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BUILDING PUBLIC FINANCE CAPABILITIES

*A problem-driven iterative
adaptation approach to PFM reform*

Building Public Finance Capabilities in Africa

Over the past 30 years, African countries have introduced reforms to improve the management of public finances. In a context of scarce resources and enormous social and economic backlogs, these reforms aimed to ensure greater efficiency and effectiveness in the allocation of resources to government's national priorities.

A common approach of these reforms has been to mimic the practices of developed countries in the hope that they would deliver similar results, irrespective of the political, economic and administrative contexts. However, best practice reforms have had limited success in improving the functionality of PFM systems. High and unaffordable wage bills persist, unapproved or off-budget expenditure continues to divert resources away from priority programmes, and capabilities at the point of service delivery appear to be eroding.

In response, CABRI developed the "Building Public Finance Capabilities" (BPFC) programme – an action-learning programme jointly developed with the Building State Capability programme of Harvard Kennedy School. The programme applies a unique approach to public finance reform: The Problem-driven Iterative Adaptation, or PDIA. Central to the approach, is the recognition that a deep understanding of public finance problems and their causes is critical to developing relevant and effective solutions to improve countries' PFM systems.



The BPFC is an 8-month action-learning programme which puts teams of government practitioners at the centre of PFM reforms through an approach that drives incremental change in solving locally identified public finance problems

Neil Cole, CABRI Executive Secretary

Local solutions for local problems

Locally nominated problems draw attention to the need for change and facilitate the development of context-appropriate reforms.



Pushing positive deviance

Create environments within and across organisations that encourage experimentation and positive deviance, accompanied by enhanced accountability for performance in problem-solving.



The PDIA approach

The BPFC programme applies the problem-driven iterative adaptation (PDIA) approach, which is based on the following principles:

Try, learn, iterate, adapt

Reforms require constant review of what is and isn't working, and then adapting action plans as new non-technical aspects are uncovered.



Scale through diffusion

Engage stakeholders across sectors and organisations who ensure reforms are viable, legitimate and relevant.



Programme structure

The programme structure facilitates officials' practical and experimental learning to solve complex public finance problems. Throughout the programme, a dedicated CABRI coach provides support and expertise to the team.

1

Application process

[3 weeks]

Officials from finance ministries in Africa are invited to apply to the programme and identify a pressing country-specific PFM problem and the team members that will work on solving the problem.

2

Online course

[4–5 weeks]

The online training course introduces teams to the PDIA approach using video lectures, readings, assignments, reflection exercises and peer interactions.

3

Framing Workshop

[3 days]

Teams come together at the Framing Workshop and, through facilitated discussions: (i) construct a narrative around the identified PFM problem; (ii) identify the causes and sub-causes of the PFM problem using supporting data; and (iii) identify the immediate steps that they will take to start solving the problem.

5

Progress Review Workshop

[3 days]

This workshop provides a platform for teams to share the progress achieved, their learning experiences and to determine next steps and objectives for the upcoming months. Participants receive a certificate of completion and are invited to join the BPFIC fellows' network, which connects African PFM officials who practise the PDIA approach.

6

Continuing engagement

Teams are expected to continue working towards solving their problems after the Progress Review Workshop. To ensure continuous progress towards problem resolution, the teams determine the extent of further CABRI support going forward.

4

Action-learning period

[about 30 weeks]

Following the Framing Workshop, country teams engage in regular learning iterations focused on practically solving the identified problem. This includes: (i) gathering and analysing data on their problem; (ii) regularly consulting key stakeholders to gain new perspectives on the problem and political and administrative support for the team's work; and (iii) holding regular team meetings to share progress, challenges, insights, clarify objectives and agree on next steps.

Programme requirements

The BPFC programme is designed for public officials who are committed to driving change within their organisations and beyond.



Countries join the programme by:

- Completing the BPFC application form signed by an authoriser (a Minister or Permanent Secretary);
- Nominating a pressing PFM problem that requires action; and
- Nominating a team to tackle the problem.



Country teams comprise six public officials who:

- Have knowledge and expertise about the problem and are able to contribute to the resolution of the problem;
- Come from relevant directorates to the problem (in the Ministry of Finance and/ or a Sector Ministry or Government Agency where applicable); and
- Can dedicate an average of **five hours a week to the programme, through the 8-month period.**

Some Highlights from 2019

Building Public Finance Capabilities in Africa

		Problem	Achievements
	BENIN	Local government spending compared to local revenue is unsustainable and inefficient.	The regulatory framework for municipalities was strengthened with the adoption of new texts aimed at improving local resources.
	GHANA	Inefficient implementation of budget programmes affecting quality service delivery.	The team developed an application to track budget implementation to facilitate faster budgetary decision-making.
	MALI	Taxpayers do not meet their tax obligations.	The team developed a communication strategy that included the production of a video by a Malian hip-hop star to promote tax compliance.
	RWANDA	Low citizen participation in planning and budgeting leads to limited accountability for results.	The team initiated new tools to foster better budgetary consultation with citizens, such as a district-level citizen's guide and is enhancing budget literacy in learning institutions through university lectures.
	SOUTH AFRICA	Poor allocative decisions to public entities through the budget process, which lead to poor service delivery and crowding out of priority spending.	Three teams in the National Treasury worked together to improve communication and the relationships between public entities and National Treasury, and developed an analytical tool for better analysis of the data submissions by public entities.

What BPFM participants say

In 2019, **98% of participants** rated the programme as **excellent or very good**.

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Geoffrey Asiiimwe

Budget Policy Formulation and Reform Officer (Rwanda)

This programme has equipped me with critical skills relating to how to diagnose serious PFM problems affecting our economies and devise solutions considering our local context but also learning from others and customizing their ways and solutions in our local context.

Ndey Anta Taal

Principal Economist (The Gambia)

With the support of the CABRI coaches, our team was guided to adopt home-grown solutions to address real problems affecting our country's PFM. This has been a unique experience, enriching and engaging us as public servants.

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Mahamadou N'Diaye

Cadre de haut niveau (Mali)

Through this programme, I have learnt that the solutions to our public finance problems are in our hands and that a small push can work miracles.

“

Bona Ouorou

**Chef Adjoint du Service de la
Coopération Financière Décentralisée et
des Opérateurs de l'Etat (Benin)**

This programme gave me an opportunity to reflect on local solutions based on an in-depth diagnosis of our problems. It made me feel useful to my country by contributing to the resolution of important problems for local communities in Benin.

Spencer Janari

Chief Director (South Africa)

Through this programme I have learnt about the need to unpack our public finance problems and understand them thoroughly before tackling them – and not to rush off to solutions to incorrect problems too prematurely.

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2020 BPFC timelines

Activity	Tentative dates
Deadline for countries to apply to the programme	6 March 2020
Online Course	30 March–1 May 2020
Framing Workshop	4 May–6 May
Action-learning	11 May–6 December 2020
Progress Review Workshop	7 December–9 December 2020
Continuing engagement	10 December onwards

For more information:

Web page: <https://www.cabri-sbo.org/en/bpfc>
 Email: info@cabri-sbo.org

The programme is funded by the African Development Bank, the Bill & Melinda Gates Foundation and the William and Flora Hewlett Foundation.



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