

Exploring the Missing Links in PFM Reforms

KENYA

This year's Annual Seminar comprises two parts. Day 1 will be devoted to a workshop on 'Promoting Budget Transparency and Citizen Engagement on the African Continent' jointly organised with the International Budget Partnership. The workshop will bring together governments and civil society organisations from across the African continent to discuss budget transparency and citizen engagement in budget processes in Africa, based on the results of the 2012 Open Budget Index. Day 2 and 3 will focus on 'The Nature of PFM Reforms: Exploring the Missing Links' and will aim to inspire SBOs to approach reform challenges differently. The two days will equip SBOs with the techniques and tools they need to manage change and sustain reforms.

27 AUGUST 2013

18:00 - 18:30 Registration

18:00 - 18:30 OPENING OF CONFERENCE AND COCKTAIL DRINKS (PLENARY)

Welcome remarks

Hon. Jordan B. Solunteh, Deputy Minister, Ministry of Finance, Liberia

Neil Cole, Executive Secretary, CABRI

Description of the objectives and agenda of the 3-day event, and highlighting the linkages between the first day and the rest of the Annual Seminar, also talking briefly about the joint CABRI/IBP Africa Transparency Initiative.

PART 1

BUDGET TRANSPARENCY AND CITIZEN ENGAGEMENT ON THE AFRICAN CONTINENT: CHALLENGES, INCENTIVES AND EMERGING GOOD PRACTICES

The main objectives of this one-day event are the following:

1. Present the Open Budget Index results and recommendations to governments in the region and facilitate a conversation among governments and civil society organisations (CSOs) about these results.
2. Discuss the key incentives for governments to improve budget transparency.
3. Share innovations and good practices in budget transparency and public engagement from participating countries and governments.

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08:30 - 09:00	Late registration / coffee	
09:00 - 09:15	Opening Remarks <i>Hon. Henry Rotich</i> <i>Cabinet Secretary for the National Treasury, Kenya</i>	15 min
09:15 - 09:45	1. Budget Transparency and Citizen Engagement in Africa (PLENARY) <i>Paolo de Renzio, Senior Research Fellow, International Budget Partnership</i> Why are budget transparency and citizens' participation important? What is the status and trends of budget transparency/participation in Africa? [Presentation on 2012 OBS results and recommendations and link to the rest of the day's agenda: discussion on incentives, innovative practices, dialogue to look for feasible short/medium-term recommendations. Main findings from the book "Open Budgets: the political economy of transparency, participation and accountability"]	30 min
09:45 - 10:45	2. Budget Transparency in Africa: What are the Key Incentives? (PLENARY) <i>Introduction by facilitator (Jason Lakin, IBP)</i> Government officials and CSO representatives from Liberia and Mali (TBC) will speak about the incentives governments have for improving budget transparency, and the challenges that civil society faces in pushing for such improvements. Discussion	5 min 40 min 15 min
10:45 - 11:15	Coffee and tea break	
11:15 - 12:30	3. Budget Transparency in Africa: Challenges and Solutions (PLENARY) <i>Introduction by facilitator (Paolo de Renzio, IBP)</i> Participants will be divided into groups according to language. Each group will brainstorm, based on the previous session, on what can be done to overcome the budget transparency challenge in the region. In particular they should identify the three challenges they think are most relevant, and present possible solutions for them. They should also identify interesting innovative/good practices that are worthy of dissemination. Each group will have 5/10 minutes to report back to plenary on three ideas for overcoming the transparency challenge in the region. Specific countries may be called upon to briefly talk about their innovative/good practices.	5 min 30 min 30 min
12:30 - 13:30	Lunch	

13:30 - 15:00	<p>4. Individual Country Discussions on the Recommendations of the 2012 Open Budget Survey (OBS) (PLENARY)</p> <p>Governments and OBI researchers from each country will discuss, in their own country delegations, which recommendations from the 2012 OBS and the previous sessions are feasible. They will also discuss reforms that have already been introduced and that will impact the level of budget transparency and participation. Each delegation defines a rapporteur/note taker who will have to put together a “poster” with the main outcomes of the discussion.</p>	90 min
15:00 - 15:30	<p>Coffee and tea break</p>	
15:30 - 16:00	<p>5. Country Delegations Report Back / Posters (PLENARY)</p> <p>Rapporteurs from each country delegation will post a poster on the wall with the following:</p> <ul style="list-style-type: none"> ▪ List of OBS recommendations that are feasible in the short-term ▪ List of OBS recommendations that cannot be addressed in the short term, but that both CSO and government agree are a “priority” ▪ Proposals/ideas on how civil society can support the government in those reforms. <p>All participants will walk around the room and read the various posters.</p> <p>Before the session ends, there will be a short plenary discussion with thoughts/reactions/impressions</p>	30 min
16:00 - 16:30	<p>6. Wrap-Up Session (PLENARY)</p> <p><i>Neil Cole, Executive Secretary, CABRI</i> <i>Joel Friedman, Senior Adviser, International Budget Partnership</i></p> <p>Summary of the day Closing remarks</p>	30 min

PART 2

MISSING LINKS IN PFM REFORM

THE NATURE OF REFORM: EXPLORING THE MISSING LINKS

Much of the PFM literature speaks of the international best practices in budget reform. Many African countries led by donor initiatives have moved from introducing one budget reform to another without necessarily making the budget systems more functional. The 9th annual seminar seeks to investigate what it takes to successfully implement a budget reform.

Many senior budget officials operate in environments of limited political leadership, scarce capacity, poor pay, inefficient bureaucratic processes, strong donor pressure, and weak incentives to improve performance. Given such environments, how can SBOs successfully promote change and embed reforms that can improve the way a budget system functions? What does it take to generate support for the reforms which are needed and relevant to the real problems? Which are the strategies and tactics needed to ensure an appropriate reform design and a successful implementation process?

The seminar has four objectives in order to address these central questions. These are to:

1. Consider the challenges and constraints of implementing budget reforms through the presentation of theory and evidence;
2. Inspire delegates to re-examine, where necessary, the design and implementation strategies for the reforms they are currently undertaking within their respective countries through the use of speakers who will share the lessons learned from their involvement in successful or unsuccessful implementation of reforms;
3. Work through problems and debate and discuss different strategies to solve these problems; and,
4. Equip delegates with the tools they need to approach implementation, manage change and sustain reforms, especially the softer skills. These may include assessing the readiness and capacity to change, ensuring vision and leadership are in place, engaging key stakeholders, creating ownership, communicating the message, identifying conflicts, and recognising and influencing sources of leadership and resistance.

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08:15 – 08:30

OPENING REMARKS AND INTRODUCTION OF PROGRAMME (PLENARY)

15 min

*Abdoulaye Touré, Secretary General, Ministry of Finance, Mali
Chair, Management Committee, CABRI*

On day two the sessions will examine the missing links in implementing PFM reforms, why they matter and why they exist. By the end of the day, SBOs will have pieced together the missing links and constraints to PFM reforms and will have begun to gain an understanding of how to do things differently. Day three will look deeper into how SBOs can approach implementation and the change management process differently with applied examples and applied tools.

The common threads that run through the annual seminar are the concepts of context (what is the context and how do you create change within this context?), content (what are you doing and is it relevant?) and agency (who is involved and who do you engage?). Cross-cutting sub-themes on the role of the SBO, capacity, building on existing systems, managing donors, and leadership will be explored.

08:30 – 09:00	<p>1. Identifying the Missing Links and why they Matter (PLENARY)</p> <p><i>Identifying the missing links</i> <i>Neil Cole, Executive Secretary, CABRI Secretariat</i></p> <p>The CABRI Secretariat will present some of the common patterns and trends across the continent that have been identified using PEFA data. What are the missing links in PFM reform and why do they matter?</p>	30 min
09:00 – 10:30	<p>2. Constraints to Implementing PFM Reforms (PLENARY)</p> <p>SBOs will work in groups to analyse fictitious case studies on specific PFM reforms that were unsuccessful. The case studies will bring out the different constraints to reform. SBOs will explore the context, content and agents involved in the reforms and what factors led to these reforms being unsuccessful.</p> <p>SBOs analysis and conclusions will feed into an organising framework.</p>	60 min
10:30 – 11:00	<p>Coffee and tea break</p>	30 min
11:00 – 12:00	<p>3. Driving Change: The South African Experience (PLENARY)</p> <p><i>Facilitator to provide context</i></p> <p><i>Minister Trevor Manuel, Minister of Planning, South Africa [Video Input]</i></p> <p>Discussion</p> <p>Minister Trevor Manuel speaks about the context of initiating a series of PFM reforms and how he managed the relationship between himself and senior treasury officials during his term as Finance Minister (1996-2009). Minister Manuel will also reflect on the South African National Treasury's successes and failures when implementing these reforms over a relatively short period of time.</p> <p>What lessons can we draw from the South African case and are they applicable for other countries?</p>	5 min 15 min 40 min
12:00 – 13:00	<p>Lunch</p>	
13:00 – 14:30	<p>4. PFM Reforms: Signal Failure (PLENARY)</p> <p><i>Philipp Krause, Centre for Aid and Public Expenditure, Overseas Development Institute</i></p> <p>Discussion</p> <p><i>Discussants: Associate Professor Matt Andrews, Harvard Kennedy School [Video Link]; Paolo de Renzio, Senior Research Fellow, International Budget Partnership</i></p> <p>Philipp Krause will introduce a discussion that suggests that PFM reforms are often adopted as signals – to make governments look better – and not as realistic reforms designed to actually make governments better. Krause will look at why these reforms do not work and presents an alternative approach to thinking about reforms called ‘problem driven iterative adaptation’ (PDIA). The PDIA concept is work undertaken by Prof Matt Andrews of the Harvard Kennedy school.</p> <p>How far do countries identify with the research and what can countries add to this analysis in terms of the own experiences?</p>	25 min 65 min

14:30 - 15:00	5. Closing the Gaps in Budget Execution (PLENARY)	10 min
	<i>Agnes Nangila Odhiambo, Controller of Budget, Kenya</i>	
	Facilitated discussion	20 min
	This session will examine how the context may call for unique approaches. For the Kenyan country example, participants will explore the context, the approach taken, the risks the decision-makers had to face and the consequences.	
15:00 - 15:30	Coffee and tea break	
15:30 - 17:00	6. Successful PFM Reforms (PLENARY)	45 min
	What is the right context and what are the right mechanisms? <i>A facilitated conversation between Andrew Lawson, Director, Fiscus UK and officials from Burkina Faso, Ghana and Malawi.</i>	
	Discussion	45 min
	This session will draw on an Evaluation of Public Financial Management Reform in Burkina Faso, Ghana and Malawi from 2001 to 2010. The study provides recommendations on i) where and why do PFM reforms deliver results, in terms of improvements to the quality of budget systems, and ii) where and how does donor support contribute most effectively to results?	
	The recommendations speak to the importance of i) strong leadership and commitment to reforms; ii) the breadth, speed, depth and suitability of reforms; iii) the effective learning and adaption process, iv) managing donors in a way that contributes to the improvement of budget systems; and v) building the capacity of PFM staff.	
	How far do countries identify with the findings and what can countries add to this analysis in terms of the own experiences? How do SBOs create space for change given the context?	

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08:30 - 09:30	1. Moving from Concepts to Application (PLENARY)	60 min
	The Secretariat will present a summary of concepts and lessons learned from the country experiences that have been shared over the two days. In response to the lessons learned the Secretariat will introduce the masterclasses, which cover three sets of tools that countries can use to manage the change process.	
09:30 - 10:00	Coffee and tea break	

10:00 – 12:30

2. Masterclasses (BREAKAWAY SESSIONS)

(CHOICE OF A, B OR C)

A) Managing People through Change

'People' refers to leaders, managers, implementers and external stakeholders. The class will look at the cultural, behavioural and motivational aspects of the change process and how they relate to the various people who are involved in driving and anchoring the reform to create ownership and buy-in and to manage resistance.

B) Communicating the Message

'Message' refers to the idea or reform. How can we sell the idea or reform to internal and external stakeholders? This class will look at the language, presentation and the delivery of message.

C) Deconstructing Problems and Iterative Implementation

'Problem' refers to a disruption or obstacle to the way a system, process or practice is meant to function. 'Deconstructing' refers to taking the problem apart and viewing it from different perspectives. Understanding a problem precisely assists in tailoring reforms that suit the context. These classes will equip the delegates with some of the concepts and tools they require to approach and deconstruct problems. Delegates will participate in exercises that apply these concepts and tools.

150 min

12:30 – 13:30

Lunch

13:30 – 16:00

2. Masterclasses (ROTATION)

(CHOICE OF A, B OR C)

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150 min

16:00 – 16:30

Coffee and tea break

16:30 – 17:00

4. Wrap-up Session (PLENARY)

Participants will share their evaluation on the seminar. What does this seminar mean for the SBOS? Has it changed the way SBOs are thinking?

30 min

End