

Building Public Finance Capabilities –potential lessons for peer learning systems

1. The PDIA and the Building Public Finance Capabilities programme – *Joana Bento, CABRI*
2. The PDIA approach in practice, tackling high virements and accumulation of arrears in the Gambia – *Awa Touray, CABRI*
3. Emergence of capabilities and skills: lessons from an evaluation – *Andrew Lawson, Fiscus*

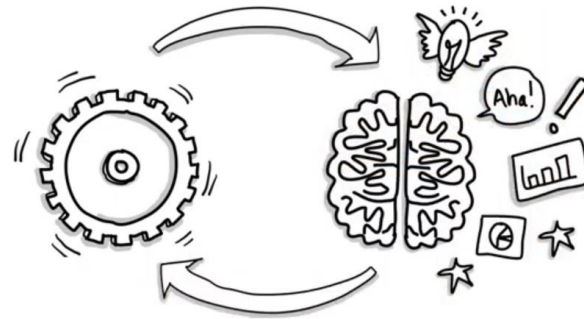
Building Public Finance Capabilities Programme

Action-learning programme which aims to build new capabilities for teams to work, analyse and deconstruct public finance problems and for implementing solutions in an adaptive manner by learning from experience



Problem Driven Iterative Adaptation (PDIA)

- Developed by the Center for International Development at the Harvard Kennedy School
- Examined a series of institutional reforms to understand what made certain projects more successful than others



Successful reforms:

- *Focused on solving a real policy problem identified locally*
- *Allowed for experimentation and adaptation*
- *Were able to mobilise a wide range of local officials and consider their challenges, incentives and motivations*

PDIA: Problems Matter

We don't have
the latest cash
management
software!



We don't have
enough cash to pay
for MDA priority
programmes !!!



PDIA: Involve multiple agents

Ensure that reforms are viable, legitimate and relevant


- The challenge of any change process is to have the necessary buy-in and acceptance of various stakeholders
- This requires political and administrative support
- Support is not constant through and needs to be built through wide engagement throughout the reform



PDIA: Allow for experimentation

Try, learn, iterate, adapt

- Experimentation, or purposeful muddling (Andrews) critical in governance reforms
- Opportunity to try, learn and adapt as you uncover root causes of the problem
- Deviate from best practice toward something that considers the context: positive deviance and something innovative



The PDIA approach in practice: tackling high virements and accumulation of arrears in the Gambia



A Problem Centric Approach

Departing from the norm

- **Locally led change process**
 - Drawing local talent
 - Considering the reform environment
- **About team building**
 - Shunning the silo-ed approach
 - Drawing on team strengths
 - Co-creation and active engagement
- **Provides tools for day-to-day use**
 - Ishikawa diagram to deconstruct problems
 - Approaches to finding solutions
- **Promotes a learning culture**
 - Learning by doing
 - Promoting introspection
 - Driving innovation and questioning the status quo
 - Building on successes and learning from failures
 - Learning from colleagues/deference to the stakeholders

Tackling the Problem



Problem

High virements and arrears leading to a misalignment in the appropriated budget and spending.

Progress

- Established guidelines and templates to strengthen budget monitoring
- Authenticated arrears to avoid payment of fraudulent invoices
- Trained agents on arrears management
- Reduced the number of virements by 25%

Peer Learning and Exchange


The Changemakers



Fishbone Team

Budget and Internal Audit
Collaboration

Ministry of Finance and
Ministry of Basic and
Secondary Education
Collaboration



The emergence of capabilities and skills through PDIA : lessons from an independent evaluation

Independent Evaluation of CABRI-PDIA initiative – Andrew Lawson, Fiscus Director

- Fiscus were commissioned by the Bill & Melinda Gates Foundation to undertake an Interim Evaluation of the CABRI Building PFM Capabilities programme, which applies PDIA techniques to the solution of PFM problems in African Countries.
- The evaluation drew its evidence from an analysis of the 6 countries which participated in CABRI's 2018 BPFMC programme. [Central African Republic (CAR), Côte d'Ivoire, Ghana, Lesotho, Liberia and Nigeria]. It examined the changes generated in terms of progress towards solving PFM problems and in terms of building in-house capabilities to sustain PFM reforms in the future
- As an “interim” rather than a “final” evaluation, findings were drawn from a relatively short snap-shot in time (2018 and 2019) and from a partial sample of the countries which have been involved in CABRI's PDIA work.
- Findings should therefore be seen as a contribution to a debate rather than definitive conclusions.
- Findings suggest some wider lessons for processes and systems of peer learning.



FISCUS

Key findings: PDIA processes do work in solving complex problems in challenging environments

- Progress towards solving PFM problems: Clear evidence from 3 countries within the 2018 cohort (CAR, Lesotho and Liberia) that tangible progress has been made towards the resolution of complex PFM problems as a consequence of the PDIA processes as applied by CABRI.
- Development of relevant skills by PDIA teams: Strong evidence of skills development right across the 2018 cohort, relating to problem-solving, team-working, adaptive learning and reform implementation.
- PDIA can deliver in complex African environments: 50% success rate in these contexts compares well with 40-70% failure rate recorded for traditional Technical Assistance (Andrews, 2013).



Skills development through BPFMC 2018 – participants’ perceptions, as reported in ‘Midline Survey’, December 2018

PDIA related skill	Significant or very significant improvement	% significant attribution to CABRI-PDIA project
Understanding of Public Administration	88%	75%
Capacity to address PFM problems	82%	79%
Collaborative working	91%	79%
Analysis and problem-solving techniques	71%	85%
Communication/presentation skills	71%	75%

The testimonies of the participants are strongly supported by the observations of the evaluation team at the Framing and Review workshops and through country visits to CAR, Liberia and Lesotho. Especially noticeable is the self-confidence generated through the PDIA process. There is evidence from CAR and Liberia in 2019 of these skills being sustained and deepened.

Assessment of Impact or Potential for Impact on PFM problems

	CONTEXT			OUTCOMES	
COUNTRY	Country Context	Team Capability	Problem Complexity	2018 Impact on Problem	2019 Impact on Problem
Central African Republic (CAR)	1.75	3.5	3	2	3
Côte d'Ivoire	1.5	2.25	4	1	n/s
Ghana	2.25	2.25	4	1	n/s
Lesotho	1.75	3.25	4	2.5	2
Liberia	1.5	3.5	4	2	2
Nigeria	1.25	2.5	4	1	1

NB. The scoring of impact/potential for impact on the PFM problem is as follows:

1= No clearly discernible progress towards problem resolution;

2= Qualitative evidence suggests modest progress is likely by year end, although difficult to quantify;

3= Significant and measureable progress towards problem resolution can be evidenced;

4 = The PFM Problem is likely to be virtually solved by the end of the year, according to objective evidence.



Where is progress towards problem resolution more notable: Importance of the Authorising Environment and “Time-on-Task”

	CONTEXT	
COUNTRY	<u>Country Context</u>	<u>Team Capability</u>
Central African Republic (CAR)	1.75 (1,1,1,4)	3.5 (3,3,4,4)
Côte d'Ivoire	1.5 (1,2,2,1)	2.25 (3,2,2,2)
Ghana	2.25 (2,3,3,1)	2.25 (3,2,3,1)
Lesotho	1.75 (1,2,2,2)	3.25 (3,4,3,2)
Liberia	1.5 (1,2,1,2)	3.25 (3,4,3,3)
Nigeria	1.25 (1,1,1,2)	2.5 (NS,3, NS, 2)

NB.

- Country context assessed against 4 criteria: (i) Socio-economic status; (ii) Political Governance status; (iii) Technical Governance status and (iv) the **Quality of the Authorising Environment**.
- Team Capability also assessed against 4 criteria: (i) Balance of skills & experience; (ii) Cross-departmental coverage or knowledge; (iii) Cohesive nature of team/ respect between members; (iv) **Time on task**.



Which conditions need to come together to achieve progress?

With the 2018 BPFMC cohort, progress towards resolution of the PFM problem has been achieved where 3 conditions have come together:

- **A “good “ problem:** There has been focused attention on a relevant problem of local significance, whose key causes and sub-causes have been well defined;
- **A strong Authorising Environment:** There has been an Authoriser, with genuine concern for the problem and sufficient influence to open up space for the PDIA team to work;
- **Functional team dedicating time on task,** with a specific mandate by the Authoriser to search for solutions to the problem and with the capacity to dedicate sufficient time to the task.

In CAR, Lesotho and Liberia, the CABRI PDIA team has helped to bring together these conditions and to maintain a continuous focus on the identified PFM problem, and the range of ‘entry points’ by which it might be addressed.

In Cote d’Ivoire, Ghana and Nigeria one or more of these conditions was lacking and could not be put in place within the 8 month period.



Thank you

www.cabri-sbo.org

CABRI 

CONNECT • SHARE • REFORM