

BANGLADESH

On behalf of the Aid Effectiveness Unit (AEU), Economic Relations Division (ERD), Ministry of Finance, Govt. of Bangladesh (GoB), we would like to take this opportunity to thank you and your colleague, the Co-Chair of the WP-EFF, for presenting us with this concrete proposal for actions to meet the commitments contained in PD and AAA. Our office has presented your letter to our Hon'ble Finance Minister Mr. A.M.A. Muhith.

We, the GoB and the Development Partners (DPs) are working in close collaboration in implementing the commitments contained in PD and AAA. As part of this process, in August 2008, the Government of Bangladesh (GoB) and 15 donors signed a Statement of Intent to develop a Joint Cooperation Strategy (JCS) in support of the national poverty strategy. The statement was based on the Paris Declaration commitments and prepared as an input into the Accra High Level Meeting on Aid Effectiveness in September 2008. Because, we believe that the AAA reinforces the need for all partners to improve aid management.

For your kind information I attach a 2-pager on the Joint Cooperation Strategy. This Strategy contains some specific action plan, which will be discussed further and modified. We believe, before 1 November 2009, we will be able to share the action plans with you. In addition we share the road map of AEU which contains specific action plans till the next HLF4 to be held in Korea.

However, against your specific recommendations/ideas, I am directed to share with you the following responses from our Government:

SI No.	Matter requested by WP-EFF	Action Taken/to be taken
1	Partner countries should explicitly discuss the issue of implementing the PD/AAA with all international actors, using existing country platforms (or establishing such platforms if one do not currently exist).	Local Consultative Group (LCG) is already in place and it is functioning smoothly under the leadership of ERD.
2	Partner countries are invited to share with the Working Party time-bound and specific action plans that address gaps between the present situation and meeting the PD/AAA commitments and targets.	Bangladesh Joint Cooperation Strategy (JCS) is under preparation, which is designed to include time-bound and specific action-plans.
3	Partner countries are invited to share the above plans with the Working Party as soon as possible and no later than 1 November 2009 in the form of email to claire.condon@oecd.org	Updates on Bangladesh JCS and its time-bound and specific action plans will be communicated within the stipulated time.
4	Donors, international organisations and other providers of development assistance are invited to share how they are implementing the PD / AAA commitments within their institutions. They are also invited to actively support partner countries in the above discussions at country level	Development Partners are invited on various occasions to share their initiatives in implementing PD / AAA commitments within their institutions

Bangladesh Joint Cooperation Strategy – At a Glance

Aid Effectiveness—the Joint Cooperation Strategy: In August 2008, the Government of Bangladesh and fifteen donors signed a Statement of Intent (SoI) to Develop a Joint Cooperation Strategy (JCS) in support of the national poverty strategy. The statement was based on the Paris Declaration commitments and prepared as an input into the Accra High Level Meeting on Aid Effectiveness in September 2008. The Accra Agenda for Action reinforces the need for all partners to improve aid management.

What will the JCS achieve? The overall goal of the JCS is to make aid in Bangladesh more effective by creating common platforms for national and sector dialogues and a nationally-owned change process for improving the delivery of aid. Key areas for improvement are: reducing project fragmentation and high transaction costs for all partners by strengthening national lead and coordination, focusing more on donor alignment to GoB priorities and systems, ensuring more accountability and predictability of aid flows and augmenting common agreement of expected development outcomes at national and sector levels for the coming years.

National ownership is essential to make aid more effective: Bangladesh needs to take the lead to make real structural and behavioural adjustments on aid policies and implementation. Political commitment is essential in conjunction with substantive improvement in national capacity.

The International community is committed to support GoB to make aid better: The development partners have signed up to support GoB in their efforts to strengthen aid management capacity and service delivery. International financial resources are available, but needs to be managed efficiently to ensure value for money with regard to delivery of real outcomes, such as poverty reduction, quality service delivery for all and improvements in people's wellbeing.

What has happened since Accra 2008? All the heads of the international development agencies/missions in Bangladesh met in November 2008 and agreed to work proactively to support GoB to make aid more effective. It was agreed that a constructive dialogue at national and sector levels, based on national priorities, are key to make development programmes work better. Meanwhile, the new Government has expressed its willingness to work closely with the partners. Over the last few months, GoB has participated in several international aid effectiveness events and has agreed for Bangladesh to be part of the Paris Declaration Evaluation 2010, followed by next DAC Survey 2011 and the High Level Meeting on Aid Effectiveness in South Korea 2011.

What¹ needs to be done? The GoB led JCS Working Group has started various JCS-related consultations and recently drafted a JCS paper outline and a detailed JCS Action Plan. The overall success criteria with regard to results would be “regular national dialogues based on a well consulted, realistic and mutually agreed JCS paper with clear aid effectiveness outcomes in support of a prioritised, operational and resourced national poverty strategy”. Key challenges are the articulation of PRS/National Plan process, the low level of donor usage of GoB systems, very slow move towards harmonisation through better donor sector/programme allocations (Division of Labour) and weak GoB/DP capacity to implement, monitor and evaluate performance.

High level commitment is needed to improve aid effectiveness: A shared commitment between GoB and the donor community is now needed to take the JCS process further, by setting up a clear framework for regular dialogues and approving the suggested process to finalise the strategy by 2010 in consultations with all stakeholders.

¹ Please refer to GoB-Donor JCS Road Map and the JCS Action Plan for further details on the planned tasks, process and expected outcomes. Further documents can be found on the website: www.lcgbangladesh.org.

Road Map of Aid Effectiveness Unit (AEU), ERD: 2009-2011

1. Introduction

While gains have been made since the Rome Declaration of 2003 and the Paris Declaration 2005, the 2008 Accra Agenda for Action (AAA) acknowledges that progress was not made enough in implementing the Aid Effectiveness Agenda of Paris Declaration. Much more needs to be done to ensure that the 2010 commitments on the quantity and quality of aid are met. The bottlenecks and challenges have been identified during the Accra High Level Forum (HLF) and the AAA focuses on those areas more explicitly (for example, in paragraph 15 on donors making more use of country systems and paragraph 23 for donors and partner countries on incentives to insist on delivering results)².

The Government of Bangladesh (GoB) and Development Partners (DPs), by and large, agree that the overarching challenge for aid is its effectiveness in achieving the greatest impact on poverty. People involved in aid management at the country level believe that headquarter-formulated rhetorical commitments have had little impact on actual behaviour at the field level. A proactive role in systematically integrating aid effectiveness into national planning, programming and reporting mechanism is perceived by stakeholders to be the central issue. The **Aid Effectiveness Unit (AEU)** (**previously known as PRS-HAP Cell**) in the Economic Relations Division (ERD) of the Ministry of Finance was created in June/2006 as a focal point to assist GoB in implementing the Paris Declaration on aid effectiveness and to ensure concerted efforts in achieving positive outcomes from the National Strategy for Accelerated Poverty Reduction (NSAPR) through a harmonised action plan. GoB and DPs are committed to rally around this focal point in order to implement the commitments of the Paris Declaration and AAA.

The AEU has prepared a Road Map (Annex-1) for the period January 2009-October 2011. The Road Map (**a living document**) briefly describes the planned activities of the Unit and sets a time frame for their completion.

2. Objectives of the Road Map

The main objectives of the Road Map are to help in:

- a. achieving outcomes from mandated activities within a stipulated time frame
- b. realising capacity development initiatives of concerned stakeholders
- c. disseminating the aid effectiveness agenda to all stakeholders
- d. ascertaining the need to engage consultants to complement the human resources available within the Unit

Other objectives of the Road Map include the following:

- identifying the knowledge gaps about how to make aid work better;
- strengthening knowledge and information systems on aid and capacity development, drawing on the growing body of knowledge of international and country level good practice;
- raising awareness of senior government officials and political groupings about the importance of aid effectiveness;

² The Accra Agenda for Action, 3rd High Level Forum for Aid Effectiveness, September 2-4, 2008, Accra, Ghana

- facilitating country-led planning to enhance government capacity for using sector organizational performance tools, incorporating sequencing of critical capacities and mapping of aid priorities and modalities.

3. Planned Activities

The main planned activities of the AEU along with a time line are shown in Annex 1. These activities, which have been grouped into nine categories, are briefly described below. Reference has been made in the text to the serial numbers of planned activities as they appear in Annex 1.

A. *Development of a Joint Cooperation Strategy for Bangladesh*

The AEU is now serving as the Secretariat for developing and implementing the Joint Cooperation Strategy (JCS) agreed upon by GoB and 15 DPs in the Statement of Intent (SOI) signed in August 2008. JCS is conceptualised as a commitment to reduce poverty and promote prosperity by building stronger, more effective partnerships based on such fundamental principles as ownership, alignment, harmonisation, managing results and mutual accountability. The strategy is envisaged to be a living document consisting of many action plans and milestones. The AEU, with support from the JCS Working Group, formulated a Road Map for developing the Joint Cooperation Strategy (see Annex 1, component A).

The Road Map (**a living document**) envisages sixteen major activities for developing the Joint Cooperation Strategy. The first two activities – “Preparation of an outline of the JCS Paper” (A1) and “Workshop on JCS and Government Ownership” (A2) – have already been completed. In addition, a report has been drafted on “Scoping Study on GoB Project Approval (TPP/DPP) Procedures” (A5), which is currently being finalised.

The next planned activities include holding consultations with GoB officials of various ministries (already started) and representatives of the Local Consultative Group (LCG) on the process of developing JCS and its contents (A3). In addition, a “Workshop on JCS for Joint Secretaries (policy level tier of GoB)” (A4) is planned to be held in July 2009. Inputs from the consultations and the workshop will feed into the drafting of the JCS Paper (A7), which has already started in early May 2009.

The drafting of the JCS Paper will be done by members of the JCS Working Group and experts in close consultation with representatives of GoB, DPs, Civil Society and other stakeholders. Various other activities – e.g. “Partnership Principles” (A6), “More effective aid through division of labour” (A8), etc. – will feed into the process. The first draft of the JCS Paper (A12) is expected to be completed in December 2009, after which widespread dialogues will be held with major stakeholders (A13). Their feedback will be incorporated in the second draft, which will be due at the end of March 2010. After a second round of dialogues and discussions, the JCS Paper is planned to be finalised and signed by the end of May 2010.

B. *Capacity development support for AEU and relevant line ministries*

In order to develop the capacity of AEU and relevant line ministries, a core group of 15-20 government officials will be formed and provided Training of Trainers (TOT) on aid management (B1). This core group will then be entrusted to give the same training to around 120 officials from 40 ministries/divisions /departments (B2). In addition, another 120 officials at the field level, who are responsible for project/programs implementation, will be trained up by the core group (B3). The training will focus on the Paris Declaration/AAA principles of Ownership and Alignment and the topics will concentrate on areas like National Strategy for Accelerated Poverty Reduction (NSAPR), Public Financial Management, Procurement, and Monitoring.

C. *Implementation and follow-up of JCS*

In order to monitor and follow-up on JCS, the AEU will review the implementation of the strategy at regular intervals during the period June 2010 - July 2011. Monthly, quarterly and annual reviews (C1, C2, and C3) will be held for this purpose.

D. *Paris Declaration evaluation*

The Paris Declaration Evaluation- phase II at the country level is scheduled to start in January 2010 and end in October of that year. The AEU will be deeply involved in this task. The major activities include development of country specific Terms of Reference (D1), appointment of consulting firm for carrying out the evaluation (D2), drafting of the first, second and final versions of the evaluation report (D3, D5 and D7), holding two rounds of dialogues on the report with stakeholders (D4 and D6) and obtaining the approval of the Govt. of Bangladesh (e.g. Hon'ble Finance Minister).

E. *Paris Declaration monitoring*

For monitoring the implementation of the Paris Declaration, the third Bangladesh DAC Survey will be held during January-June 2011. The activities of AEU in this exercise will be very similar to those mentioned in Section C above.

F. *Local Consultative Group (LCG) and related issues*

An important part of JCS is to improve dialogue between GoB and DPs. To this end, the last LCG plenary, held on 14 May 2009 (F2), will play an important role. The process of LCG restructuring will be agreed with LCG plenary and taken forward in close cooperation with GoB (F1). The objective is for LCG to support Bangladesh achieve the NSAPR and MDGs in an effective manner (“doing the right things in the right way”).

G. *Meetings and workshops*

The AEU will organise and, in many cases, host a number of regular meetings during the planned period. These meetings include:

- JCS Working Group meetings
- JCS Steering Committee meetings
- Small Working Group/Task Team meetings

In addition, the Unit will organise and manage a number of workshops/trainings related to aid effectiveness and JCS. Officials of ERD and the AEU will participate in workshops at home and abroad and the Unit will prepare necessary presentations/materials for participating in those workshops.

H. *Preparation for mid-term HLF in Columbia*

The AEU will take all necessary preparations (e.g. drafting articles, presentations, reports, etc.) for participating in the mid-term HLF to be held in Columbia in 2010 (called as South-South Cooperation).

I. *Preparation for 4th HLF in Korea*

The AEU will take all necessary preparations (e.g. drafting articles, presentations, reports, etc.) for participating in the 4th HFL to be held in Korea in 2011.

4. Outcomes and Deliverables

The expected outcome of the AEU, ERD, including the JCS Working Group, is more effective management of aid in Bangladesh as evidenced in upcoming Paris Evaluations-Phase II and DAC Survey. The overall goal is improved poverty reduction and positive movements towards the MDGs. Key deliverables to make that happen are:

- The Joint Cooperation Strategy Paper(JCSP) agreed between GoB and DPs
- JCSP implementation and taken into action.
- Capacity development of government institutions and officials
- Dissemination of Aid Effectiveness Agenda
- Paris Declaration Evaluation -2nd Phase
- Monitoring the DAC Survey-2010
- Commitment of Bangladesh in implementing Paris Declaration and AAA.

5. Conclusion

The Road Map shows that a wide range of activities are planned to be undertaken by the AEU during 2009-2011. With two technical officers working in the Unit, it will be necessary to engage consultants on part-time and long-term basis and make available a pool of consultants/consulting firms for upcoming tasks. It will also be necessary to allocate resources (from donor side) for implementing the planned activities in time. The members of the JCS Working Group will also play an important part in supporting the AEU over the coming two years.