

Bangladesh PRSP Implementation Forum

Session 4: Good Governance

Speaking Notes on Issue 5: Improving Implementation Capacity; stronger, more transparent public administration

Introductory Remarks

The PRSP notes that implementation problems are the bane of poverty reduction. Implementation problems can easily mean that the PRSP's ambitious vision remains just that – a vision.

This intervention focuses on two key issues relating to implementation capacity, and offers practical suggestions to address them, including actions that can be achieved in the next 12 months:

ADP reform

The PRSP notes that an indicator of weak implementation is the consistent burden of under-completed and under-funded projects within the Annual Development Plan (ADP). For development partners considering the need for increased external support for poverty reduction in Bangladesh, this is a major concern. What use are greater resources if they cannot be spent?

So, what action can be taken in next 12 months? Can we agree a target for ensuring measurable improvement in the 2006-2007 ADP? This would mean taking action before the new financial year. Practical steps could include the following:

(a) Ensure that the ADP only includes projects that can be paid for, and that can, and will, be achieved. All projects could be categorised according to their approval-, funding-, and performance- status. Projects/Programmes that are not approved, or for which effective threshold level of resources are not available could then be screened out.

(b) Ensure that funds are spent by addressing the major barriers to expenditure; i) remove projects that should realistically be under 'future' expenditure; ii) strengthen public administration capacity; iii) take unequivocal sanctions against projects with persistently poor progress rates; and iv) address the procurement difficulties that cause delay, cost escalation, and leakage.

(c) Set challenging targets for project completion and fund utilisation (such as actual expenditure as percentage of ADP) and monitor performance – for example at future PIFMs.

Development partners are ready and able to support ADP reform. We could build on existing support for the roll-out of Medium Term Budget Framework under Financial Management Reform Programme (FMRP) – which is also included as a target in the monitoring matrix of the PRSP.

Public Administration Reform

Under Public Administration Reform, PRSP sets out wide ranging priority actions. Transforming public administration is a long-term challenge. However, we need to start somewhere. The report of the Public Administration Reform Commission (PARC) provides a useful basis for a meaningful action plan, and initiatives - including those supported by donors - are already underway.

The World Bank is supporting policy development for a 'Senior Civil Service' in Bangladesh. Japan is supporting capacity building in Bangladesh Public Administration Training Centre (BPATC). DFID support for the project 'Managing at the Top 2' (or 'MATT2') is now approved, aiming to support incremental administrative reform and performance improvement. This includes creating a critical mass of reform-minded civil servants to generate and demand administrative reform from inside the civil service.

In the next 12 months, we can commit to ensuring co-ordination and timely delivery of these initiatives. For example, MATT2's inception phase should be completed in August 2006 and will draw out feasible actions on reform for the duration of MATT2 (5 – 7 years). We can agree to ensure that this deadline is kept. We can also commit to a decision and action plan on the Senior Civil Service well before PIFM 2006.

In conclusion, Honourable Minister and Chair; implementation problems could easily mean that the PRSP's ambitious vision remains just that – a vision. However, I am happy to pledge that the development partners are ready and able to support the Government to ensure that real, practical progress in improving implementation capacity; and ensuring stronger, more transparent public administration; is made in the next 12 months.