



## 2017 CABRI Conference

7-9 March 2017  
Ouagadougou, Burkina Faso



Budget managers are frequently confronted with changing circumstances that disrupt even the best prepared budgets during the fiscal year. Some routine pressures require no more than regular adjustments to plans, while others become chronic and have a great impact on public finances. Then there are extraordinary shocks, which can be sudden and significantly threaten budget stability and service delivery. How do governments prepare for and manage pressures such as extreme weather events, unforeseen political changes or expenditure arrears?

The 2017 CABRI conference will examine how governments can better prepare for and manage such budgetary pressures without disrupting service delivery and incurring unsustainable debt. The sessions are structured to allow senior budget officials to reflect on the budgetary pressures they have faced and what they have learned. How did they manage them? What would they do differently next time round? The conference will focus on response options and their consequences; key choices when absorbing pressures; and strategies for communicating the budgetary implications of shocks to decision-makers and stakeholders.



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## Tuesday 7 March 2017

8:00 – 8:30	<b>Arrival and registration</b>
<b>Opening session</b> 8:30 – 09:00	<p><b>Welcome and introductions</b></p> <p>Minister Rosine Coulibaly/Sori (Minister of Economy, Finance and Development, Burkina Faso)</p> <p>Neil Cole (Executive Secretary, CABRI)</p>
<b>Session 1</b> 09:00 – 10:30	<p><b>Extraordinary budget pressures: Understanding the context</b></p> <p>Not all extraordinary budgetary shocks are the same, nor do they allow the same breadth of response options. Extreme weather may be seen as an exogenous and discrete event. A demand to bail out a state-owned enterprise may be seen as endogenous, and might be a discrete or repeat event. While there is a theoretical distinction between exogenous and endogenous shocks, they may occur simultaneously and be treated similarly depending on the context.</p> <p><i>Objectives: The panel discussion will consider why many African countries are vulnerable to budgetary pressures and the importance of managing them. The discussion will frame the conference content, providing participants with key terms for exploring ways to assess, manage and prevent extraordinary budgetary pressures.</i></p> <p>Facilitator: Neil Cole (Executive Secretary, CABRI)</p> <p>Panellists:</p> <p>Minister Rosine Coulibaly/Sori (Minister of Economy, Finance and Development, Burkina Faso)</p> <p>Mamadou Issa Baba (Head of Public Finance Project, CEMAC)</p> <p>Marco Cangiano (independent consultant and former assistant director, IMF)</p>
10:30 – 11:00	<b>Break</b>



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<p><b>Session 2</b></p> <p>11:00 – 13:00</p>	<p><b>In the eye of the storm: The cost of natural and man-made disasters</b></p> <p>As climate change takes hold, Africa is suffering disproportionately from droughts and floods, compared to other regions. This poses a huge fiscal challenge as output and employment in the region is heavily reliant on rain-fed agriculture. The continent has also experienced health crises, civil conflict and wars. It is difficult to predict the occurrence, duration and severity of these events and the finance ministry plays a central role in managing their impact on the public finances.</p> <p><i>Objectives: The session draws on country experiences to formulate strategies for preparing for and responding to these events. The session will focus on countries' response options, and issues such as how to coordinate role players, protect the integrity of funds and manage demands on limited resources. Participants will also discuss what they have learned from past experiences.</i></p> <p>Facilitator: Ekhosuehi Iyehen (Director: Policy and Technical Services, African Risk Capacity)</p> <p>Presenters:</p> <p>Alieu Fuad Nyei (Assistant Minister, Ministry of Finance and Development Planning, Liberia): "Managing a crisis: Ebola in Liberia."</p> <p>Onintsoa Harilala Raoilisoa (Director of Budget Programming, Ministry of Finance and Budget, Madagascar): "Responding to and preparing for floods."</p> <p>Jean Richard Bassanganam (Director of Budget, Ministry of Finance and Budget, Central African Republic): "Managing public finances during a time of conflict."</p> <p>Pape Ma Fall (Authorising officer, Budget Department, Ministry of Economy, Finance and Planning, Senegal): "Using insurance to manage budget volatility as a result of drought in Senegal."</p>
<p>13:00 – 14:30</p>	<p><b>Lunch break</b></p>



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<p><b>Session 3</b> 14:30 – 16:30</p>	<p><b>Unpredictable priorities: Managing large, unforeseen budgetary demands</b></p> <p>All budget managers are faced with demands for expenditure, in the course of the fiscal year, from powerful actors or political/social processes. In principle, it should be possible to deny these demands but in practice it often is not. Examining how these demands are negotiated, traded off, financed and communicated is crucial for managing them when they reoccur.</p> <p><i>Objectives: The session will consider the extent to which fiscal and budget managers face unpredictable priority-setting and unforeseen but avoidable demands, and how these can be managed. It will look at the role of the finance ministry in negotiating and communicating response options with line ministries, cabinet and parliament. The discussion will also explore strategies for minimising the cost of these demands on budget stability and service delivery.</i></p> <p>Facilitator: Dr Barbara Dutzler (Programme Manager, Good Financial Governance in Africa, GIZ)</p> <p>Presenters:</p> <p>Michael Sachs (Deputy-Director General: Budget Office, National Treasury, South Africa): “Managing budget pressures arising from broad-based, in-year protests on university fees.”</p> <p>Traore Tiedie (Director of National Budget, Ministry of Economy and Finance, Côte d’Ivoire): “Managing pressures on the wage bill in Côte d’Ivoire.”</p> <p>Vieux Abdoul Rachid Soulama (Director General of Budget, Ministry of Economy, Finance and Development, Burkina Faso): “Managing pressures on the wage bill in Burkina Faso.”</p>
<p>16:30 – 17:00</p>	<p><b>Group photo</b></p>
<p>18:00 - 19:30</p>	<p><b>Cocktail reception on curbing illicit financial flows, hosted by GIZ and CABRI</b></p> <p>Illicit financial flows (IFFs) continue to adversely affect African governments’ ability to deliver public services. The importance of combating IFFs is seen as an important element in the global development agenda.</p> <p><i>Objectives: GIZ and CABRI will present research on the vulnerabilities of African ministries of finance to the risks of IFFs.</i></p>



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## Wednesday 8 March 2017

<b>Session 4</b>	<b>Managing the impact of macroeconomic shocks</b>
8:30 – 10:30	<p>Many African budgets are reliant on commodity exports and trade taxes. Fiscal crises can result when commodity prices plunge or terms of trade deteriorate, affecting countries' revenue flows. Budget and debt managers play a central role in assessing these shocks and developing a suitable response to them. The kind of response depends on the extent to which countries have built up fiscal space and thereby fiscal resilience.</p> <p><i>Objectives: This session will cover the following questions: How have ministries of finance/budget been affected by such shocks in the past and how have they responded to them? What lessons have they drawn for better fiscal management? What are some of the shorter-term mechanisms ministries of finance can deploy to minimise fiscal exposure and how can they build fiscal resilience in the long term?</i></p> <p>Facilitator: Paolo de Renzio (Senior Research Associate, International Budget Partnership)</p> <p>Presenters:</p> <p>Ben Akabueze (Director-General, Budget Office, Nigeria): "Managing budget woes due to a falling oil price."</p> <p>Motena Tsolo (Chief Executive, Economic Policy, Ministry of Finance and Development Planning, Lesotho): "The impact of the global financial crisis on Lesotho's public finances."</p> <p>Alain Mahamat Kimto (Head, budget office, Chad): "Managing the impact of a drop in revenue associated with the falling oil price."</p> <p>Discussant: Pietro Toigo (Chief Macroeconomist, African Development Bank)</p>
10:30 – 11:00	<b>Break</b>



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<p><b>Session 5</b> 11:00 – 13:00</p>	<p><b>Hidden priorities: managing unexpected pressures from off-budget sources</b></p> <p>The public finances of many African countries are still marked by significant off-budget obligations and many budget processes are still run without taking into account, or without good information on, all fiscal risks arising from the public sector overall. Implicit contingent liabilities – albeit from off-budget funds or state-owned enterprises – often translate into in-year pressures on the budget, diverting resources from planned expenditures, increasing debt or increasing the risk associated with countries’ debt when guarantees are issued. In many cases, demands for additional off-budget financing and/or assistance to state-owned enterprises come with political pressure.</p> <p><i>Objectives: The session will consider how finance ministries can manage pressures arising from opaque/hidden off-budget fiscal risks when they are realised during the fiscal year. What options are available? What part can budget and debt managers play in the approach taken?</i></p> <p>Facilitator: Alta Fölscher (independent consultant)</p> <p>For this session the participants will break into groups. The session will take the form of a fictitious case study, with groups required to develop a strategy to manage the pressures set out in the case study, within the context set out. Groups will present their strategies to the larger group.</p> <p>Discussant: Johan Krynauw (Programme Manager: Public Debt Management, CABRI Secretariat)</p>
<p>13:00 – 14:00</p>	<p><b>Lunch break</b></p>
<p><b>Session 6</b> 14:00 – 15:00</p>	<p><b>Reflection on common responses to budget pressures</b></p> <p>Recap of the various responses/strategies deployed by countries in response to in-year, unexpected and large budgetary pressures. The recap will look at how different types of strategies are associated with different types of pressures, and common consequences.</p> <p>Facilitator: Aarti Shah (Head of PFM Programmes, CABRI Secretariat)</p> <p>Presenter: Mark Miller (Research fellow, Overseas Development Institute)</p>
<p>15:00 – 15:30</p>	<p><b>Break</b></p>



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<p><b>Session 7</b> 15:30 – 17:00</p>	<p><b>Response ready: how can finance ministries prepare better for in-year pressures?</b></p> <p>Throughout the conference, presenters, discussants and facilitators will be asked to pay attention to how countries would/could prepare better for future pressures. This aligns with recent work in PFM on the availability of different mechanisms for better forward management of sources of fiscal risk. There are now better frameworks, and better understanding of the process and transparency interventions, that will allow countries to prepare better for risks. These include frameworks to identify, quantify and analyse risks; options for intervening up front to mitigate or provide for risks; or prepare for their absorption, should they occur, through probabilistic scenario planning for example.</p> <p><i>Objectives: To highlight to participants the key concepts and approaches to better prepare for fiscal pressures, and to draw on experience of countries in implementing some of these approaches.</i></p> <p>Presentation of preparation options</p> <p>Table discussions by participants on common risks faced over the medium term, and the options for and challenges of preparing for these in practice.</p> <p>The outcomes of the table discussions will feed into a facilitated plenary discussion.</p>
<p>17:00 – 17:15</p>	<p><b>Conference closure</b></p>
<p>19:00 onwards</p>	<p><b>Official dinner</b></p>





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## CABRI and International Budget Partnership (IBP) side event on budget transparency

Thursday 9 March 2017

08:30 – 10:00	<p><b>Surveying the state of budget transparency in Africa: Where are we?</b></p> <p>Fiscal openness and transparency are important not only for managing budgetary pressures, but also to ensure accountability in the management of public finances. Promoting transparency as a feature of PFM systems requires adequate tools to define it and measure some of its most important aspects.</p> <p><i>Objectives: This session will present results from two recent surveys carried out by CABRI and IBP, and alert participants to the opportunity to comment on the 2017 Open Budget Survey.</i></p> <p>Facilitator: Paolo de Renzio</p> <p>Presenters:</p> <p>Joana Bento (PFM Specialist, CABRI): “2015 CABRI Budget Practices and Procedures Survey: Findings on transparency.”</p> <p>Anselme Somda (Centre of Democratic Governance, Burkina Faso): “The importance of CSO-government dialogue in promoting budget transparency.”</p>
10:00 – 10:30	<p><b>Break</b></p>
10:30 – 12:00	<p><b>Institutionalising budget transparency practices in Africa</b></p> <p>One of the key findings of the 2015 Open Budget Survey is that many governments do not publish budget information in a consistent manner, making it difficult for the public to understand how their government is managing public finances. Such <i>volatility</i> is at least partly due to a lack of institutionalisation of budget transparency practices.</p> <p><i>Objectives: This session will focus on the importance of institutionalising budget transparency practices in governments across Africa. It aims to gather further evidence on volatility by carrying out a mini-survey of participating governments.</i></p> <p>Presenters:</p> <p>Paolo de Renzio (Senior Research Associate, International Budget Partnership) and Michael Castro (Programme Manager: Budget Transparency and Accountability, CABRI Secretariat): “Addressing the issue of volatility in budget transparency practices.”</p> <p>Paolo de Renzio (Senior Research Associate, International Budget Partnership): “The Open Budget Survey 2017.”</p> <p>Pierrot Sego (Director of Budget Preparation, Ministry of Economy and Finance, Benin): “How to institutionalise budget transparency practices.”</p>