

## Workshop – Unfinished business: Moving forward to meet the Busan commitments

### Session I: Ownership and results – How to accelerate progress in strengthening country systems through greater use?

#### Objective :

The objective of this session was to discuss the results of the Global Partnership Monitoring Report on the use and strengthening of country systems as well as on the ownership and results principles. The session also aimed at getting a better understanding of what drives progress in this area, based on the experience of partner countries as well as bilateral and multilateral donors.

#### Speakers:

- *Moderator - Neil Cole, Executive Secretary, Collaborative African Budget Reform Initiative (CABRI)*

The Moderator recalled the commitments of the Busan Partnership agreement in relation to the use and the strengthening of partner systems, including the commitment to “use country systems as the default approach” and to “assess jointly country systems using mutually agreed diagnostic tools”. He presented the main results since Busan indicating that some progress has been made, but that stagnation and sometime deceleration of the use of country systems (UCS) has been identified. He also mentioned that the correlation between the strength and the use of country systems was not always clear. On a more positive note, the moderator pointed out to the openness for dialogue on the country level, before introducing and questioning the panellists on: (1) their experience in strengthening and using country public financial management and procurement systems; (2) the drivers for greater use of country systems as well as (3) approaches and processes to support the country systems and commitments and address the challenges.

- *Muhammad Musharraf Hossain Bhuiyan, Cabinet Secretary for all of Govnment, Bangladesh*

Mr Bhuiyan identified three practical ways for development partners to UCS in their development cooperation: (i) use of country public financial management and procurement systems (ii) use of country aid information management systems (iii) use of country results frameworks. Mr Bhuiyan underlined the need to introduce strong joint monitoring and evaluation in order to avoid fiduciary risks. In order to strengthen ownership, leadership and use of country systems, recipient countries need strong policy and legal frameworks as well as strong institutions and individuals, according to the Cabinet Secretary.

- *Pamphile Muderega, Permanent Secretary, National Aid Coordination Committee, Burundi*

Mr Muderega highlighted the efforts by the Government of Burundi to strengthen its public financial management and public procurement systems. In spite of these efforts not all development partners are using the national systems. According to Mr Muderega, good governance as well as

coordination systems between the partner country, the development partners and civil society are crucial in order to achieve some progress in this area.

- *Brian Baldwin, Senior Operations Management Adviser, IFAD*

Mr Baldwin stressed the importance of setting up legal frameworks looked up by all the ministries in order to improve the UCS. He pointed out to the specific challenges of Fragile States, where ownership needs to be increased despite the lack of strong public financial management and procurement systems. According to Mr Baldwin, the increased use of CSOs, linked with the identification and the management of risks, may be a solution in this context. He finished his intervention by underlining the importance of results as well as the strengthening and the use of national results-management programmes, including the monitoring capacities of Parliaments.

- *Noumea Simi, Assistant CEO, Aid Coordination Unit, Ministry of Finance, Samoa*

Ms Simi shared the collective approach developed in the Pacific Region to improve on the UCS. She introduced the importance of partnerships and trust built over the years between partner countries and development partners. These partnerships and trust translate, in the case of the Pacific Region, in agreed frameworks and modalities of support. She stressed the progress so far, but also the importance of continued support by donors to build the capacities of local systems.

- *Ronald Meyer, Head of Division, Cooperation with countries and regions, Federal Ministry of Economic Cooperation and Development (BMZ), Germany*

Mr Meyer introduced the importance of donor incentives in order to take more risks and increase the UCS. According to Mr Meyer, it is a political exercise that needs to be undertaken by donors to convince their electorate that using country systems is worth the risk. He explained that German Development Cooperation is looking beyond the strength of local public financial management systems for the use of budget support and that UCS has to be adapted to the modalities of development cooperation. The introduction of specific monitoring procedures on the UCS can create necessary incentives as well as increase the pressure within the development agencies.

### **Main conclusions and messages for next steps:**

- **Need to move from fiduciary risk to effectiveness:** The discussion showed an agreement among the participants on the importance of looking beyond fiduciary risk and broadening the understanding of country systems, including issues of ownership, leadership, accountability, monitoring and evaluation. Against this background, indicators to measure the strength of public management systems beyond PFM seem to be needed. Participants also agreed to look beyond budget support as the modality of choice for UCS and that all modalities can be a basis for stronger UCS.
- **Need for partnerships built on trust:** The panel highlighted the importance of local partnerships built on trust in order to make progress on the use of country systems. According to the participants, an increased delegation of authority by donor headquarters to country decision-making process (in line with the 'global light and country heavy' slogan of the Global Partnership) to enable country offices to be transparent, provide necessary planning information and manage risk.
- **Need for structured dialogues:** One option to build partnerships and trust between partner countries and development partners is the introduction of structured dialogues around an agreed set of issues. In this context, the joint CABRI-US initiative developed in the framework of the Effective Institutions Platform to support 'Country Dialogues on using country systems' was mentioned.