



Purpose

Finance ministries and other central finance agencies are crucial ingredients for delivering fiscal policy and safeguarding public money – be it in advanced economies emerging from the global financial crisis, middle-income countries seeking to transform their economies or developing countries trying to reduce poverty. Unlike different fiscal policy choices and budgetary instruments, where the last decades have seen a flurry of literature and innovation (though not always to much effect), finance ministries themselves have received relatively little attention. Only recently has a small literature sprung up and the international community has started to analyse how finance ministries evolve, adapt and respond to an ever-changing set of challenges.

The timing is now appropriate to convene a group of government officials, academics and international experts to discuss the role of finance ministries and how they can be made to work better in the 21st century. The aim of this event is to highlight lessons learnt, share successes as well as failures, disseminate the available research and try to develop a joint agenda going forward.

Participants

The event will bring together government officials from finance ministries, as well as academics and experts. It is primarily directed towards senior officials such as permanent secretaries, budget directors and others who are concerned with how best to maintain an organisation fit for the purpose of implementing government policy, fiscal or otherwise. They will be joined by experts who regularly study or advise governments on public finances and public sector management, especially on the design of public financial management reform.

The two days will be structured around a set of roundtables and discussion, which are designed to maximize participation from a wide range of attendees. Formal presentations will be kept to a minimum in favour of short contributions and inputs, so as to maximize time for discussion.

FINANCE MINISTRIES IN THE 21st CENTURY

Challenges, Institutions and Capabilities



25th & 26th March 2015 • Johannesburg, South Africa

DAY 1 – 25 MARCH 2015	
08:30 – 09:00	Registration
09:00 – 09:30	Session 1: Welcome and opening remarks
	<p>Neil Cole, Collaborative Africa Budget Reform Initiative (CABRI)</p> <p>Michael Sachs, National Treasury, South Africa (SANT)</p> <p>Ed Hedger, Overseas Development Institute (ODI)</p>
09:30 -10:30	Session 2: What do we know about finance ministries?
	<p>Finance ministries are under-researched, but there is a growing body of evidence that tries to understand how they operate, what makes them successful, as well as explore the variation found between countries.</p> <p>Chair: Neil Cole, CABRI</p> <p>Presenter: Philipp Krause, ODI</p> <p>Question and answer</p>
10:30 – 11:00	Break
11:00 – 12:30	Session 3: Dealing with fiscal stress – timeless task or driver of innovation?
	<p>Ensuring fiscal discipline is the most fundamental task of finance ministries, though easily forgotten in good times. Governments continue to be confronted by fiscal stress, be it caused by natural disasters, commodity prices, or the business cycle. The global financial crisis has left a profound imprint on fiscal policy and many countries' economies, but has it done anything to the role and institutional setup of finance ministries?</p> <p>Chair: Ed Hedger, ODI</p> <p>First inputs:</p> <p>South Africa (Ian Stuart)</p> <p>Botswana (Seabo Keorapetse)</p> <p>Madagascar (Andriniaina Bretino Raharinomena)</p>
12:30 – 13:30	Lunch

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13:30 – 15:00	Session 4: Allocations and performance – how can finance ministries manage competing priorities?
	<p>It has long been claimed that budgeting is an incremental process that makes it difficult for allocations to follow changing policy priorities. In the complicated mix between politics, institutions and policy choices, what can finance ministries do to make budgets policy-responsive?</p> <p>Chair: Alta Fölscher, CABRI</p> <p>First inputs:</p> <p>South Africa (Marissa Moore) World Bank/France (Renaud Seligmann) Seychelles (Damien Thesee)</p>
15:00 – 15:30	Break
15:30 – 17:00	Session 5: Power, strength and influence of finance ministries: coordination between the centre, line ministries and legislature
	<p>Budgeting is a coordinative process in which the central executive neither approves nor executes most of what governments spend. Finance ministries cannot go it alone, but how do they manage coordination amongst actors with very different interests – notably to spend more, not less?</p> <p>Chair: Neil Cole, CABRI</p> <p>First inputs:</p> <p>World Bank/Colombia (Carolina Renteria) PwC/Morocco (Amal Larhlid) Benin (Frédéric M Serge De Souza)</p>
18:00 – 19:00	Cocktail (9th Floor)
	<p>Benyam Mezmur (Vice Chairman, United Nations Committee on the Rights of the Child (UNCRC)): A draft General Comment on the right of the child and public spending</p> <p>Neil Cole (CABRI): Creating policy space in Lesotho: The journey so far</p>

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DAY 2 – 26 MARCH 2015	
09:00 – 09:30	Summary of Day 1
	Neil Cole to summarise day 1.
09:30 – 10.30	Keynote Presentation: How can finance ministries respond to the challenges of the 21st Century? The experience of Chile
	Chair: Michael Sachs, SANT Speaker: Mario Marcel, World Bank (former head of the budget office, Chile) on key challenges faced by finance ministries in Africa: a few lessons from international experience Question and answer
10:30 – 11:00	Break
11:00 – 12:30	Session 6: Organizational structures – how can finance ministries respond to new challenges?
	Finance ministries share a common mission as guardians of public finances, but operate in very different environments. How have they found ways to respond to changing external challenges by adapting their organizations over time? And how do governments start out when establishing new ministries, or merging others? Chair: Carolina Renteria, World Bank First inputs: Malaysia (Mohd Sakeri Abdul Kadir) Tunisia (Faisal Sahraoui) Niger (Bernard d'Almeida)
12:30 – 14:00	Lunch
14:00 – 15:30	Session 7: Staffing - getting and keeping the right people in the right places
	There is no one right background for a finance ministry official, but it is a challenge for every government to recruit and retain good staff. What is the right balance of technical knowledge and political skill? How are career paths organized? Which tasks must be carried out by core staff and which, can be outsourced?

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	<p>Chair: Renaud Seligmann, World Bank</p> <p>First inputs:</p> <p>Finland (Markus Sovala)</p> <p>Botswana (Seabo Keorapetse)</p> <p>ODI/UK (Bryn Welham)</p>
15:30 – 16:00	Break
16:00 – 16:30	Session 8: Address by Minister Nene, Minister of Finance, South Africa
	<p>Chair: Neil Cole, CABRI</p>
16:30 – 17:30	Session 9: The way forward – an international policy agenda?
	<p>Chair: Neil Cole, CABRI</p> <p>Andy Mason, Graphic Harvester</p> <p>Lungisa Fuzile, SANT</p> <p>Philipp Krause, ODI</p> <p>Mario Marcel, World Bank</p>