

Making Budgets Work: The Implementation Challenge

DAY 1

Wednesday, 17 August

	08.00–09.00	Registration				
	09.00–10.30	<p>Welcome by Director of External Finance, Rwanda</p> <p>Opening Address by Minister of Finance and Economic Planning, Rwanda</p> <p>Overview of Seminar Theme by the Chair of CABRI Management Committee, Mauritius</p>				
	10.30–11.00	Coffee Break				
	11.00–12.30	<p>Session 1 – Framing the Budget Implementation Challenge</p> <p><i>‘Three themes are identified in looking across the many process areas in African PFM systems: (i) Budgets are made better than they are executed; (ii) Practice lags behind the creation of processes and laws; and (iii) Actor concentration pays. The first theme relates the observation that budget preparation processes are comparatively stronger than budget execution and oversight processes across all African countries. In PFM jargon this is commonly presented as upstream processes and these are stronger than the downstream processes. The second theme is more nuanced, showing across all process areas that African PFM systems suffer from an implementation deficit – laws and processes seldom affect behaviour. The third theme suggests that processes are stronger when concentrated sets of actors are involved. Processes are weaker where they involve multiple players, especially outside of central PFM entities like the budget department, treasury or debt agency.’</i></p> <p style="text-align: right;">Matt Andrews</p> <p>In Session 1, the panellists will explore the common challenges facing African PFM systems and introduce participants to ways in which budget reforms are able to achieve better results.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Moderator</td> <td>Neil Cole, CABRI</td> </tr> <tr> <td>Panellists</td> <td>Florence Kuteesa, former budget director, Uganda Vivek Ramkumar, International Budget Partnership Edward Hedger, Overseas Development Institute</td> </tr> </table>	Moderator	Neil Cole, CABRI	Panellists	Florence Kuteesa, former budget director, Uganda Vivek Ramkumar, International Budget Partnership Edward Hedger, Overseas Development Institute
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	12.30–13.30	Lunch				

13.30–17.30

Session 2 – Organisational Structures

‘Improvements in the budgetary system are largely a function of institutional change, in the contemporary sense of the basic rules that govern the behavior of organizations and individuals. The distinction between institution and organization – and the interplay between the two – is key to understanding the challenge of improving the management of public expenditure in developing countries. Budgeting organizations can be improved – sometimes even created ab nihilo¹ - but economic, social and political behavior will not change unless the rules and procedures change as well. For example, simply merging a Ministry of Finance with a Ministry of Planning will not, by itself, do much to integrate current and capital budgeting more thoroughly. However, the reverse is also true: rule modification is unlikely to produce results in an operationally meaningful timeframe unless organisational improvements proceed apace.’

Salvatore Schiavo-Campo and Daniel Tommasi

In Session 2, participants will firstly be introduced to a World Bank study, “Enhancing the Capabilities of Central Finance Agencies”. In the second part of the session, participants will explore ways to strengthen the internal capability of budget institutions and efficient management strategies to improve budget implementation.

13.30–15.00

Session 2a – Enhancing the Capabilities of Central Finance Agencies

Moderator	Ibrahima Diallo, Senegal
Presentation	Enhancing the Capabilities of Central Finance Agencies, Bjoern Dressel, Center for Governance and Public Policy
Discussants	Edward Hedger (Overseas Development Institute), Paul-Henri Nguema-Meye (Gabon) (tbc) and Elias Baingana (Rwanda)

15.00–15.30

Coffee Break

15.30–16.30

Session 2b – Making Organisational Structures Work for Budgets

This sub-session will explore two common challenges: (i) managing the integration of the development budget and the recurrent budget in the context of dual budgeting systems; and (ii) the relationship between central finance agencies and line ministries. Budget officials will have the opportunity to share their experiences in smaller groups in order to come up with recommendations to handle these challenges.

	Group A	Group B
Topic	The planning- budgeting link: managing 2 Ministries and ensuring integration of development budget and recurrent budget	The relationship between central finance agencies and line ministries
Facilitators	Alta Fölscher, CABRI consultant	Florence Kuteesa, former budget director, Uganda

¹ Creating something from nothing

■ 16.30–17.30

Report Back from Group Sessions

■ 18.30

Cultural event and dinner hosted by the Ministry of Finance and Economic Planning

DAY 2

Thursday, 18 August

08.30–09.00

Carryover Issues from Day 1

09.00–10.45

Session 3 – Legal Frameworks

Legal frameworks in Africa vary in their development and often based on legacy systems. Beyond the existence of legal frameworks, the main question is whether those frameworks are conducive for good financial governance. Despite the plethora of laws and regulations, there is little evidence in either Francophone or Anglophone countries that the legal framework for budget management is scrupulously respected.

Session 3 will examine the challenges in developing, implementing and enforcing PFM legal frameworks Africa, in addition to exploring the incentives and commitment controls that can be put in place to enforce legal frameworks.

09.00–09.45

Session 3a – Incentives and Enforcement

Moderator	Abdoulaye Traoré, Mali
Presentation	Legal Frameworks: Incentives and Enforcement, Gert van der Linde, World Bank

09.45–10.45

Session 3b – Legal Frameworks: Examining Country Experiences

A myriad of African countries have undertaken PFM legal reforms in recent years. In the group discussions, three country case-studies will be examined, with particular focus on the reasons for the reforms, their link to other reforms and the implementation challenge.

	Group A	Group B
Case Studies	Mohammed Haddad, Morocco: Performance Budgeting and Legal Frameworks	Pamela Chibonga, Zambia/ Elias Baingana, Rwanda: New PFM Laws – Design, Implementation and Enforcement
Facilitators	Patrick Kabuya, World Bank	Alta Fölscher, CABRI consultant

10.45–11.15

Coffee Break

11.15–15.30

Session 4 – Fiscal Decentralisation and Intergovernmental Relations

Decentralisation reforms have been implemented all over Africa with varying degrees of success in the past two decades. Experience has shown that political and administrative decentralisation has taken root in Africa. However, fiscal decentralisation continues to lag behind. In order to make budgets work, the local implementation challenge cannot be disregarded.

Session 4 will examine the challenges that are faced in the devolution of financial authority from central government to the sub-national level, by drawing on the experiences of several African countries. Particular focus will be placed in institutional and intergovernmental arrangements, expenditure and revenue assignments, and the practices and challenges of local and national budgeting processes. In addition, the session will shed light on concepts and definitions of decentralisation reform, provide an overview of recent developments and trends in fiscal decentralisation and argue for the importance of making local budgets work for development effectiveness in Africa.

11.15–12.30

Session 4a – Practices & Challenges of Fiscal Decentralisation in Africa

Moderator	Neil Cole, CABRI
Presentation	Introductory comments on The State of Fiscal Decentralisation in Africa, François Yatta (Local Economic Development Network of Africa)
Discussants	Evelyn Arthur (Ghana), Samuel Kiiru (Kenya), François Yatta (Local Economic Development Network of Africa)

12.30–13.30

Lunch

13.30–14.30

Session 4b – Making Local Budgets Work: A Civil Society Perspective

One of the main ideas behind decentralisation is to bring services closer to the people, to allow for broad-based participation in decision-making and to make government more responsive to the needs of the population. Has this been achieved? How are budgets implemented at the local level? And how is local government being held accountable? This session will introduce civil society's view on fiscal decentralisation, budget transparency and accountability and present efforts made by NGOs to improve local governance.

Moderator	François Ibara, Congo
Presentation	Subnational Budget Transparency, Participation and Financial Management: A Civil Society Perspective, Jason Lakin, International Budget Partnership

14.30–15.30**Session 4c – Peer Exchange on Fiscal Decentralisation**

Different reform efforts and decentralisation strategies have led to diverse outcomes. In this session, country representatives will get the opportunity to exchange their experiences, discuss challenges and debate practical solutions related to fiscal decentralisation. In a “World Café” setting small groups will engage in in-depth discussions focused on fiscal decentralisation issues.

15.30–15.45**Coffee Break****15.45–16.45****Session 5 – Wrap-Up of Lessons Learned in the Implementation Challenge**

Moderator

Neil Cole, CABRI

Panellists

Alta Fölscher, CABRI consultant

Clement Ncuti, Rwanda

Matthias Witt, Deutsche Gesellschaft für

Internationale Zusammenarbeit

16.45–17.00**Closing Remarks****18.00–19.00****The CABRI Position on Aid Transparency – The Road to Busan
Cocktail reception, Hotel Serena**

Moderator

Neil Cole, CABRI

Presentation

Alta Fölscher, CABRI consultant

Ronald Nkusi, Rwanda