

Missing links in PFM reforms in Africa

- Overview of this presentation
 - Common themes in public sector reforms
 - Common budget reforms across Africa
 - Have reforms led to better budget systems?
 - Reasons for persistent missing links (gaps)
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EXPLORING THE MISSING
LINKS IN PFM REFORMS



Overview

- Theme of CABRI's 9th Annual Seminar, premised on:

Many African countries have moved from one budget reform to another without necessarily making the budget system more functional.

- Inspiration - Matt Andrews, Associate Professor at the Harvard Kennedy School of Government:
 - Contextual realities are overlooked;
 - Best practice interventions – beyond the reach of developing countries;
 - Reforms are focused on narrow groups of champions – hampers implementation and diffusion

Common themes in public sector reforms

FOSTER MARKET-FRIENDLY GOVERNMENTS

- Privatisation, deregulation, trade liberalisation, etc;
- 44% of WB projects;
- DFID: "state failure" to facilitate vibrant markets;
- AfDB: improve "investment climate and business environment".

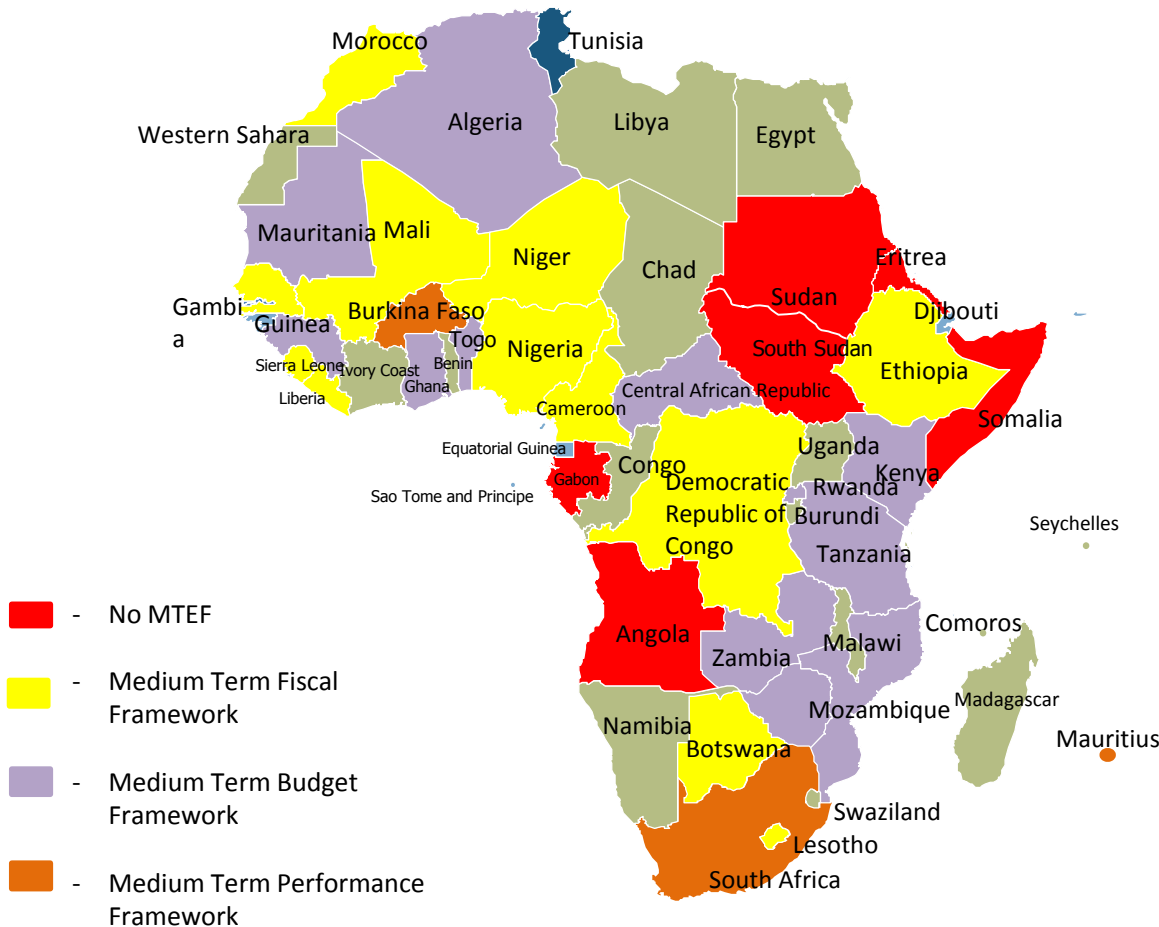
CREATE DISCIPLINED GOVERNMENTS

- Staff rationalisation, budget controls and greater accountability;
- 30% of WB projects;
- Discipline governments and market-friendly often integrated and early period activities.

MODERNISE & FORMALISE GOVERNMENT PROCESSES

- Fiscal rules, MTEFs, fiscal decentralisation, internal audit regimes, etc;
- 33% of WB projects;
- Early period focus on ex-ante control / later period on performance management and devolution

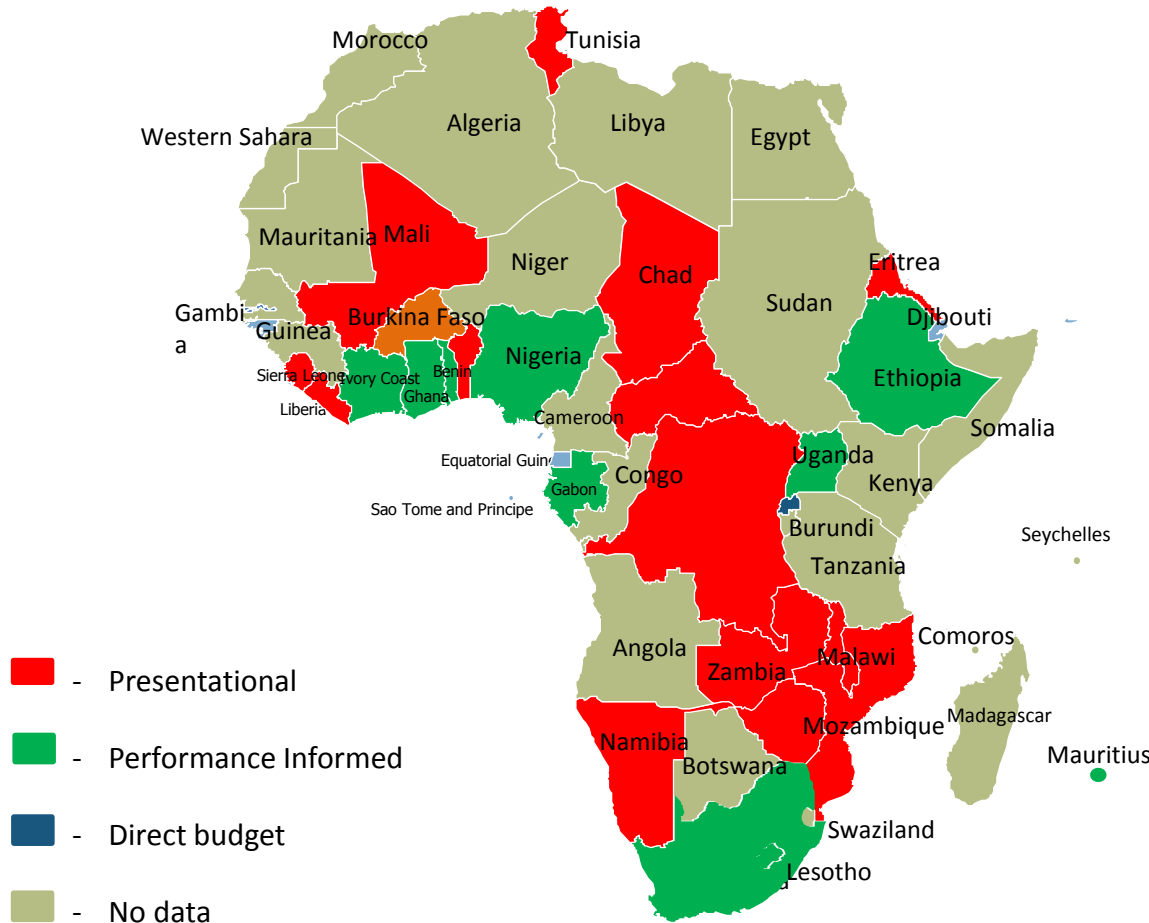
Medium-term expenditure frameworks



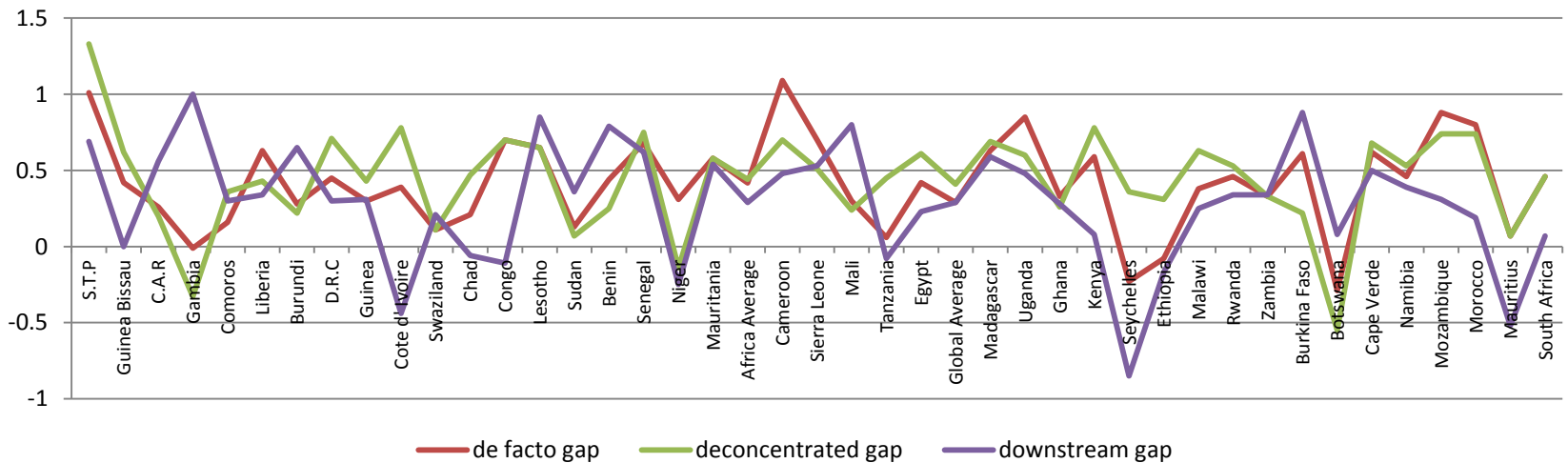
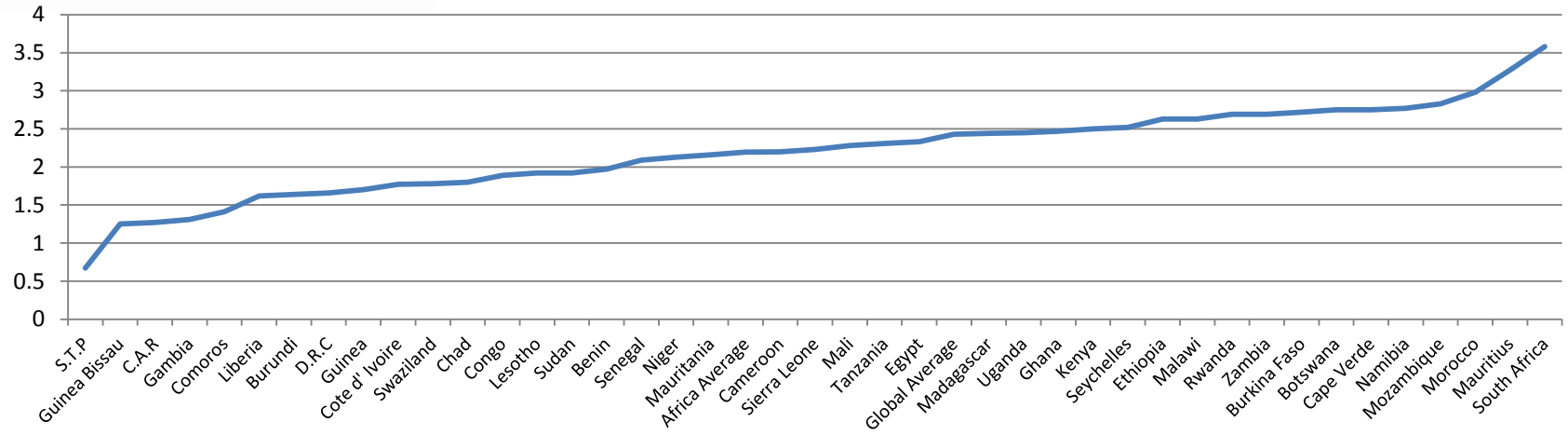
Improved budget systems and implementation or “signals”?

Programme & Performance Budgeting

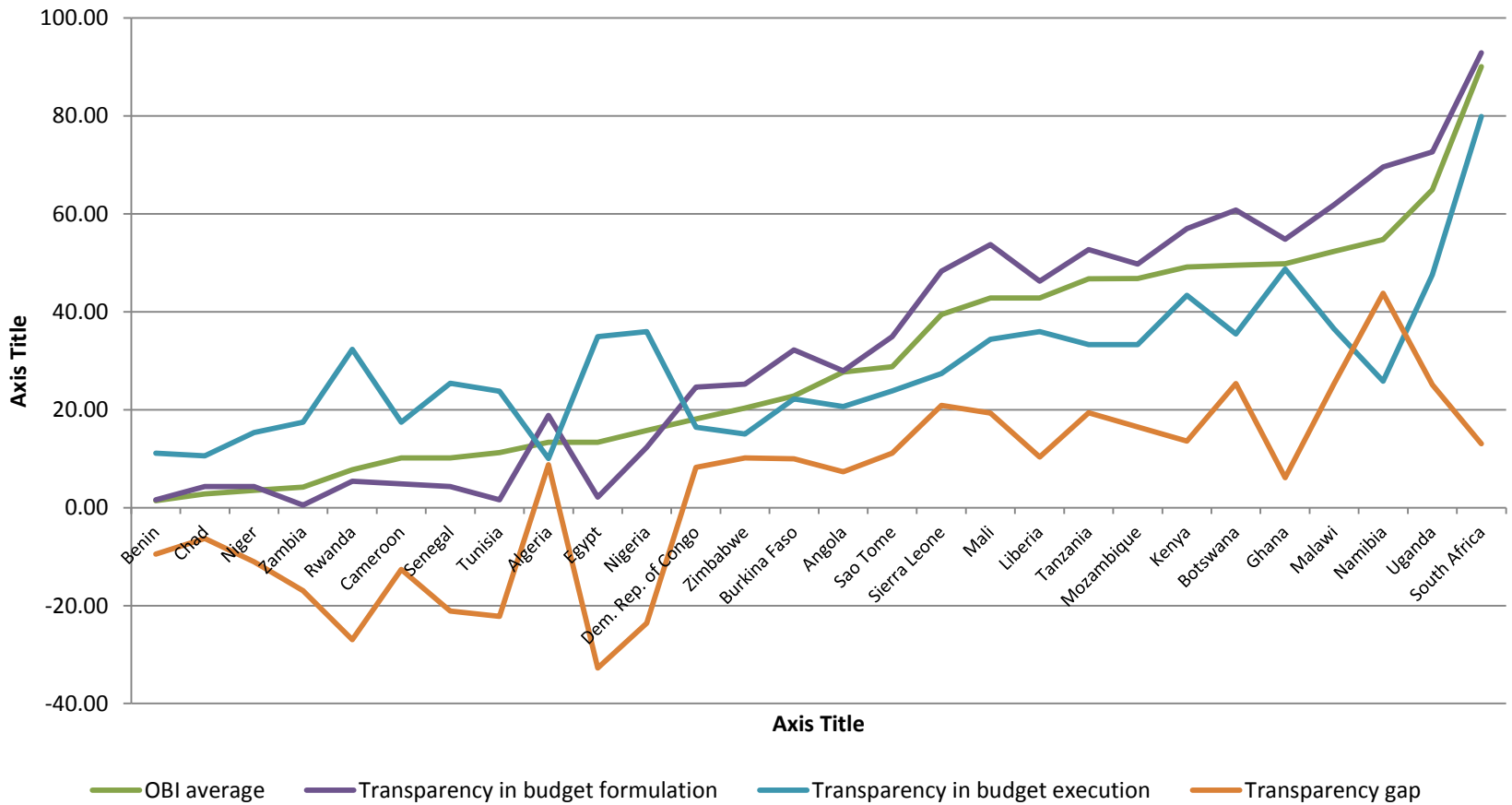
Improved budget systems and implementation or “signals”?



PEFA scores



OBI average scores



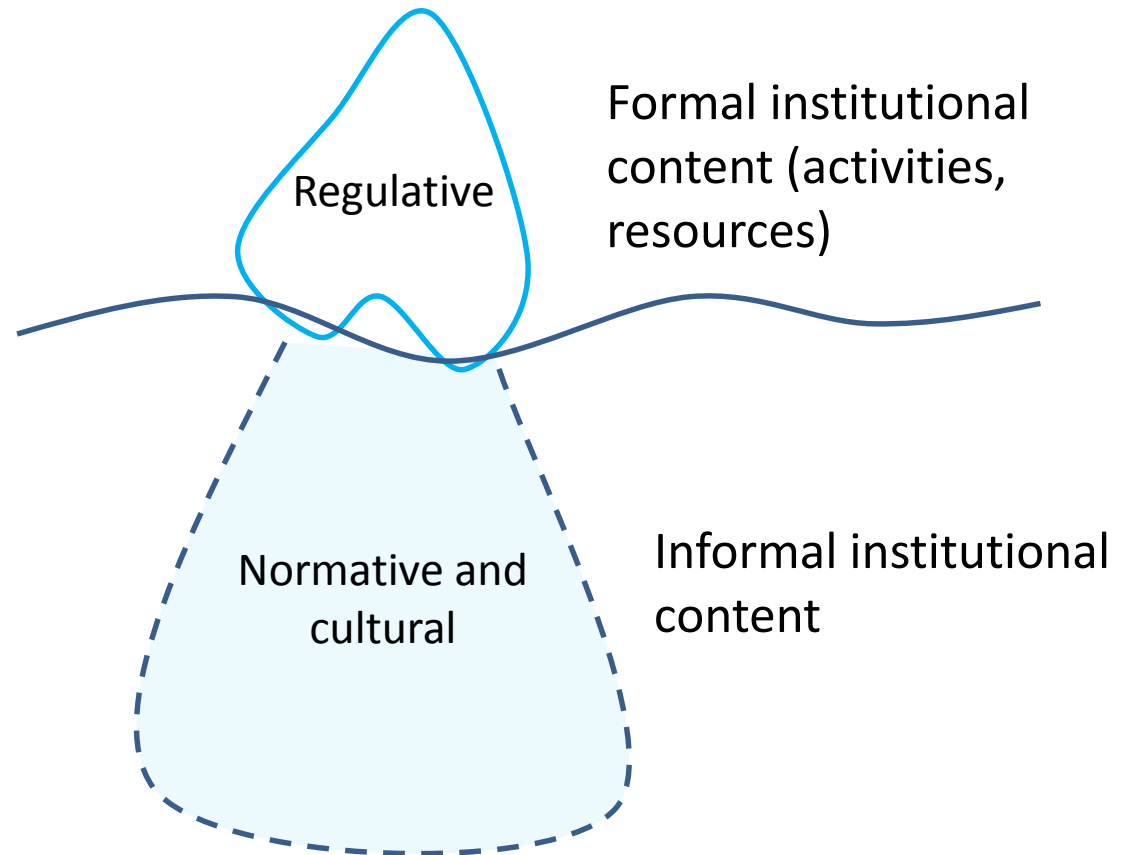
Why do they matter?



Some reasons for persistent ...



- Bad fit;
- Short-term signals;
- Context, best-practice and agents



Thank you
