

An Innovative Approach to PFM Reform: Building PFM Capabilities Programme



A Normative Model of Good International Practice

- Programme Based Budgeting (PBB)
- Medium Term Expenditure Framework (MTEF)
- Treasury Single Account (TSA)
- Integrated Financial Management Systems
- Public procurement reforms – legislation
- Tax reforms – independent revenue collection bodies
- Internal audit reform
- Transparency promoting initiatives – citizen’s budget

The Case of the Gambia

- Limited compliance with tax legislation
- Insufficient alignment between policy priorities and expenditure
- Predictability and control in budget execution
- Excessive budget reallocations
- Build up of expenditure arrears



The shortcomings of PFM Reforms in Africa

- Practice often lags behind the creation of processes and laws
- Reforms face limits that can only be overcome with adjustments in reform approach - with less focus on reform technicalities and more on creating space in which reform takes place with an emphasis on:
 - Expanding engagements with broader set of actors
 - Moving away from reproducing the same reform models and more on better understanding of what context- appropriate reforms look like
 - Promoting home-grown innovations to complement efforts to learn from the best



Building PFM Capabilities Program

- **Approach: Problem Driven Iterative Adaptation (PDIA)**
 - Local solutions for local problems
 - Pushing problem driven positive deviance
 - Active Experiential Learning
 - Scale Through Diffusion
- **The Programme**
 - The application process
 - Online Course
 - Framing Workshop
 - Action- Push Period
 - Closing Workshop

The application Process



Building PFM Capabilities programme application form

[CABRI](#) and the [Building State Capability \(BSC\)](#) program at Harvard's Center for International Development are interested in receiving proposals from African countries looking to participate in the *Building PFM Capabilities programme*. If a government is interested, a two-page proposal should be submitted to CABRI (to Adil Ababou at adil.ababou@cabri-sbo.org and Awa Touray at awa.touray@cabri-sbo.org), answering the following questions:

1. What is the PFM problem that your team wants to address?

Select a specific attention-grabbing problem. A problem that matters is one that gets attention and mobilises action.

2. Why is this a problem, and who does it impact?

3. What actions are currently being undertaken to address the problem, and why do you think your participation in the *Building PFM Capabilities programme* will support the reform process?

Online Course

This is PFM

Matt Andrews, Marco Cangiano, Neil Cole, Paolo de Renzio, Philipp Krause, and Renaud Seligmann

**CID Working Paper No. 285
July 2014**


© Copyright 2014 Andrews, Matt, Cangiano, Marco, Cole, Neil, de Renzio, Paolo, Krause, Philipp, Seligmann, Renaud, and the President and Fellows of Harvard College



Working Papers

Center for International Development
at Harvard University

▼ Module 1: What is PFM?

 Module 1: What is PFM?

 Individual Assignment 1

Jun 26, 2017 | 6 pts

▼ Module 2: Constructing your problem to start the reform quest

 Module 2: The limits to PFM reform; and your quest

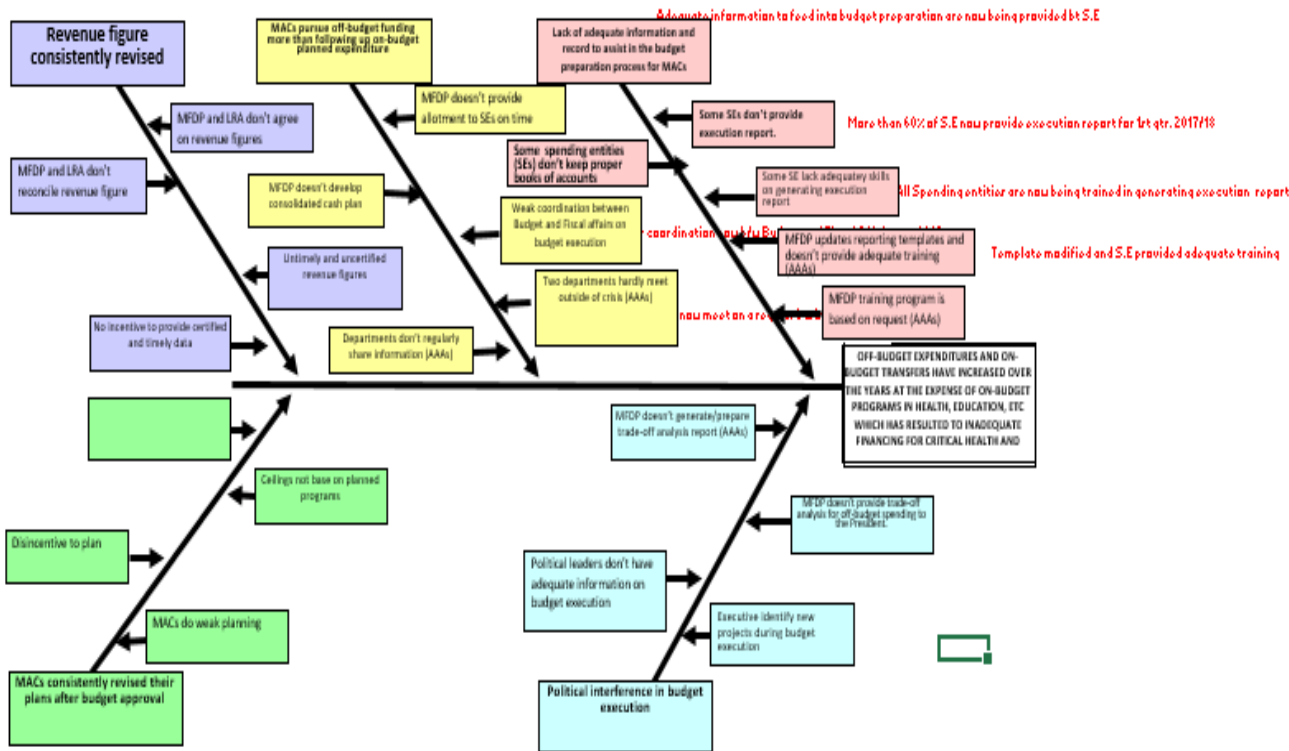
 Individual Assignment 2

Jul 5, 2017 | 14 pts



Framing Workshop

Fishbone Diagram



If you are unhappy with the fishbone diagram, click on the appropriate buttons below to adjust data

- Back to Specific Causes
- Back to Cause Categories
- Back to Problem
- Back to Main Menu
- Print Color Diagram

- Refining problem statements
- Problem deconstruction

Action Push Period



Team Sierra Leone Meets 10 Pilot MDAs

Closing Workshop

Building PFM Capabilities

— 2017 Cohort —

PROGRAMME



31
WEEKS



7
COUNTRIES



3
WEEKS
ONLINE
COURSE



40
FINANCE
OFFICIALS



2
WORKSHOPS



7
DEDICATED
CABRI COACHES

ACTION-LEARNING



118
TEAM
ASSIGNMENTS



3720
HOURS OF
TEAM WORK



422
INDIVIDUAL
ASSIGNMENTS



105
CHECK-IN
DISCUSSIONS



12
IN-COUNTRY
ENGAGEMENTS



16
COACH
MEETINGS

Highlights of Team Achievements

Lesotho

Problem: MDAs do not adhere to ceilings or the appropriated budget

Solution: 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

Nigeria

Problem: Weak capital project selection, inclusion process and poor implementation in the annual budget

Solution: 1) improved coordination between the executive and the parliament on budget preparation 2) facilitated early submission of the 2018 Appropriation Bill.

South Africa

Problem: Poor conceptualisation of infrastructure projects

Solution: 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.

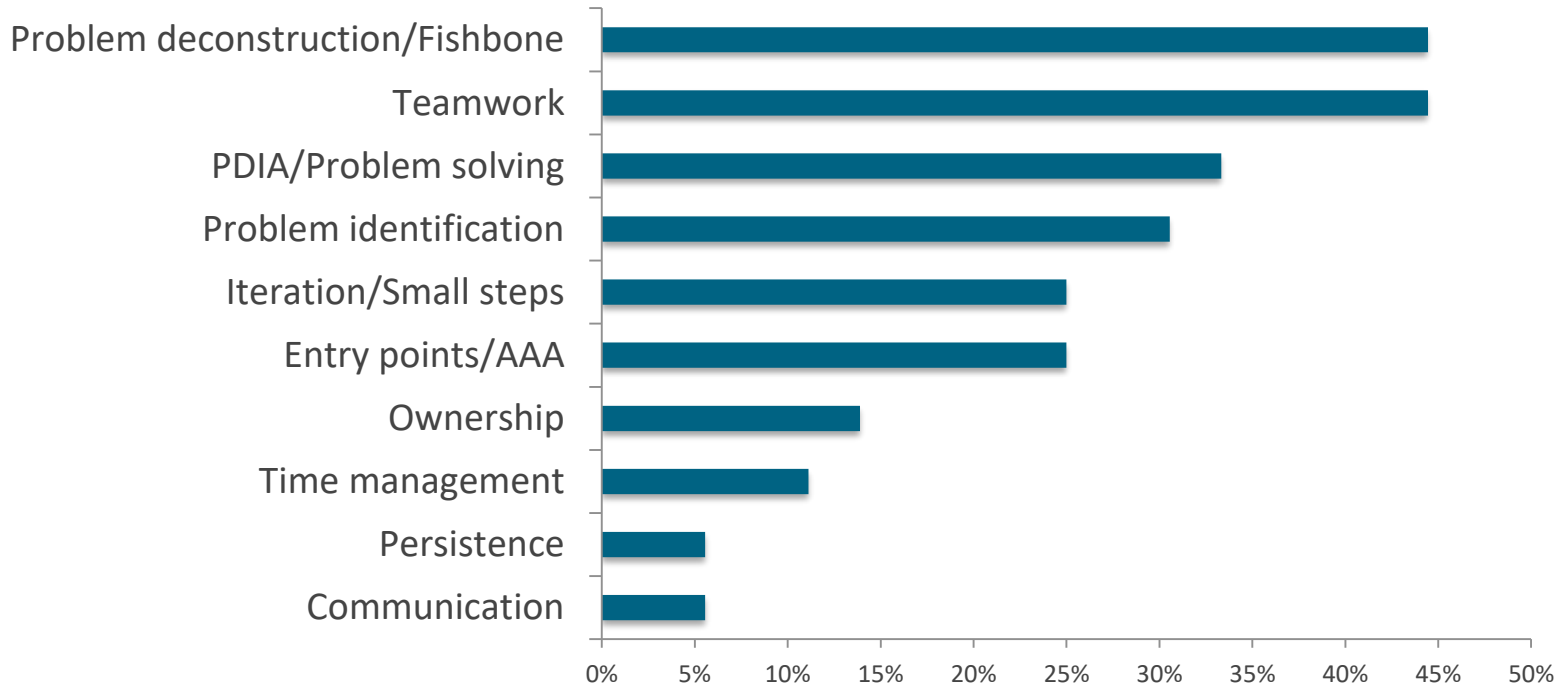
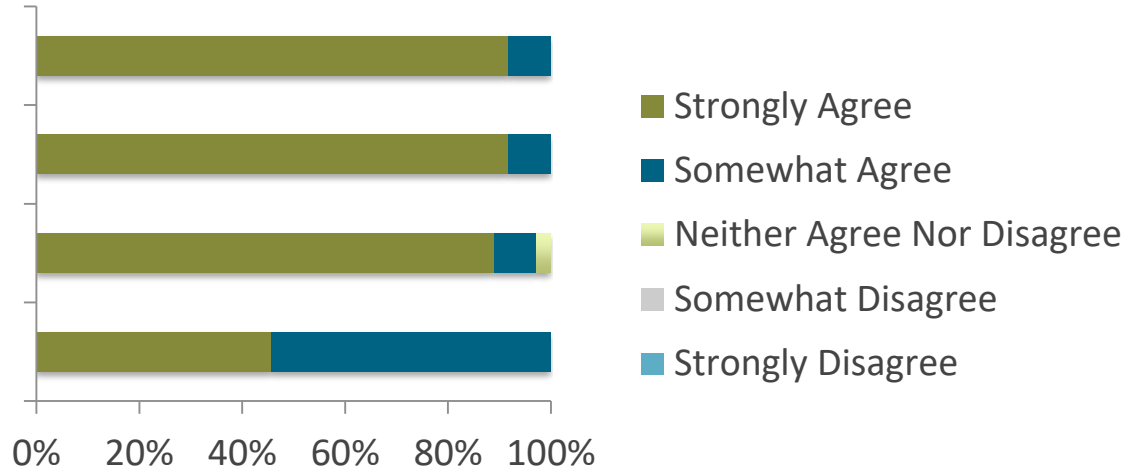
Programme Evaluation

I will use the principles of PDIA in my future work.

What I learned in this program is relevant to my current...

I would recommend this program to my colleagues.

I was able to stay motivated throughout the entire...





Participant Reflections

- “I would really like to emphasize the amount of enjoyment I derived from this course. It 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 life long partnerships, that will forever remain a part of my professional career.”
- “Previous PFM training have been purely classroom without the requisite incentive to translate skills into actions. This training is special and unique in directly helping to resolve issues and promoting utilization 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.”

Medase y