

**5th Annual CABRI Seminar
7, 8 and 9 April, 2009**

Strengthening Budget Practices in Africa

Day 1: Tuesday 7 April 2009

08:30 – 09:15 Opening Ceremony

Welcome and Introduction	Director of Budget, Ministry of Economy and Finance, Senegal	<i>(5 mins)</i>
Key Note Address	Permanent Secretary, Ministry of Economy and Finance, Senegal	<i>(15 – 20 mins)</i>
Seminar Objectives, outline of Programme and delegate Introductions	CABRI	<i>(15 mins)</i>

09:15 – 10:45 Session 1: Launch of CABRI/AfDB Report on Budget Practices and Procedures in Africa

CABRI and the African Development Bank will launch a report on Budget Practices and Procedures in Africa. The report is part of a joint programme on good financial governance aimed at strengthening efficiency and accountability in the management of public resources. The report analyses the OECD/CABRI survey results for 26 African countries, providing an overview of budget practices and procedures in these key areas: (a) budget timelines, (b) budget institutions, (c) medium-term budgeting, (d) budget execution, (e) parliamentary oversight, (f) off-budget spending, (g) fiscal transparency and (h) aid management. The session provides an opportunity to examine the key themes and findings presented in the report.

Chair	Senegal	
Launch of the Report	Gabriel Negatu, AfDB Neil Cole, Executive Secretary, CABRI	<i>(10 mins)</i>
Key themes and findings	LSE Group	<i>(25 mins)</i>
Discussion		<i>(55 mins)</i>

10:45 – 11:15 Tea and Coffee Break

11:15 – 12:45 Session 2: Key priorities for budget reform in Africa

The Report on Budget Practices and Procedures in Africa provides a basis for thinking about what emerges as key priorities for budget reform for the continent. Three countries will consider the path and content of their own budget reform programmes given the country-specific survey results and the key findings of the report. Countries will be asked to take an inward look at whether they believe their own reform programmes are well-designed, appropriately sequenced, on target and whether the reforms have demonstrated adequate results. The discussion will identify key priorities for budget reform in Africa, the

circumstances under which these priorities are relevant, and principles on how to improve the design and implementation of budget reform programmes.

11:15 – 12:00 Parallel Group Discussions

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| 1. Francophone Country Group | Lead Discussant – Abdoulaye Toure, Ministry of Economy and Finance, Mali | <i>(5 - 10 mins)</i> |
| 2. Anglophone Group: Setting up the basics | Lead Discussant – Anthony Myers, Ministry of Finance, Liberia | <i>(5 - 10 mins)</i> |
| 3. Anglophone Group: Elaborating on the basics | Lead Discussant – Desu Gebre Asranie, Ministry of Finance and Economic Development, Ethiopia | <i>(5 - 10 mins)</i> |

12:00 – 12:45 Plenary: Report Back

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| Chair | Paolo de Renzio & CABRI | |
| Group Report Back | Rapporteurs | <i>(5 each)</i> |
| Discussion | | <i>(40 mins)</i> |

12:45 – 13:45 Lunch

13:45 – 15:15 Session 3: Korea's experiences of Performance Budgeting

Korea has a number of experiences in the budget reform area relevant to African countries. The introduction and use of performance information and program budgets in the annual budget process have had wide ranging effects for how the budget is planned and executed. These experiences will be shared in the form of a 15 minutes overview presentation. In addition, a reform concerning top down budgeting has entailed significant improvements in the budget process, especially when this was linked to the new performance system.

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| Chair | Kubai Khasiani, Kenya | |
| Country perspective: Korea | Dr. Youngsun Koh, Korea Development Institute | <i>(15 mins)</i> |
| Country Respondent: South Africa | Kay Brown, National Treasury | <i>(10 mins)</i> |
| Discussion | | <i>(55 mins)</i> |

15:15 – 15:45 Break

15:45 – 17:15 Session 4: Fiscal Policy Response to the Global Economic Slowdown

Most analysts argue that it is too early to quantify the impact of the global economic slowdown on Africa. The impact will vary across countries depending on their production and export structure, exposure to the international financial system, as well as capacity to cushion the potential negative effects of the crisis. Africa is somewhat sheltered from the short-term contagion effects of the financial crisis as many countries are de-linked from the international financial system. However, African countries will be affected by the economic crisis through lower prices for the commodities that they export, lower demand for exports,

lower private capital flows, a likelihood of slowing development assistance and a decline in remittances.

These factors are likely to impact on employment growth, government revenue, private sector investment and the relative value of local currencies. While developed countries can respond to slower growth through targeted fiscal expansion, these options are often not open to developing countries since they do not have access to global capital markets and the cost of borrowing has increased considerably.

Boosting infrastructure spending, protecting spending on capital and maintenance, supporting low wage employment and protecting sensitive areas of spending such as education and health are just some of the budget policy responses observed so far. This session will survey the impact of the global economic slowdown on African countries and explore the various ways in which countries are responding to the crisis.

Chair	South Africa	
Country perspective: Zambia	Danies Chisenda, Ministry of Finance and National Planning	(10 – 15 mins)
Discussion		(60 mins)

19:00 onwards Official Dinner Reception hosted by the Ministry of Finance, Senegal

Day 2: Wednesday 8 April 2009

09:00 – 10:30 Session 5: Review of Rwanda's Aid on Budget Working Session

The Ministry of Economy and Finance, Rwanda and CABRI conducted joint research on taking the findings of the CABRI/SPA Aid on Budget study further in the Rwandan context. The objectives of the Aid on Budget research and working session was to discuss and agree on: (i) **What** the rules will be in Rwanda for integrating aid on budget; and (ii) **How** the rules will be operationalised in order to ensure quality integration of aid on budget

Research findings	Alta, Folscher, AOB Coordinator	(15 mins)
Country Respondent: Ghana	Kwabena Adjei-Mensah	(10 mins)
Country Respondent: Rwanda	Clement Ncuti	(10 mins)
Discussion		(55 mins)

10:30 – 11:00 Break

11:00 – 12:30 Session 6: CABRI's response to AAA: Using country systems

Underlying the Paris Declaration commitments and the recent Accra Agenda for Action agreed in September at the High Level Forum in Accra, is the consensus that aid effectiveness depends on country ownership of strategy and country leadership of aid management. Using country systems, including the planning and budgeting system, is seen as an important way of strengthening them. It is also seen as a way of ensuring sustainability of aid interventions, since parallel activities often wither when external funding ceases.

This session examines CABRI's response to the section on Using Country Systems under the principle of Alignment in the Accra Agenda for Action. The response is based on the Aid on Budget work CABRI has undertaken.

Chair	Ghana	
CABRI's Draft Response	Neil Cole, CABRI	(15 mins)
Discussion		(75 mins)

12:30 – 13:30 Lunch

13:30 – 14:30 Session 7: Capital Budgeting Systems

Session 6 builds on the discussion on capital budgeting at the 4th Annual CABRI seminar with a country case study from Chile. The Chilean experience represents an important case study of a system that utilizes technical project appraisal in a centralised fashion. Case study topics covered will include: i) A description of the National Investment System (NIS): strategic planning and budgeting for public investment; ii) Processes for appraising investment projects (ex-ante); iii) The institutional arrangements for effectively monitoring the implementation of investment projects; iv) the influence of politics on final project decisions; and v) building capacity to appraise projects.

Chair	Burkina Faso	
Professor Mimica	University Adolfo Ibanez, Chile	(20 mins)
Professor Mimica is one of the original architects of the Chilean capital budgeting system (he remains a special advisor to the Department of Planning) and has been instrumental in developing many of the techniques and structures of capital budget evaluation.		
Discussion		(40 mins)

14:30 – 15:00 Break

15:00 – 16:15 Session 8: Planning and managing capital projects in Africa

The Chile case study raises a number of issues and lessons for African countries, many of which are experiencing growth in their capital spending. In particular, it raises issues around how the source of external financing affects the potential development of a comprehensive government-wide system to appraise, plan, and manage capital projects. This session takes the form of a roundtable discussion between two key development lenders on the continent and a leading expert to identify the challenges in planning and managing capital projects.

Chair	Neil Cole	
Country Perspective: Sierra Leone	Tasima Jah, Ministry of Finance and Economic Development, Sierra Leone	(10 mins)
Respondent: China	Dr. Martyn Davies, Executive Director, Center for Chinese Studies, Stellenbosch University	(10 mins)

Respondent: African Development Bank Mohamed H'Midouche, Regional Resident Representative (10 min)

Discussion (55 mins)

16:15 - 16:45 Wrap –up Session

Day 3: Thursday 9 April 2009

08:30 – 12:30 General Assembly Meeting – closed session (open to country participants only)

14:00 onwards Cultural Visit