



Building PFM Capabilities in Africa

Most African governments have extensive and long running public financial management (PFM) reform programmes. However, these reforms have often not effectively solved the challenges governments face: new systems are introduced but wages are still paid late or not at all; new procurement processes 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 are pervasive.

The *Building PFM Capabilities* programme was developed by the Collaborative Africa Budget Reform Initiative (**CABRI**), in collaboration with the Building State Capability (**BSC**) Program at Harvard's Center for International Development. The programme uses the Problem Driven Iterative Adaptation (**PDIA**) approach to support PFM reform and was successfully completed by seven African countries in 2017.

The programme aims to build the capability of a set of officials as they learn how to solve problems, in teams, through action-oriented work. The process is practical, experimental, and focused on facilitating learning by officials about why capability is weak (what political, bureaucratic, and other factors undermine functionality) and how capability can be improved (what works, and why).



The PDIA approach

The **PDIA** approach has been developed by the Harvard Center for International Development to build the capability of states to implement their policies and programmes. It is a learning by doing approach that is comprised of government teams who work together to solve complex problems. This process facilitates rapid experiential learning, which often leads to the emergence of new capabilities. PDIA is based on the following four core principles:



1/ Local solutions for local problems

Transitioning from promoting predetermined solutions to allowing the local nomination, articulation and prioritisation of real problems to be solved.



2/ Pushing problem driven positive deviance

Creating (and protecting) environments within and across organisations that encourage experimentation and positive deviance.



3/ Try, learn, iterate, adapt

Promoting active experiential (and experimental) learning with evidence-driven feedback built into regular management that allows for real-time adaptation.



4/ Scale through diffusion

Engaging multiple agents across sectors and organisations to ensure reforms are viable, legitimate and relevant.

The programme



Application process

Applicants from African ministries of finance submit an urgent PFM problem as well as a list of the team members to solve that problem.



Online course

The online training course introduces teams to the PDIA approach and includes video lectures, prescribed reading, assignments, reflection exercises as well as peer interaction.



Framing workshop

At the workshop teams learn how to construct and deconstruct their PFM problems defining: (i) an aspirational goal for their work, (ii) causes and sub-causes of the problem identified, and (iii) immediate steps they will start taking to solve this problem.



Action-push period

Until the closing workshop, country teams engage in regular iterations towards solving their problems. Iterations include team and individual assignments as well as remote and in-country “check-ins” in which teams act on the specific next steps they identify, reflect on the experience of such actions, and determine the next steps. Throughout the process, a dedicated coach from the CABRI Secretariat provides his/her support and expertise to the team. Iteration and adaption is central to the work that takes place during this stage.



Closing workshop

At the workshop country teams expound on the actions taken and the progress achieved and share their learning with their peers. On completion of the programme, participants receive a “Building PFM Capabilities – PDIA” certificate from BSC and CABRI. On a case-by-case basis, teams might extend their engagements with their coaches after the closing workshop.

The 2017 cohort

Team	Problem
Ghana	Insufficient discretionary fiscal space associated with non-lodgement in gross of retained Internally Generated Funds (IGF)
Lesotho	Ministries, departments and agencies do not adhere to ceilings or the appropriated budget
Liberia	High off-budget expenditures, about 15% of the approved budget in FY16/17

Team	Problem
Nigeria	Weak capital project selection, inclusion process and poor implementation in the annual budget
Sierra Leone	Expenditure commitments exceeding total income envelope, resulting in unpaid bills and arrears
South Africa	Poor conceptualisation of infrastructure projects
The Gambia	High virements and arrears leading to misalignment in the appropriated budget and spending

Some achievements

Detailed presentations on the 2017 *Building PFM Capabilities* cohort achievements can be found [HERE](#).

GHANA



1. Submitted a concept paper to establish a common data platform.
2. Sensitised spending entities on the relevant legal provisions.
3. Operationalised a mechanism for lodgment in gross of retained IGF.

LESOTHO



1. Improved the inclusiveness of the budget process, by bringing together the macro-economic department with spending entities.
2. Generated new data on virements identifying the issues faced and way forward.

LIBERIA



1. Operationalised the Liquidity Management Committee.
2. Improved reporting compliance by spending entities.
3. Embedded coordination and data sharing between departments.

NIGERIA



1. Improved coordination between the executive and the parliament on budget preparation.
2. Facilitated early submission of the 2018 Appropriation Bill.
3. Improved the use of the GIFMIS system.

SIERRA LEONE



1. Gained insights into the causes of extra-budgetary expenditure and arrears.
2. Ensured full and active participation in the budget process.
3. Conducted training on the budget formulation template.

SOUTH AFRICA



1. Developed a “good infrastructure project” criteria and identified case studies to test the criteria against.
2. Used surveys to assist in understanding the problem from the point of view of key stakeholders.

THE GAMBIA



1. Established guidelines and templates for budget reporting to strengthen budget monitoring.
2. Authenticated arrears to avoid the settlement of fraudulent invoices.
3. Trained agents on arrears management.

What participants say



“When issues are broken down into smaller bits, it makes solving it very easy and spot on.”

Olajide Omotayo

Budget Officer, Ministry of Budget and National Planning
NIGERIA



“This process has encouraged me not to be afraid of new learning experiences, but rather to embrace them.”

Gobuiwang Rankane

Policy Analyst, National Treasury
SOUTH AFRICA



“This programme is different because it’s hands on and I’m doing it by myself. I’m not sitting there and somebody telling me what is best practice for a solution.”

Lauratu Johnson

Assistant Director of Budget
SIERRA LEONE



“I am very happy that we are collaborating here so that in the future the burden of our challenges will be lighter and that we’ll be able to solve our PFM problems together through local solutions.”

Teboho Malisebo Mokela

Deputy Principal Secretary, Ministry of Finance
LESOTHO



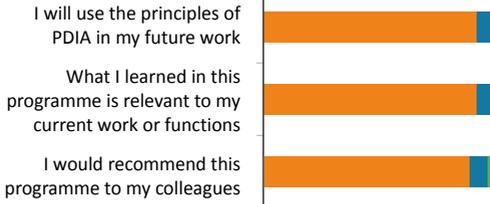
“The greatest achievement of the team is the awareness we have created and confidence we have given staff and senior members of the Ministry of Finance and Development Planning (MFDP) that the greatest PFM challenges we face in the Ministry can be solved by staff of the Ministry.”

Alieu Fuad Nyei

Outgoing Assistant Minister, Ministry of Finance and Development Planning
LIBERIA

Programme survey

Programme evaluation from participants



100% rated the programme as excellent or very good

- Strongly agree
- Somewhat agree
- Neither agree or disagree
- Somewhat disagree
- Strongly disagree

“It is best to identify the problems we have in our countries ourselves, and work towards solving them ourselves.”

The PDIA approach made me to understand that only you as a nation can solve your own problem and nobody else, and it takes continuous engagement on the problem in order to solve it.

This programme [...] was tailored towards the resolution of an identified PFM problem and it's more hands-on and practical based unlike the previous trainings where I only received lectures on PFM and PFM reforms.

This training is special and unique in directly helping to resolve issues and promoting utilisation of skills acquired. If you are part of the team, you really feel like the driver helping to steer affairs or issues that have lingered on for long.

[This programme] has shaped the way I approach problems and solutions and has also allowed me to be more engaged with my team of colleagues within treasury. I made new friends and created lifelong partnerships that will forever remain a part of my professional career.

“The programme took the "do it yourself" approach. It used the local themselves as the experts to define, and with guidance and support from the CABRI team find solution to the defined problem. Other PFM trainings I attended in the past [...], the experts were those that came from outside with their very exotic ideas that basically left when the 'experts' packed off and left. They just didn't work.”

Learn more

Website links

CABRI's Building PFM Capabilities:
www.cabri-sbo.org/en/bpc

Building State Capability (BSC) program at Harvard's Center for International Development:
<https://bsc.cid.harvard.edu/>

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Acknowledgments

The programme is funded by The Swiss State Secretariat for Economic Affairs (SECO) and by UK aid from the UK government.



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