

**Country dialogue on Using and Strengthening Local Systems: a focus on Bangladesh
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With support from the Joint Secretariat and champions, EIP members are making progress in rolling out country dialogues on using and strengthening local systems. These country dialogues are currently underway in Senegal (in collaboration with CABRI) and Bangladesh (in collaboration with the Asian Development Bank). Demand has been expressed to work with Samoa and Cook Islands in collaboration with the Pacific Island Forum Secretariat (PIFS) and with Somalia and Afghanistan as part of collaboration with the International Dialogue on Peacebuilding and Statebuilding. Other members, such as Rwanda and Uganda, have offered to share their practices as to how they have been able to make progress with this issue.

Dialogues will help us to better understand how aid can be integrated into government systems, enable us to document good practices and disseminate these back to the Platform and the wider development community. As dialogues bring together various stakeholders to build consensus and strengthen collaborative approaches, they are an opportunity to test the effectiveness of peer learning in enacting change.

The Government of Bangladesh, committed to the global development effectiveness initiatives and its effort to localize the promises made globally, is now working to conduct a Country Dialogue for Using and Strengthening Local Systems in association with Effective Institutions Platform (EIP).

The Government has been implementing reform programmes to improve Public Financial Management (PFM) since 1992. However, the results so far achieved are mixed. The Busan Monitoring 2014 Progress Report showed no significant progress in the use of country systems between 2010 and 2013. The discussions during the HLM of the GPEDC in Mexico (April 2014), to which Bangladesh actively contributed, stressed the need for progress towards use of country systems and that this should be anchored in country dialogues that generate trust and partnerships that are mutually beneficial.

Against that background and being an active member of the EIP, also sitting on its Advisory Group, Economic Relations Divisions (ERD), Ministry of Finance is committed to lead the process. With the country dialogue the government wants to understand why the PFM reform this far have not resulted in increased use of country systems and also to ensure the use of country system is considered as the first option in every new development program. Leveraging EIP's neutral role and as an outside facilitator the dialogue would like to unearth the determining factors for which the previous reforms have had limited success, before designing a new reform package. It is expected that the exercise would open up the existing dialogue on PFM to a wider range of actors who have a strong stake in PFM (for example ERD, climate DPs etc.).

A fact finding mission has already been organized by the Effective Institutions Platform Secretariat and the ERD. The mission took place from 21-26 August 2015. The mission is the first step of successive dialogues between development partners (DPs) and the GoB, focusing on the dimensions of UCS where there are opportunities (political and technical)

for progress and integration of aid to local systems. The mission aimed at identifying the point of view of DPs and the GoB about the opportunities and constraints for additional progress in the use of country systems and integration of aid in the budget cycle, as well as sketching the next steps of the process. The EIP mission conducted meetings with 7 Donor Partners (Australia, European Union, Canada, USAID, World Bank, ADB and DfID), 6 government officials and 1 consultant team. The timing of the mission was also appropriate as the government was issuing its 7th Five Year Plan (the national development strategy) and DPs had to align their country programmes to the strategy. The Government has planned for the preliminary dialogue tentatively on 17-21 January 2016 to focus on the lessons learned on the UCS so far and identifying areas for additional progress and build in complementarities with the formulation process of the new PFM strategy.