

At the occasion of the Launching of the Public Accounts Committee (PAC) web-site and the Formal Opening of the Strengthening Parliamentary Oversight (SPO) Project, 2 November 2010 at the Bangabandu International Conference Centre.

**Speech by the Chargé d'Affaires a.i.
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It is not long ago that international support for public sector reforms would focus exclusively on the executive branch of government. In public finance reform, international agencies would rely on the appetite for reform of Government only, in particular Ministers of Finance. It was considered too controversial to deal with the politics involving that most important institution of domestic accountability: parliament. But as we know from experiences in our own democracies - reforms are inherently about political choices. Political choices that can be painful: some win, others lose. Reforms need to be actively debated in political fora and draw support from legislators. Legislators represent people and they have to be able to explain the gains and pains to the citizens who elect them. It took the international development community some time to deal with that reality, but we know now: parliamentarians are central actors in any governance reform.

Supporting crucial governance reforms which make a difference how public resources are being utilized in a fair and equitable manner for the citizens of Bangladesh, with participation of all three branches of government, is a major objective of Strengthening Public Expenditure

Management Programme (SPEMP). It is an innovative programme and daring in its objectives, acknowledging the key role parliament plays in the success of public finance reforms. Without the political leadership of the PAC, it is hard to imagine how Bangladesh will make its transition from a Least Developed Country (LDC) to a Middle Income Country (MIC). PAC needs to be entrepreneurial and pave the way for effective Public Finance Management (PFM) practices that will facilitate equitable growth and poverty reduction. It is therefore a great pleasure for me to be present here at the launching of the Public Accounts Committee web-site and the Formal Opening of the Strengthening Parliamentary Oversight (SPO) Project under SPEMP. The Netherlands Embassy is proud to be associated with this strategic programme at this transformative moment of Bangladesh's history.

The Netherlands Embassy is committed to facilitate more foreign investments into Bangladesh that will bring cash and jobs to its economy. There is however no short-cut to sustainable investment for growth without improved public finance management. SPEMP can prepare the ground and help attract new actors to the country and deepen Bangladesh exposure to the economic dynamism of the Asian region. Without doubt: SPEMP will prove to be a win-win for all stakeholders involved.

The Public Accounts Committee plays a key role in PFM by exercising its responsibility as an oversight mechanism to scrutinize public expenditure. The launching of the PAC website is essential in bringing information to the general public on the activities of the Public

Accounts Committee. It constitutes an important move towards enhancing public oversight.

The SPO Project will lead citizens to demand for better PFM in order to “Make Public Money Count”. Ultimately SPEMP is for citizens and its Citizens’ Component and Communication Programme should be strategically used to enhance civic engagement in PFM.

SPEMP and the Multi-Donor Trust Fund administered by the World Bank constitute an excellent example of how Government and Development Partners can work better together to improve the effectiveness of aid. Jointly supporting PFM reform promotes better coordination and more effective interventions for the overall development of the country’s systems, institutions and procedures. It reduces transaction costs and duplication of efforts, which we all strongly wish for.

In conclusion, let me commend the Government for its commitment to improve PFM as demonstrated by its success in initiating the SPO project (Strengthening Parliamentary Oversight project). Let me also express appreciation for the World Bank in assisting the Government in the preparation of this project.

This experience in Bangladesh will be watched globally by many as a new approach - a good practice - as to how to address critical PFM reforms at a historical moment of growth and promise. We look forward to continue working with all of you and use SPEMP as a platform for reform and change.

Thank you.