

## Project Sheet

### **Decentralisation and Subnational Public Financial Management in Bangladesh**

in the framework of the Sharique Programme:

[https://bangladesh.helvetas.org/en/projects\\_bangladesh/local\\_governance\\_programme\\_sharique/](https://bangladesh.helvetas.org/en/projects_bangladesh/local_governance_programme_sharique/)

Consultant: Stefan Pfäffli

Sharique operates in Bangladesh where it works in the districts of Rajshahi, Sunamganj, Chapai Nawabganj and Khulna with 207 local governments, Union Parishads (UP), and 29 Upazila Parishads (UZP) one level higher. The programme is supported by the Swiss Development Cooperation SDC and implemented by Helvetas Swiss Intercooperation. It is a major goal of Sharique to make governance work for the poor, women and marginal groups.

Capacity building support to UP and UZP in planning and budgeting, tax revenue generation, administrative and financial management is one of the main activities of Sharique. The HSLU consultant, Stefan Pfäffli, started to support Sharique's PFM intervention in 2014. His mandate is ongoing.

#### Major PFM achievements

- **PFM training curriculum:** With technical support by the HSLU consultant and in collaboration with local experts and practitioners, Sharique elaborated a PFM training programme for Union Parishads. This programme consists of 5 modules: (1) budget formulation, (2) budget implementation, (3) procurement, (4) accounting, reporting and control, (5) budget analysis. The modules are prepared by the National Institute for Public Finance IPF which is affiliated to the Ministry of Finance of Bangladesh. Technical support is provided by a national senior expert and by the HSLU consultant. All five training modules are prepared and field-tested. A cascading approach was utilized to deliver the trainings. Firstly, IPF acts as master trainer and trains the field trainers; the field trainers conduct the training at UP level. To launch the support intervention, the HSLU consultant made a field assessment in fall 2015 to appraise the impact on local PFM practices after the first round of trainings with a positive result. In 2016, the training courses were edited by the HSLU consultant, published by Sharique, and made ready for roll-out country-wide in collaboration with National training institutions. In 2017, a PFM handbook for local governments in Bangladesh will be prepared and published together with the five training modules to complete the training package.
- **Current PFM practices in Bangladesh are still highly deficient.** This is not only the case because of lacking local capacities; it is also the result of inappropriate or insufficient rules and regulations. Based on findings from the field and supported by the HSLU consultant, Sharique prepares the ground at National level for a local PFM reform. Major reform issues that need to be addressed are the comprehensiveness of local budgets, budget classification, budget documentation, internal control, reporting, and external audit. By conducting the PFM trainings, additional issues of deficient current local PFM practices are identified through discussions with the participants of the trainings. It was also suggested that a national coordination of local PFM reform activities is needed. Ideally, this coordination should be based on a sub-national PEFA assessment and on a corresponding Sub-national PFM reform action plan. Gradually, the awareness of key actors at the national level seems to be growing as an effect of the on-going interventions.