

BANGLADESH: NATIONAL POLICY ON DEVELOPMENT COOPERATION

Background

Bangladesh has achieved significant development progress in recent years due to remarkable improvement in domestic resource mobilization (DRM), prudent policy approach in fiscal management and the emergence of a resilient and vibrant private sector. Steady economic growth of the country has contributed to reducing country's dependence on foreign assistance which was high during the first two decades after independence. Despite sustained economic progress and private sector's strong role in national economic development, development assistance still can play a catalytic role in Bangladesh's economic and social development. But, it is often argued that development aid is constrained by a distinctive set of challenges which requires a systematic policy approach to overcome.

At the global level, building on past experiences the international community has been striving to harness benefits of development assistance and accordingly several high level meetings on development cooperation set out clear commitments to be adhered to both by providers of development assistance and partner countries. Bangladesh, as an active member in global discussions and dialogues, is highly committed to the international declarations and commitments relating to aid and development effectiveness, effective development partnership and sustainable development goals (SDGs). On the other hand, Bangladesh adopted the **Vision 2021** that seeks to transform the economy into middle-income country category by 2021. The Vision 2021 is being translated through several five-year plans setting out critical development goals and objectives. Accompanied by the global commitments to development effectiveness, the Government is also undertaking measures to overcome the constraints that hinder development assistance performing well.

In addition, significant changes and shifts have taken place in foreign assistance landscape in recent years. Along with traditional development partners, some southern countries have emerged as important source of economic and technical cooperation for the Global South including Bangladesh. In the wake of severe challenges caused by climate change, climate financing is emerging as an additional complementary window of development financing which is expected to have larger implications on overall foreign assistance and interventions to ensure sustainable development within the SDGs and Bangladesh's perspective plan context. On the other hand, there is agreement both at national and global discussions for enhanced transparency and accountability of foreign assistance through making all type of aid data public.

All these changes— both at the country and international level— underline the necessity of a concrete and coherent policy response from the Government to use foreign assistance in a more effective and

efficient way to support the economic development of the country and ultimately realize greater development results. Institutional arrangements, dialogue mechanisms and partnership modalities regarding resource mobilization, allocation, delivery, reporting and monitoring already exist in Bangladesh but they are spread over several Government documents issued at different times and covering many issues, sometimes based on practice rather than policy. In this context, there is a need to develop a policy document to handle foreign assistance strategically, according to the country's own development objectives and priorities. The National Policy on Development Cooperation (NPDC) shall therefore be a consolidated policy framework for mobilizing and managing foreign assistance in Bangladesh.

It is also expected that a consolidated document shall apprise all parties concerned in foreign assistance delivery and management the guiding principles, work approaches and administrative systems. It may also help all to perform their role in a more systematic, coherent and smooth way. The Policy should be more supportive to different line Ministries/Divisions of the Government to know global and national underpinnings for making foreign assistance deliver better results and serve national interests.

PART I: INTRODUCTION

1.1. Name and Commencement

The name of the Policy is 'National Policy on Development Cooperation'. The Policy shall come into effect from the date of approval by the Government.

1.2. Goal of the Policy

The goal of the National Policy on Development Cooperation (NPDC) is to ensure that foreign assistance follows national development priorities as determined by national development plans and strategies and supports the country's development efforts to bring benefits to the lives of the people.

1.3. Objectives of the policy

The following specific objectives of this Policy shall be maintained while managing and implementing foreign assistance at the country level.

- (1) To provide a **coherent and integrated institutional and policy approach** to foreign assistance coming in different forms and modalities to ensure that it is need-based and result-oriented and does not pose any challenge or risk to macro-economic stability including debt sustainability; and security and integrity of the country;
- (2) To ensure **alignment of foreign assistance** with national developmental priorities and country systems;
- (3) To ensure **results** of assistance by effective utilization thereof.

1.4. Scope and applicability

The Policy shall be applicable to the mobilization and effective utilization of foreign assistance in Bangladesh. The Policy provides guidance to support implementation of domestic and international commitments for development cooperation and its effectiveness. Foreign assistance in this Policy include ODA¹ (grants and concessional loans), vertical funds² and funds from international foundations³, climate-funds, aid for trade, non-concessional loans, commercial borrowings for public undertakings, and other sources of cooperation such as south-south and triangular cooperation and any form of cooperation commensurate with qualifications of foreign assistance. Remittances and FDI though elements of development cooperation in broader sense, shall remain out of the purview of this Policy. IMF credits, special borrowings by the Ministry of Food, Bangladesh Shipping Corporation, Bangladesh Biman, Bangladesh Petroleum Corporation, assistance for defense and special assistance during disaster and natural calamity shall remain beyond the scope of this Policy.

1.5. Management of the policy

In consonance with the Government's Allocation of Business, Economic Relations Division (ERD) of the Ministry of Finance shall be the main agency to ensure the implementation of this Policy. ERD shall also be the principal administrative Division for proposing any amendment, alteration or revision in the Policy in future for approval by the Government.

1.6. Partnership Management and Communication with Development Partners (DPs)

The primary role of development partnership management and communication and liaising with development partners for financial and technical assistance on behalf of the Government shall be vested in ERD in accordance with its role mandated in the Allocation of Business. Therefore, all proposal seeking foreign assistance for public sector, irrespective of volume, modality and form, shall be communicated to development partners through the ERD. Line ministries should communicate with development partners after the final negotiation and or approval of projects and programs. In such cases, line ministries shall keep ERD informed of the communication to ensure coordination and coherence in communication and engagement. ERD shall maintain strong collaboration and consultation with different Sector Divisions of the Planning Commission and line Ministries/Divisions to ensure that national priorities are rightly reflected and protected in financing proposals and to ensure effective negotiation with development partners.

¹ As defined by the Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD).

² For example, the Global Alliance for Vaccines and Immunization (GAVI), and the Global Fund for AIDS, Tuberculosis and Malaria (GFATM)

³ For example, Bill & Melinda Gates Foundation, Open Society Foundations, Ford Foundation, United Nations Foundation etc.

PART II: KEY STRATEGIC PRINCIPLES TO BE PRACTICED IN DEVELOPMENT COOPERATION

This Policy argues that the importance of development assistance for the country does not lie in its volume, but in its quality and effectiveness. It aims to establish development cooperation based on mutual respect and shared priorities of promoting inclusive, sustainable and equitable partnership based on country development priorities and strategies. The Policy therefore, proposes the following strategic principles to be practiced in foreign assistance negotiation, management and implementation.

2.1 Country Ownership

All development interventions, be they funded by domestic or external resources, should be based on the priorities set by the national development planning and budgeting documents and systems. The Government shall lead the foreign assistance process in accordance with global agreements and consensus expressed and adopted in several high-level global forums and meetings on development effectiveness. In practical sense, the Government shall ensure that foreign assistance follows the country needs and priorities. Therefore, all line ministries shall ensure that development interventions under foreign assistance are implemented under their direct policy and administrative leadership and guidance.

2.2 Alignment and Harmonization

The Development Partners (DPs) shall be required to programme their support to the country over a multi-year timeframe synchronized with the planning system of the country. They shall align their support with strategic development priorities of the country. Foreign assistance shall be implemented through country procurement and public finance systems and institutions as much as possible and use of parallel or special implementation unit (PIU) shall be highly discouraged as it undermines national ownership. Project staffs shall be accountable to and work under the direct guidance of implementing Ministry/agency's leadership. All DPs shall follow to the extent possible common reporting procedure.

In any exceptional case, where country procurement system may not be applied, the relevant line Ministry by substantiating the reason shall make the decision according to the specific nature of the case. However, in such case, the line Ministry(s) shall consult ERD before making its own decision.

2.3 Transparency

All data regarding foreign assistance, both on-budget (implemented by Government ministries and agencies) and off-budget (implemented by CSOs, NGOs, private sector, academia, research institutes etc.), shall be publicly accessible. ERD's online Aid Informational Management System (AIMS), which is compliant with the International Aid Transparency Initiative (IATI) standards, shall be the primary means of data reporting, sharing and display. High-level global forums on development cooperation stipulate that donors should provide timely, transparent and comprehensive information on aid flows. Even in a case where real fund transfer is not taking place because of the nature of the work, the amount of fund reported against the country shall have to be reported to AIMS.

2.4 Sustainability of Results

At project or programme level, interventions shall be contextualized with national and/or sector policy and be designed, from the beginning, for ownership by a Government agency and for eventual hand-over of project outputs to the Government actors, as appropriate, to ensure sustainability of results. Where relevant, project achievements and initiatives should easily be absorbed in the Government's recurrent budget after project closure, to avoid the need for continuous dependence on DP funding. Every DP intervention should come with a clear exit strategy as part of knowledge management, encouraging replication of good practices.

PART III: DEVELOPMENT COOPERATION MANAGEMENT

3.1 Determining Assistance Modalities and Approach

Development assistance is channeled through different modalities; however, not all modalities are equally preferred. Therefore, the aid modality shall be determined considering the objectives and priority of any given development project/programme having complied with key strategic principles of development cooperation. Following is the Government's policy directives to determine the appropriate financing modality and approach.

As a general principle, the Government will discourage any or all offers of foreign assistance where it considers transaction costs to be unacceptably high, alignment to Government priorities to be insufficient, conditionalities to be excessive and contrary to existing laws, rules and policies of the country, and inadequate compliance with the principles and modalities of this policy. In the same tenor, Government strongly discourages all forms of tied loans.

A. AID MODALITY

BUDGET SUPPORT: Government encourages its partners to provide foreign assistance through **budget support** or **sector budget support** to increase Government ownership, promote alignment to national priorities and strengthen Government systems to the maximum extent possible and to avoid aid fragmentation.

GRANT: Another important aid modality is grant. While grants seem to be the softest form of assistance as no repayment is required, it entails some challenges also as sometimes country ownership may be compromised. Therefore, ownership principles and guidelines outlined in this policy must be strictly applied while receiving grants.

CONCESSIONAL LOANS: Government's another preferred modality is concessional loan which is delivered at lower than the market rate of interest with more grace periods. Concessional loans particularly can be helpful to address a lack of long-term financing (for example, education, roads and bridges, irrigation, railway, urban infrastructure etc). Loans having a grant element of at least 25% and other concessional elements may be considered as Concessional Loan.

GLOBAL/VERTICAL FUNDS: Government shall take effective measures to take benefits from **global or vertical funds** managed for specific objectives. The Sector Divisions of Planning Commission will adopt appropriate measures to align vertical funds with sector plans, and to bring such assistance within the budget system of the country. Financial flow under vertical/global fund shall have to be reported to ERD via AIMS. Sectoral line ministries shall ensure that projects with assistance from global/vertical fund being implemented by non-Government agencies are consistent with country development priorities and reporting back to Government systems.

NON-CONCESSIONAL LOAN: While Government's priority is concessional loans, **non-concessional loans** may be pursued only for priority projects/programmes of the Government under certain conditions and only in exceptional cases. All non-concessional loans must require approval of the Standing Committee on Non-concessional Loan constituted under the leadership of the Finance Minister. The Committee shall also consider overall debt sustainability of the country by analyzing different indicators of debt sustainability, and put its formal comments while approving any such loan. In this regard, Finance Division in collaboration with ERD, Internal Resources Division (IRD) and Bangladesh Bank shall undertake periodic analysis of debt sustainability and accordingly adopt necessary policy measures.

B. Programming Approach

Government prefers **programme support** to stand-alone projects as the later contributes to fragmentation, high transaction cost and low development results. Thus, the Government encourages all development partners to collaborate and coordinate to explore opportunities for **joint financing or pooled funding**. Projects, other than Technical Assistance, worth less than USD 10 million shall not be considered for resource mobilization as a stand-alone project. While planning, processing or approving the development projects or programmes, Sector Divisions of the Planning Commission shall encourage programme/sector based approach to restrict the proliferations of small scale stand-alone projects as well as to minimize aid fragmentation.

C. Tax, VAT

Tax and VAT in all foreign aided projects/programs shall be determined according to existing rules, laws and circulars of the National Board of Revenue (NBR) of the Internal Resource Division (IRD), Ministry of Finance.

3.2. Foreign Assistance Mobilization Procedure

The following steps shall be maintained for submission of proposal for mobilization of foreign assistance from development partners.

3.2.1. Preparation of Proposal for Foreign Assistance: Any line Ministry/Division seeking foreign assistance against any programme/project shall be required to develop the proposal to the extent possible in details and ensure in-principle approval of the PDPP (Preliminary Development Project Proposal) by the Sector Division of the Planning Commission. While preparing proposal, feasibility study, quality assurance, including risk analysis and mitigation steps thereof, shall have to be ensured by the line Ministry/Division seeking assistance. Pursuant to the Government's instruction, any project of above 25 crore BDT value shall undergo feasibility study. Government's own fund and expertise shall generally be used for feasibility study and only in exceptional cases technical assistance may be sought for feasibility study. While preparing projects, the line Ministry/implementing agencies shall also follow the guidelines as stipulated in "Budget Allocation and Management Policy for Project Formulation and Preparatory Works".

3.2.2. Communicating Proposals to ERD: Any line Ministry/Division shall communicate to ERD for exploring fund from development partners with detailed proposals already approved in-principle by the Sector Division of the Planning Commission. While approving the proposals, the Sector Division shall ensure that the proposals are consistent with national development priorities.

3.2.3. Communication for Financing to Development Partners: After receiving any proposal, ERD, through its relevant Wing, shall undertake a quick review of the proposal to ensure that the proposal is compliant with national and global commitments to development effectiveness and with the National Development Cooperation Policy and is not contributing to project overlapping and aid fragmentation. ERD shall also undertake a comparative analysis of costs of different donors, where possible and needed, before deciding any potential development partner to be approached. Only after a positive review, ERD shall send any proposal to development partners for financing. ERD shall write to potential development partners for assistance.

3.2.4 Negotiation with Development Partners: Based on the response from the development partner, ERD shall start formal negotiation for financing. ERD shall use the document approved by the Sector Division of the Planning Commission for negotiation with development partners. ERD shall ensure representation of relevant line Ministry(s) in the negotiation team. During any aid negotiation ERD shall minutely review expenses related to consultancy services, foreign travel and procurement of vehicles in terms of Value for Money, use of indigenous resources, decreasing reliance on external resources, national priorities and existing ground realities. There should be sufficient justification by the relevant line Ministry/Division that these expenses are absolutely needed for achieving goals and targets of projects/programmes. For a technical

assistance the threshold for consultancy referred in this Policy should be adhered to as closely as possible. In order to minimize the transaction costs, unjustified and parallel missions should be discouraged and development partners shall be advised to field joined-up missions for multi-donor or pooled funded projects.

3.2.5 Preparatory Works: The line Ministry/implementing Agency shall ensure that all required preparatory works have been done as per the 'Readiness Checklist' of "Budget Allocation and Management Policy for Project Formulation and Preparatory Works" before signing the financing agreement and final approval of DPP/TPP.

3.2.6. Formal DPP/TPP: After successful negotiation, the agreed upon document shall be the basis for DPP/TPP for the Government and project document (ProDoc) for the development partner. The Government approved TPP/DPP shall be the main basis of project/programme management and implementation.

No expenditure, be it from the government or DP side, shall be incurred without prior approval of the government. All expenditures shall be reported to the PD and or the government.

3.3. Effective Utilization of Foreign Assistance

The following steps shall be adhered to ensure effective use of foreign assistance and proper implementation of projects/programs.

- (1) The Government shall develop a pool of potential project directors (PDs) or Focal Points(s) to the extent possible to ensure quick start off of project activities and strong leadership in implementation;
- (2) The Focal Point (FP)/Project Director (PD) shall be identified from the PDs Pool developed by MoPA beforehand and as such the PD/Focal Point shall be a part of Government's negotiation team. Presence of FP/PD in negotiation may help him capture the essence of the project goal, objectives and deliverables;
- (3) When negotiating programme or project proposals, ERD and the respective line Ministry/ies shall consider realistic Government absorption capacity, project readiness and delivery and implementation capacities and evaluate proposals accordingly;
- (4) The line Ministry shall ensure the risk assessment and mitigation for all steps in project or programme cycle, while ERD shall undertake research initiatives to address the constraints of development effectiveness and garner evidences for informed policy making and effective partnership dialogue;
- (5) ERD shall also organize portfolio review meetings, tripartite meetings, workshops and consultations, as and when needed, involving both the Government line Ministries and development partners, where needed, to discuss the constraints and challenges concerning effective disbursement and use of external assistance;

- (6) Respective line Ministries and Ministry of Planning are expected to adopt appropriate measures to enhance the capacity of the staffs involved in policy, development and planning related tasks at the Ministry and agency level. In particular, Ministry of Public Administration (MoPA) in collaboration with Ministry of Planning shall undertake appropriate capacity development initiatives for Project Directors/Focal Points. ERD shall also organize, from time to time, dialogues, advocacy meetings, trainings and workshops on development cooperation and effectiveness for Government officials and other stakeholders;
- (7) For smooth implementation of a project, frequent project staff, particularly the PD, rotation should be discouraged as instructed by the ECNEC. Moreover, it should be practiced to the extent possible that an individual PD shall not be assigned with more than one project. Ministry of Public Administration (MoPA) as the regulating Ministry of PDs shall issue clear guideline in this regard.

3.4. Managing Technical Assistance

The Government shall in general pursue technical assistance (TA) within a coherent policy approach to ensure sustainability of skills and knowledge. Therefore, the Government is keen to see that technical assistance follows clear-cut approach and strategies to transfer capacity and skills. The following policy parameters shall be adhered in relation to the use of technical assistance:

- (1) Technical Assistance (TA) shall be based on national demand and integrated into a comprehensive national capacity development strategy involving foreign assistance which may be developed by the Government under the coordination of ERD and Ministry of Public Administration (MoPA). The Government shall work to develop a comprehensive National Capacity Development Framework to ensure coherent approach in human and institutional capacity development.
- (2) TA shall be acquired on the basis of a comprehensive and prioritized inventory of the gaps in the country's technical capabilities. The need for TA shall be carefully synchronized with the national human resources development strategy. A clear strategy for capacity transfer shall be mentioned in TA projects' documents. Project consultants and or experts shall maintain strong collaboration with relevant government officials to ensure effective and sustainable transfer of knowledge and skills.
- (3) Local experts shall be used in TA project implementation as far as possible. Foreign consultants and/ or experts, with proven capacity demonstrating experiences of working at least in three countries, may be recruited only in appropriate cases with proper justification. In case of foreign consultants and/or experts, the cost should not exceed 25% of the total project aid, and should not without appropriate and overarching national benefit and consideration. In exceptional cases, the line Ministry/Division shall

consult ERD to take decision on consultancy. While appraising any proposal for foreign assistance, ERD shall review the cost of consultancy.

- (4) Proposals relating to recruitment of professionals and consultants shall be communicated to ERD and the relevant line Ministry for approval and acceptance. Relevant line Ministry shall review the cost and professional expertise of the proposals and make decisions accordingly. The line Ministry shall also communicate its decisions to ERD. Consultants engaged under TA project shall be accountable and reportable to the Government management. All consultants shall be required to sign Government's '**ethics and conduct code**' before accepting the assignment.
- (5) No consultant and expert or project/programme staff shall be recruited without formal approval of the Government. The Government shall have the right to cancel or recommend cancellation of contract of any consultant and or expert, who is deemed not to be beneficial to the implementation of the project or achieving its goals or who breaches the ethics and conduct code.

3.5. Emerging development actors and finance flows

Emerging donors from the Global South, private sector, civil society, philanthropic foundations, and corporate social responsibility programs etc. are now considered as partners in development and are increasingly engaged in development dialogue. Particularly, South-South cooperation is evolving as a highly promising source of development cooperation. On the other hand, given the climate change reality, climate financing is also emerging as an additional complementary source of development financing for the climate vulnerable countries. Given Bangladesh's high level exposure to climate change risks, hazards and vulnerabilities, the Government is an active participant in climate change related financing discussions and activities and the Government seeks to benefit from climate financing. The following policy measures shall be applied to receive assistance from the emerging donors and climate change funds and maintain development partnership with private sector, civil society and NGOs.

3.5.1. South-South Cooperation

ERD, in consultation with other relevant ministries, shall seek ways to strengthen south-south resource mobilization and watch over the quality of south-south resources, paying particular attention to the following:

- (1) Ensure ownership and alignment by using existing policy, planning and review processes. South-South cooperation should be part of a sector programme wherever possible, by linking to sector results and monitoring framework;
- (2) South-South and Triangular initiatives should be subject to the same principles and practices that promote results, alignment, transparency, accountability and un-tying as

other types of foreign assistance. They should be included in policy and planning dialogue with partners;

- (3) In order to maximize the impact of South-South and Triangular support improved knowledge management arrangements shall be created in ERD to record, disseminate, scale-up and replicate the results of South-South initiatives.

3.5.2. Climate Finance

The Government shall aim to ensure coherence, transparency and predictability for effective climate change finance. Therefore, the following policy strategies shall be considered while managing climate finance.

- (1) Climate finance shall support implementation of Bangladesh Climate Change Strategy and Action Plan (BCCSAP), National Adaptation Programme of Action (NAPA), Nationally Appropriate Mitigation Actions (NAMA), and other national and sector action plans on climate change; and develop capacity to access (both directly or indirectly), leverage, coordinate and deploy climate finance;
- (2) The Government shall seek to strengthen partner country public sector engagement in climate finance; but also encourages the private sector to support climate financing;
- (3) All development partners shall be required to report their climate change related expenditure, both on-budget and off-budget, to AIMS to ensure transparency and effective planning for climate change mitigation activities;
- (4) ERD in partnership with Ministry of Environment and Forest shall coordinate with major line Ministries/Divisions dealing with climate, review progress and challenges of climate financing and climate project implementation, promote a whole-of-Government approach to climate funds, ensure a pipeline of credible and bankable projects for international climate funding and watch over and be pro-active for additional climate funding parallel to traditional ODA. ERD shall work as the Government's focal point in climate finance negotiation;
- (5) ERD shall make endeavor to reach out to all stakeholders including the climate victims, CSOs, NGOs, private sector and public sector agencies to ensure transparency and accountability in climate finance;

3.5.3. Private Sector, Civil Societies, NGOs and Other Stake-holders

Private sector, civil society, NGOs and other non-state stakeholders play an important role in economic and social development of the country. Their complementarity and integration with national development goals and priorities needs to be encouraged. The policy therefore provides the following principles to be adhered to while managing and implementing assistance:

- (1) The Government shall explore blended finance, using public funds to unlock private and philanthropic capital for development. This can include, for example, public private partnerships, aid to promote technology transfers, aid for greater remittance generation and better use of remittances, aid to stimulate the enabling environment for capital market development, private sector development, aid to strengthen tax generation or aid to catalyze private investment.
- (2) Private sector, CSOs, NGOs and similar organizations shall be able to receive funds from external sources to implement development programmes/projects in alignment with national priorities; NGO Affairs Bureau shall scrutinize the alignment and other obligations of this Policy while approving proposals for the non-state stakeholders;
- (3) In order to ensure effective transfer of knowledge and skills and strengthen national capacity, the government shall ensure, to the extent possible, local private sector's engagement in implementation of projects which are highly technical in nature;
- (4) Development partners shall be required to report their commitments and disbursements through non-state stakeholders to AIMS to ensure that the Government is aware of their contribution and to avoid overlap or uncoordinated work;
- (5) The NGO Affairs Bureau of the Government shall reconcile half-yearly basis with the information on foreign fund flows utilized by NGOs/CSOs and other non-state stakeholders received in AIMS to ensure confirmation of data provided by development partners

3.6. Accountability for Results, Transparency and Predictability in Development Cooperation

3.6.1 Accountability for Results

The country is gradually adopting the result based monitoring and evaluation system as envisaged in the Seventh Five-year Plan. The Development Results Framework (DRF), articulated in the Five Year Plan, defines the country's key medium term planned results. Apart from the line Ministries, Implementation Monitoring and Evaluation Division (IMED) and Auditor General's Office shall work for result based monitoring and financial auditing. The DRF should form the basis for medium term sector-specific result frameworks. The following measures shall be taken while managing and implementing foreign assistance to ensure results.

- (1) ERD shall mobilize external resources based on expected results linked with national and sector result frameworks;
- (2) Progress and effectiveness of foreign aided programmes and projects shall be monitored and evaluated by the IMED, Ministry of Planning against planned national and sector results using common format of 'monitoring, evaluation and reporting'; while FAPAD and or relevant Directorate shall undertake financial auditing of all projects;

- (3) Unilateral evaluation missions from DPs shall be discouraged. Rather inclusive missions involving ERD, Planning Commission, line Ministry and DPs shall be commissioned in all stages of evaluation and monitoring of projects involving external resources shall be encouraged;
- (4) Local level oversight shall be established through the District Development and Coordination Committee (DDCC) headed by the Deputy Commissioner of the district. The DDCC shall review the implementation progress of the foreign aided projects and the Deputy Commissioner shall share DDCC's feedback with implementing line Ministry, Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning and ERD. AIMS links to on-going foreign aided projects (with abridged profiles such as cost of the project, major components, major beneficiaries, development partners, etc.) shall be uploaded on the district web portal to ensure transparency and public oversight.

3.6.2. Transparency and Predictability

An essential precondition for the effective management and coordination of development assistance is the availability of accurate, timely, comprehensive and forward looking aid data. Building on the internationally agreed transparency standards, the following measures shall be taken to strengthen predictability and transparency in foreign assistance:

- (1) Commitments and disbursement of all assistance in Bangladesh shall be required to be reflected by development partners in the Aid Information Management System (AIMS), to give the information of total planned and actual disbursement in any form of external assistance and allow for a better targeted internal and external resource mobilization plan;
- (2) DPs shall provide multiyear country-plan and quarterly update programme and project information, including commitments, disbursements and expenditures, in the publicly accessible Aid Information Management System (AIMS);
- (3) Using AIMS data, ERD shall publish a Development Cooperation Report annually, reflecting the inflows of external development assistance in the country and assessing how effectively these flows are being managed by development partners and the Government;
- (4) The list of approved foreign aided projects shall be displayed in ERD website, in line ministries website and where appropriate in district website for public access to project objectives and intended development results.

PART IV: PARTNERSHIP AND COORDINATION MECHANISM

An effective coordination mechanism is important to ensure results-oriented partnership management within the Government and between the Government and development partners. To facilitate the DPs to provide effective support under country leadership and enable the line Ministries and Divisions to undertake development interventions using external resources complying with a common set of policy approach of the Government, there is need to maintain and nurture constructive and mutually beneficial coordination mechanism. The fundamental of the partnership between the Government and development partners is that it should be rooted deep in the spirit of **equal partnership**.

In order to ensure an enabling environment for equal partnership, the Government through its Ministries and Divisions shall provide, sustain, lead and strengthen national and sector level coordination and dialogue mechanism. The coordination mechanism shall be inclusive of all relevant development partners, civil society organizations and private sector entities. The major objective of the coordination and dialogue forums will be to ensure effective implementation of programmes and Five Year Plan objectives, related policy dialogue and effective delivery of resources. Specific objectives will include focus on results and predictability of funding, decrease in fragmentation of aid, improvement in harmonization and simplification of development partner procedures. The aid coordination mechanism shall serve the purpose of ensuring mutual accountability and development results through regular review of a joint Government-DP partnership agreement and progress against sector result frameworks.

Apart from national and sector forums, the Government shall organize a Bangladesh Development Forum (BDF) meeting periodically to share and highlight Government's development goals and discuss future partnerships with senior representatives of development partners. The BDF, as an inclusive mechanism involving Government actors; CSOs; academics; and all development partners, shall be a high-level forum for policy dialogue.