 15 | 13 | 12 | 11 | 10 | 9 |
| | | [1.3] Procurement of finished products from local sources. | [1.3.1] Finished Products procured | Lakh MT | 5 | 4 | 3.5 | 3 | 2.5 | 2 |
| (2) Processing crude petroleum and producing different grades of petroleum products. | 15 | [2.1] Processing of Crude oil | [2.1.1] Crude oil processed | Lakh MT | 10 | 12 | 11 | 10 | 9 | 8 |
| | | [2.2] Producing different grades of petroleum products. | [2.2.1] Mid distillate Collected | Lakh MT | 3 | 5.85 | 5.26 | 4.68 | 4.10 | 3.51 |
| | | | [2.2.2] Top distillate Collected | Lakh MT | 1 | 2.08 | 1.87 | 1.66 | 1.46 | 1.25 |
| | | | [2.2.3] Bottom distillate Collected | Lakh MT | 1 | 4.71 | 4.24 | 3.77 | 3.30 | 2.83 |

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)

| Strategic Objectives | Weight of Strategic Objective | Activities | Performance Indicator (PI) | Unit | Weight of PI | Target/Criteria Value | | | | |
|---|-------------------------------|---|-------------------------------------|------|--------------|-----------------------|-----------|------|------|------|
| | | | | | | Excellent | Very Good | Good | Fair | Poor |
| | | | | | | 100% | 90% | 80% | 70% | 60% |
| (3) Maintain sufficient stock & efficient distribution of Petroleum Products to ensure the energy security. | 30 | [3.1] Maintain sufficient stock of Petroleum Products | [3.1.1] HSD stocked | Day | 8 | 40 | 35 | 33 | 30 | 28 |
| | | | [3.1.2] Crude Oil stocked | Day | 3 | 25 | 22 | 20 | 18 | 15 |
| | | | [3.1.3] Jet A-1 stocked | Day | 2 | 30 | 25 | 22 | 20 | 18 |
| | | | [3.1.4] HSFO stocked | Day | 2 | 25 | 22 | 20 | 18 | 15 |
| | | | [3.1.5] HOBC stocked | Day | 1 | 40 | 35 | 33 | 30 | 28 |
| | | | [3.1.6] MS stocked | Day | 1 | 45 | 40 | 35 | 33 | 30 |
| | | | [3.1.7] SKO stocked | Day | 1 | 30 | 25 | 22 | 20 | 18 |
| | | | [3.1.8] LPG stocked | Day | 1 | - | - | - | - | - |
| | | [3.2] Distribution of Petroleum Products | [3.2.1] Retail Customer Distributed | LMT | 4 | 26 | 25 | 24 | 22 | 20 |
| | | | [3.2.2] Direct Customer Distributed | LMT | 2 | 15 | 14 | 13 | 12 | 10 |
| | | | [3.2.3] Agency wise distributed | LMT | 2 | 14 | 13 | 12 | 11 | 9 |
| | | [3.3] Enhance Storage Capacity | [3.3.1] Capacity increased | LMT | 3 | 0.50 | 0.45 | 0.40 | 0.35 | 0.30 |

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)

| Strategic Objectives | Weight of Strategic Objective | Activities | Performance Indicator (PI) | Unit | Weight of PI | Target/Criteria Value | | | | |
|--|-------------------------------|---|--|------------------------|--------------|-----------------------|-----------|----------|----------|----------|
| | | | | | | Excellent | Very Good | Good | Fair | Poor |
| | | | | | | 100% | 90% | 80% | 70% | 60% |
| Mandatory Strategic Objectives | | | | | | | | | | |
| *Improve Financial Management | 3.00 | Improve Compliance with the Terms of Reference of the Budget Management Committee (BMC) | Budget Implementation Plan (BIP) prepared and Quarterly Budget Implementation Report (QIMR) Submitted to Finance Division (FD) meeting FD requirements | Number of report | 1.0 | 5 | 4 | 3 | 2 | 1 |
| | | | Actual achievements against performance targets are monitored by the BMC on a quarterly basis | Number of BMC Meetings | 1.0 | 4 | 3 | 2 | 1 | -- |
| | | Improve audit performance | Percentage of outstanding audit objections disposed off during the year | % | 1.0 | 20 | 18 | 15 | 14 | 13 |
| *Efficient Functioning of the Annual Performance Agreement(APA) System | 2.00 | Timely submission of Draft APA for 2014-2015 | On-time submission | Date | 2.0 | 24/03/15 | 26/03/15 | 28/03/15 | 31/03/15 | 02/04/15 |

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)

| Strategic Objectives | Weight of Strategic Objective | Activities | Performance Indicator (PI) | Unit | Weight of PI | Target/Criteria Value | | | | |
|---|-------------------------------|---|---|---------------------|--------------|-----------------------|-----------|----------|----------|----------|
| | | | | | | Excellent | Very Good | Good | Fair | Poor |
| | | | | | | 100% | 90% | 80% | 70% | 60% |
| Mandatory Strategic Objectives | | | | | | | | | | |
| *Improve Service delivery to the Public | 6.00 | Implementation of Citizens' Charter(CC) | Preparation and approval of CC by the Ministry/Division | Date | 1.0 | 01/03/15 | 05/03/15 | 10/03/15 | 20/03/15 | 24/03/15 |
| | | | Publication of CC in website or others means | Date | 1.0 | 01/03/15 | 05/03/15 | 10/03/15 | 20/03/15 | 24/03/15 |
| | | Implementation of Grievance Redress System(GRS) System | Publishing names and contact details of GRS focal point in the website | Date | 1.0 | 01/03/15 | 05/03/15 | 10/03/15 | 20/03/15 | 24/03/15 |
| | | | Sending GRS report(s) to the Cabinet Division from January 2015 | Number of report(s) | 1.0 | 5 | 4 | 3 | 2 | 1 |
| | | Implementing Innovations | Implemented decisions of the innovation team | % | 1.0 | 100 | 80 | 50 | 30 | -- |
| | | | Unicode used in all official activities | Date | 1.0 | 31/12/14 | 31/01/15 | 28/02/15 | 31/03/15 | 30/04/15 |
| *Improve governance | 4.00 | Compliance with RTI Act and proactive disclosure | Percentage of information, mentioned in the RTI Act and related regulations, disclosed in the website | % | 2.0 | 80 | 70 | 60 | 50 | 40 |
| | | Preparation and Implementation of the National Integrity Strategy Work Plan | Preparation of NIS Work Plan for 2015 and get approved by the Ethics Committee | Date | 2.0 | 28/02/15 | 31/03/15 | 30/04/15 | 31/05/15 | 30/06/15 |

Section 3:

Trend values of the Performance Indicators

| Strategic Objectives | Activities | Performance Indicator | Unit | Actual Value for FY 12-13 | Actual Value for FY 13-14 | Target Value for FY 14-15 | Projected Value for FY 15-16 | Projected Value for FY 16-17 |
|--|--|------------------------------------|---------|---------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| (1) Import of crude oil, refined petroleum products and procure refined products from local sources. | [1.1] Import of crude oil | [1.1.1] Crude oil imported | Lakh MT | 12.92 | 11.77 | 12.50 | 12.00 | 12.50 |
| | [1.2] Import of finished petroleum products | [1.2.1] Finished Products imported | Lakh MT | 36.40 | 41.74 | 43.85 | 44.00 | 44.00 |
| | [1.3] Procurement of finished products from local sources. | [1.3.1] Finished Products procured | Lakh MT | 2.35 | 2.20 | 2.50 | 2.50 | 2.50 |
| (2) Processing crude petroleum and producing different grades of petroleum products. | [2.1] Processing of Crude oil including local condensate | [2.1.1] Crude oil processed | Lakh MT | 13.61 | 12.05 | 13.00 | 12.50 | 13.00 |

Section 3:

Trend values of the Performance Indicators (Continue...)

| Strategic Objectives | Activities | Performance Indicator | Unit | Actual Value for FY 12-13 | Actual Value for FY 13-14 | Target Value for FY 14-15 | Projected Value for FY 15-16 | Projected Value for FY 16-17 |
|---|--|--|---------|---------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| (3) Maintain sufficient stock & efficient distribution of Petroleum Products to ensure the energy security. | [3.1] Maintain sufficient stock | [3.1.1] HSD stock | Lakh MT | 3.257 | 2.563 | 3.20 | 3.80 | 4.50 |
| | | [3.1.2] Jet A-1 stock | Lakh MT | 0.497 | 0.227 | 0.48 | 0.50 | 0.50 |
| | | [3.1.3] HOBC stock | Lakh MT | 0.083 | 0.086 | 0.10 | 0.18 | 0.20 |
| | | [3.1.4] MS stock | Lakh MT | 0.123 | 0.115 | 0.15 | 0.18 | 0.20 |
| | | [3.1.5] SKO stock | Lakh MT | 0.339 | 0.240 | 0.35 | 0.40 | 0.40 |
| | | [3.1.6] HSFO stock | Lakh MT | 0.537 | 0.690 | 0.70 | 0.70 | 0.70 |
| | | [3.1.7] Crude Oil stock | Lakh MT | 1.294 | 1.302 | 1.30 | 1.30 | 1.30 |
| | | [3.1.8] LPG stock | Lakh MT | 0.0011 | 0.0012 | 0.0012 | 0.0012 | 0.0012 |
| | [3.2] Distribution of Petroleum Products | [3.2.1] Direct Customer Distributed to | Lakh MT | 14.50 | 16.95 | 17.50 | 17.50 | 17.50 |
| | | [3.2.2] Retail Customer Distributed to | Lakh MT | 22.88 | 24.58 | 25.00 | 25.50 | 26.00 |
| | | [3.2.3] Agency & LPG | Lakh MT | 13.46 | 13.31 | 14.50 | 15.50 | 16.50 |
| | [3.3] Enhance Storage Capacity | [3.3.1] Capacity increased | Lakh MT | 0.53 | 1.12 | 0.50 | 1.20 | 1.00 |

Section 4:

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

| SI No | Performance Indicators | Description | Implementing Department/Agencies | Measurement and Source of Data | General Comments |
|-------|-------------------------------------|---|----------------------------------|--------------------------------|------------------|
| 1 | Finished Petroleum Product Imported | Finished Petroleum Products are imported because domestic production is not sufficient to meet country's demand. | BPC | Annual Report of BPC | |
| 2 | Crude Oil Imported | Crude oil is imported due to no local source. | BPC | Annual Report of BPC | |
| 3 | Capacity Increased | Adequate Supply of liquid fuel is very important to meet the regular demand. For uninterrupted supply of oil, storage capacity is required to be increased. | BPC | Annual Report of BPC | |

Section 6:

Outcomes of Bangladesh Petroleum Corporation

| Outcome | Jointly responsible for influencing this outcome/ impact with the following organization(s)/division(s)/ ministry(ies) | Performance Indicator | Unit | Actual Value for FY 12-13 | Actual Value for FY 13-14 | Target Value for FY 14-15 | Projected Value for FY 15-16 | Projected Value for FY 16-17 |
|--|--|----------------------------|-------------------|---------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Uninterrupted supply of POL products throughout the country ensured. | <ol style="list-style-type: none"> 1. Finance Division 2. Planning Commission 3. National Board of Revenue 4. Bangladesh Bank 5. EMRD 6. Petrobangla | Per capita POL consumption | Kg oil equivalent | 32.88 | 35.03 | 32.68 | 31.34 | 29.88 |

Whereas,

Whereas,

I, the Chairman, Bangladesh Petroleum Corporation representing Bangladesh Petroleum Corporation commit to the Secretary, Energy and Mineral Resources Division, representing the State Minister of Power, Energy and Mineral Resources to deliver the results described in this agreement.

I, the Secretary, Energy and Mineral Resources Division, on behalf of the State Minister, Power, Energy and Mineral Resources, commit to the Chairman, Bangladesh Petroleum Corporation to provide necessary support for delivery of the results described in this agreement.

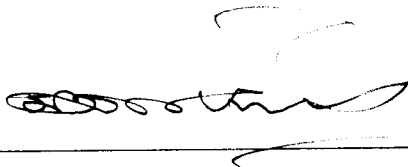
Signed,



Chairman
Bangladesh Petroleum Corporation

01.04.2015

Date



Secretary
Energy and Mineral Resources Division

1.4.2015

Date