



**CABRI**   
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# BUILDING PUBLIC FINANCE CAPABILITIES IN AFRICA

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

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## What is CABRI's Building Public Finance Capabilities programme and why is it important?

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The BPFC programme is a 12-month action-learning programme that puts teams of government practitioners at the centre of public financial management (PFM) reforms through an approach that drives incremental change and facilitates the emergence of local solutions to complex public finance problems.

Many African governments have extensive and long-running PFM reform programmes. However, these reforms have not always effectively solved the challenges governments face – new procurement laws are adopted, but textbooks and medicines are still not distributed on time or on budget; new laws are passed to control spending,

but over-commitments remain pervasive.

The BPFC programme takes the view that PFM does not lend itself to a one-size-fits-all approach and that, beyond the technical fixes, sustainable PFM reforms require the careful management of political and administrative constraints together with a deep understanding of the local context. The programme emphasises principles such as country ownership by relying on local solutions to local problems, experimentation by promoting an iterative and adaptive approach, and multi-stakeholder engagement by supporting diffusion and co-ordination within administrations.



*Sage advice says that innovation is best carried out during times of plenty, but seldom does.*

*We wait for a crisis to innovate, which is invariably too late. The Covid-19 pandemic presented governments across the world with several complex challenges. How well governments have been able to respond to these complex challenges has linkages to existing capabilities and also the prior state of public finances, amongst others. When we emerge from the Covid-19 pandemic, the capability gaps that were encountered would need to be addressed through programmes such as the BPFC.*

*– Neil Cole, Executive Secretary, CABRI*

## The PDIA approach

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



### Local solutions for local problems

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



### Local teams of government officials are best placed to carry out reforms in their own countries

They understand their countries' context and can mobilise a wide range of stakeholders.



### Pushing positive deviance

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



### Scale through diffusion

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



### 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.

## 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 public finance problem that requires action (**see the three problem areas on page 5**).
- Nominating a team of officials assigned to tackle the problem.



### Country teams comprised of six public officials who:

- Have knowledge and expertise on the problem and are able to contribute to its resolution.
- Are from directorates relevant to the problem (in the ministry of finance and/or a sector ministry or government agency where applicable).
- Can dedicate an **average of five hours a week** to the programme, through the **10-month period**.

## 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

[5 weeks]

Officials from finance ministries in Africa are invited to apply to the programme and identify a pressing country-specific public finance problem in one of three thematic areas, as well as identify 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

[8-hour sessions, over 2 weeks]

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

4

### Action-learning

[10 months]

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 ensure 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.

5

### Review Workshops

[3 days]

Throughout the duration of the programme, teams will attend two Review Workshops where relevant case studies and research will be presented and teams will present on progress achieved, share new learnings, and determine next steps and objectives for the upcoming months. At the end of the programme, participants receive a certificate of completion and are invited to join the BPFC fellows' network, which connects African PFM officials who practise the PDIA approach.

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### Continuing engagement

Teams continue working towards solving their problems after the Review Workshops and determine the extent of further CABRI support going forward.



## BPFC problem areas

Countries apply to the programme by identifying a public finance problem in one of the following areas:

### Debt, cash and liquidity management

The Covid-19 pandemic has challenged many African countries, resulting in higher budget deficits and interest costs and the further depreciation of local currencies in economies already crippled with high debt levels. Countries' strategies to finance the funding gap have been varied, from accessing multilateral borrowing facilities to taking advantage of debt-relief initiatives offered to lower-income countries.

As loans alleviate pressures over the short term, the medium- to long-term consequences remain a significant challenge. Debt and liquidity management will be critical functions to enable the government to meet their extended obligations and deal with the heightened volatility in revenue and expenditure.

### Execution of capital projects

Capital spending is a key means for governments to fulfil social and economic development objectives. Yet, across Africa, weak integration of capital spending in the budget and systemically low execution rates are common. As a result, countries often face significant delays in the completion of projects, which comes at an increased cost to the fiscus.

Capital spending will play a critical role in driving sub-Saharan Africa's economic recovery and so will the capabilities of ministries of finance to effectively integrate capital expenditures in the budget, manage procurement systems and contracts, as well as monitor and report on the implementation of infrastructure projects.

### Public finance in health

Sub-Saharan African countries allocate an average 7% of their general government budget to health compared to 15% for OECD countries. The cumulative effect of low spending and weak delivery capabilities has left many of these countries with precarious health systems that struggle to provide ordinary services, let alone respond to a pandemic. Further, the Covid-19 pandemic could reverse years of progress made in tackling HIV, TB and malaria as health services postpone immunisation programmes and lockdowns limit the provision of basic goods and services.

The capabilities of finance and health systems in dealing with the immediate and the aftermath effects of the pandemic will be crucial.

**Target audience:** ministry of finance

**Potential public finance issues:** debt financing decisions, revenue forecasting, cash consolidation, treasury planning, disbursements, payments, etc.

**Target audience:** ministries of finance and public works

**Potential public finance issues:** integration of capital spending in the budget, monitoring and reporting, procurement, contract management, etc.

**Target audience:** ministries of finance and health

**Potential public finance issues:** health financing mechanisms, allocations to health, strategic purchasing, procurement, tracking monitoring, local service delivery, etc.

## Some highlights from the BPFC programme

### 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 BPFC participants say



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

### **Geoffrey Asiimwe**

**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.*

### **Bona Ouorou**

**Deputy Head, Service of  
Decentralised Financial  
Cooperation and State  
Operations (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.*

### **Tinelle Zoro**

**Head of Office, Territorial  
Collectivities, Department  
of Centralised Accounting  
for Local Authorities and  
Public Agencies (CAR)**

*This programme has not only strengthened my competences in PFM, it has also changed the way I act and my understanding of the PFM decisions our authorities make.*

### **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.*

### **Mahamadou N'Diaye**

**Senior official (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.*

## 2021 PFMC programme timelines

Activity	Tentative dates
Deadline to submit your application	26 March 2021
Online Course [5 weeks]	12 April–15 May 2021
Framing Workshop [8-hour sessions, over 2 weeks]	18–28 May 2021
Action-learning [10 months]	May 2021–March 2022
In-country check-ins [3 visits, of 3 days each]	1st visit: July 2021 2nd visit: October 2021 3rd visit: March 2022
Mid-term peer review workshop [3 days]	24–26 August 2021
Progress Review Workshop [3 days]	7–9 December 2021

### For more information:

Web page: <https://www.cabri-sbo.org/en/bpfmc-programme>

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