

Building PFM Capabilities in Africa

Applying the PDIA Approach

1. Features of PFM Reform
2. Why PDIA approach
3. Building PFM Capabilities programme
4. The Gambia case
5. PDIA stories

EIP Annual Meeting
25 – 26 April 2019
Paris

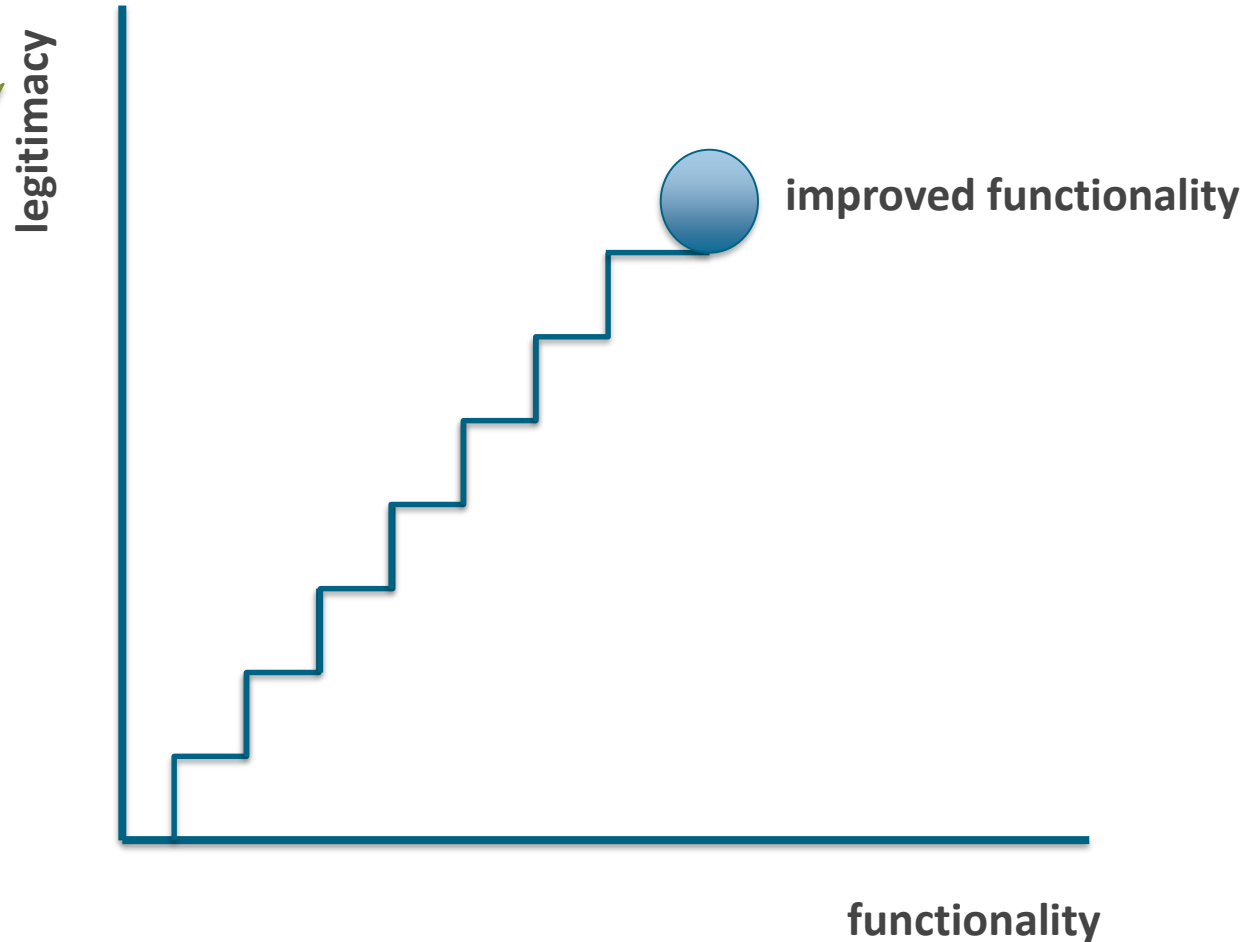


Common features of PFM reform in Africa

- Best practice reforms that have succeeded in advanced economies
- Many externally driven
- Regional directives
- Normally a package of reforms
- Objective:
 - Fiscal stability
 - Greater efficiency
 - Alignment of policies, plans and budgets
 - Improved service delivery
- Programme Based Budgeting
- Medium Term Expenditure Framework
- Treasury Single Account
- Integrated Financial Management Systems
- Procurement reforms
- Tax reforms – independent revenue collection bodies
- Internal audit reform

Legitimacy vs improved functionality

- Signaling
- Adopting best practice
- Responding to the absence of a best practice'





Why PDIA

- “What works, when and how”
- Practitioners (officials) best placed to identify context specific challenges, and
- Develop and implement approaches to address challenges
- Mainly demand-driven, by locally-nominated problems
- Places the practitioner front, centre and back
- Practitioners develop capabilities while solving complex problems

PDIA: Problems Matters

We do not have
the latest Cash
Management
Software



What keeps you awake at night



We do not
know how
much cash is
available for
spending



PDIA: Allow for experimentation

Try, learn, iterate, adapt

- Experimentation, or purposive muddling (Andrews) critical in governance reforms
- It is active, intentional and focused
- Experimentation is part of successful reform
- Opportunity to try and adapt ‘best practice, positive deviance, latent practice, and something innovative

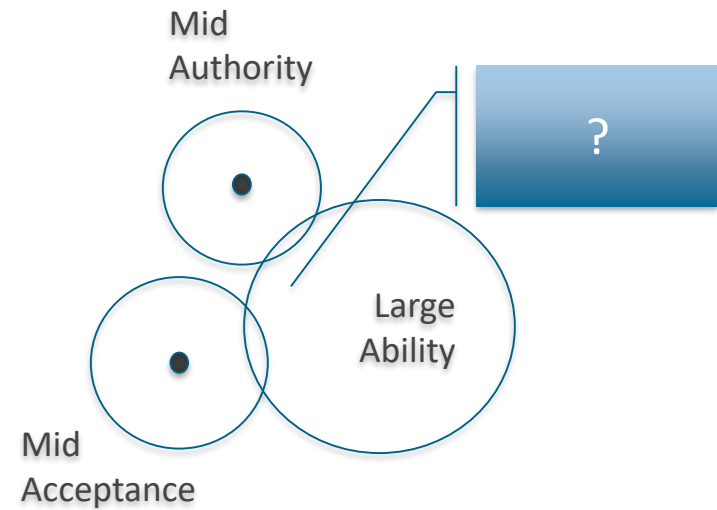
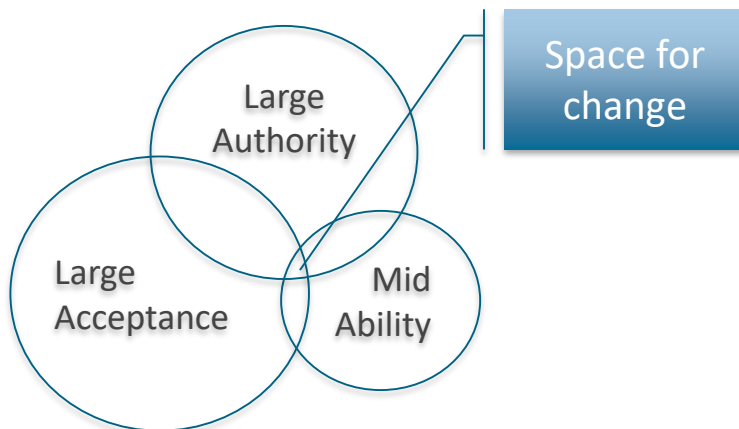
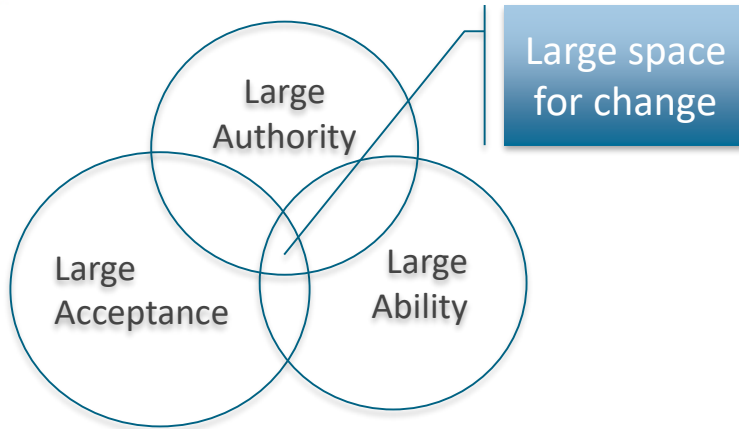


PDIA: Involve multiple agents

Ensure that reforms are viable, legitimate and relevant

- Challenge of any change process is to maintain support
- This requires political and administrative support
- Support is not constant through the trying, learning, iterating and adaptation stages
- Requires hard work
- Gets us to a point of improved functionality

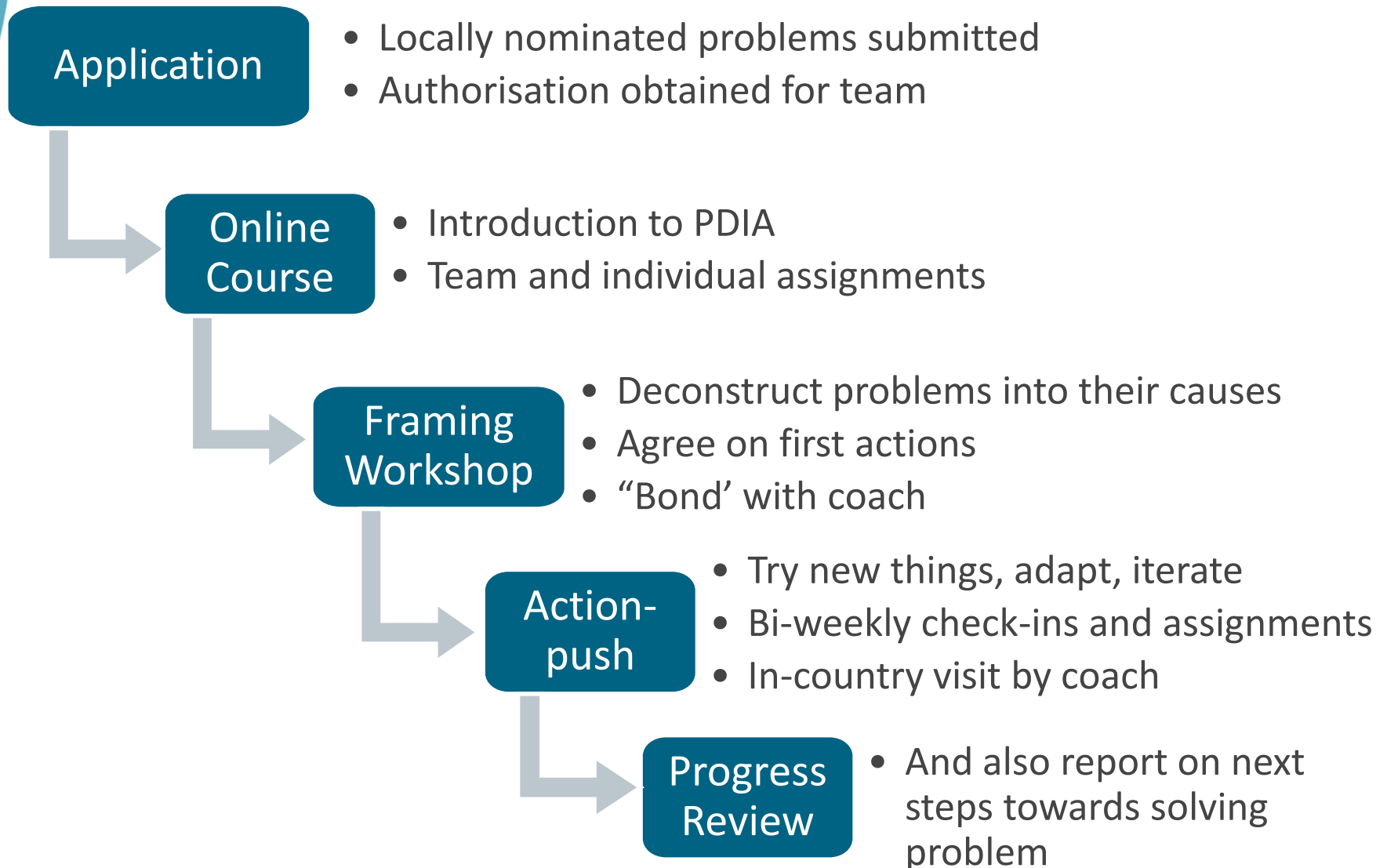
PDIA: Space for Change



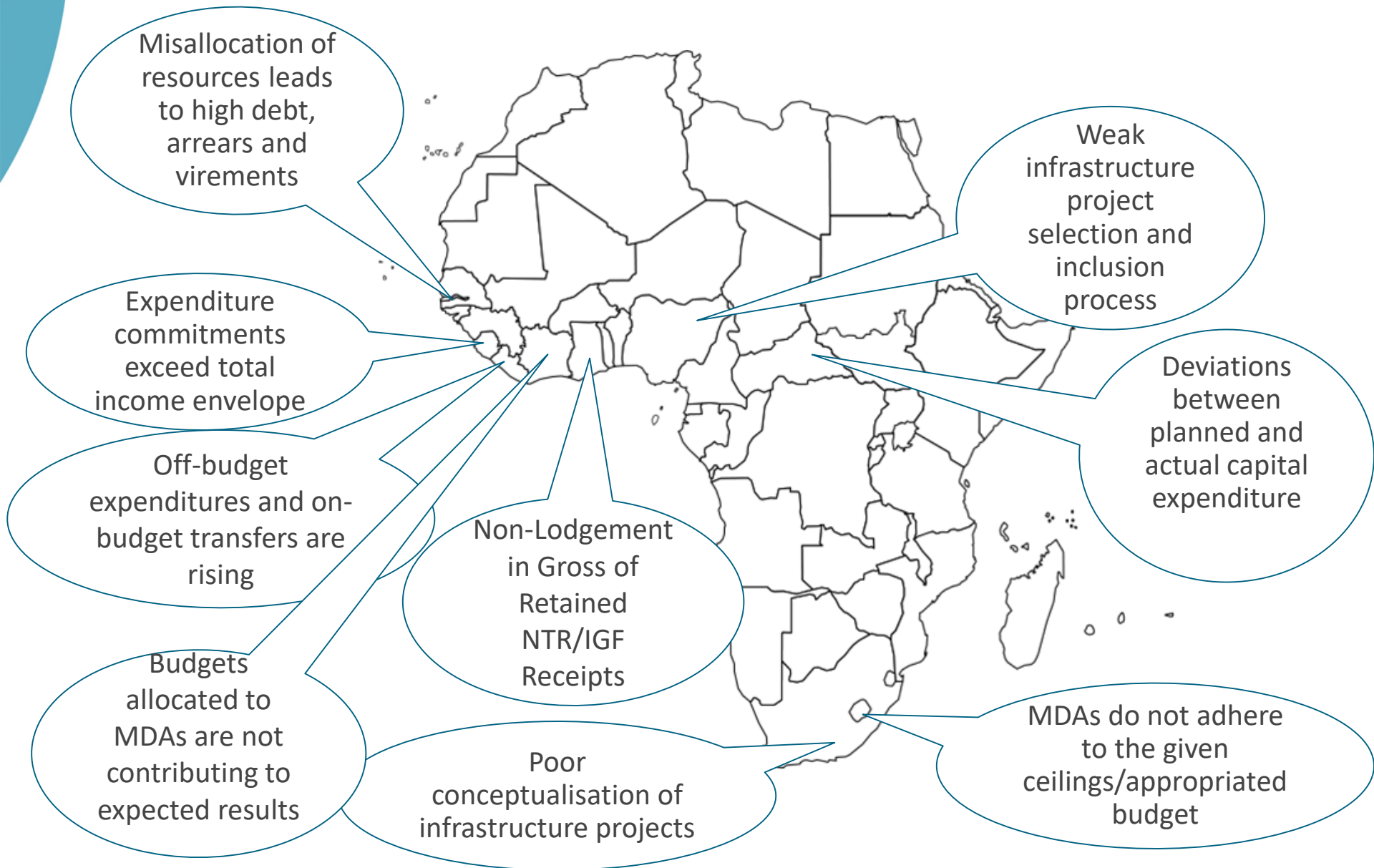
Strong Peer to Peer component



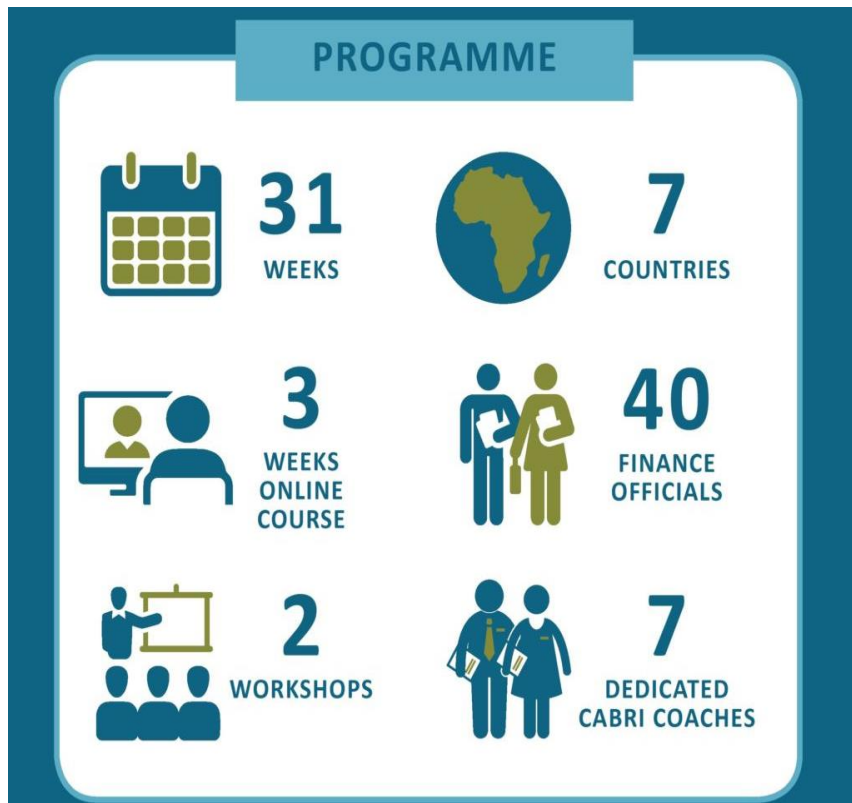
BPFMC program



Sample of problem statements



Involvement from participants (2017)



Involvement from participants (2018)

PROGRAMME



33
WEEKS



8
COUNTRY
TEAMS



4
WEEKS
ONLINE
COURSE



49
FINANCE
OFFICIALS



3
WORKSHOPS



7
CABRI
COACHES

ACTION-LEARNING



232
TEAM
ASSIGNMENTS



5336
HOURS OF
WORK



624
INDIVIDUAL
ASSIGNMENTS



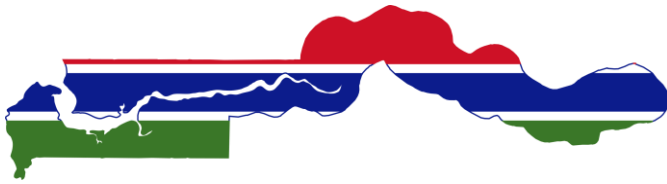
120
CHECK-IN
DISCUSSIONS



16
IN-COUNTRY
VISITS



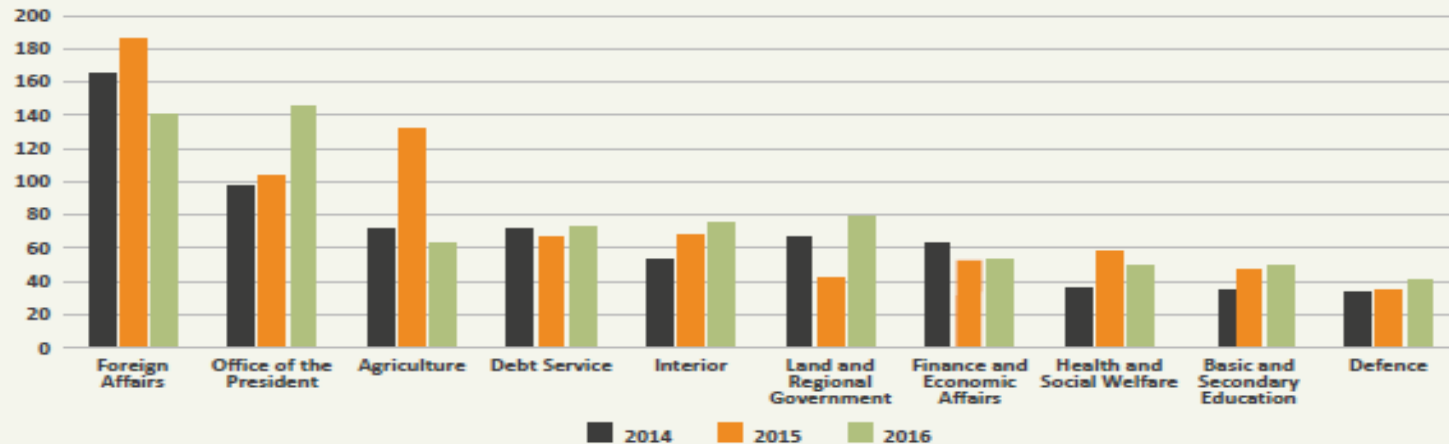
18
COACH
MEETINGS



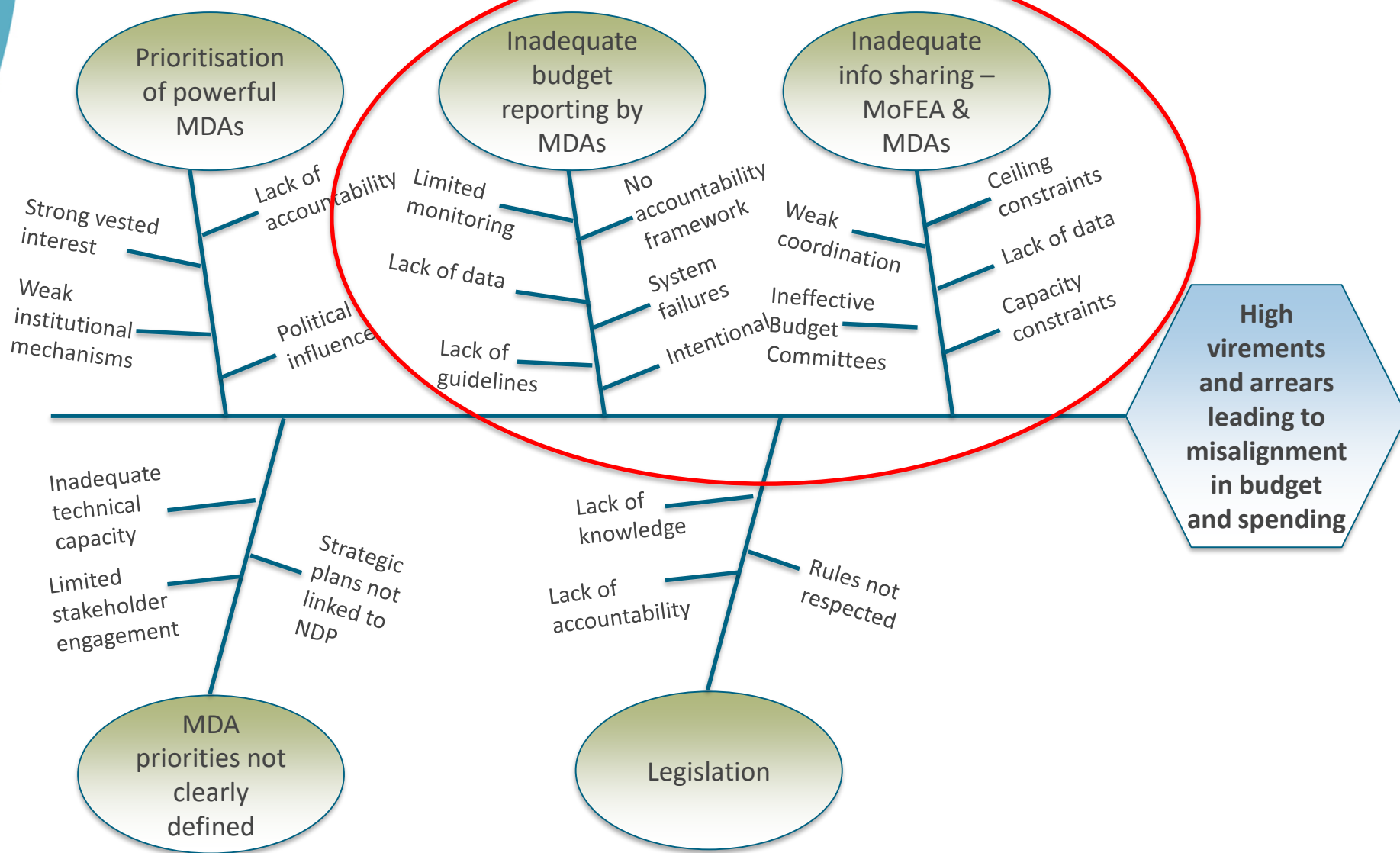
The Gambia

- **Problem Statement** – High virements and arrears leading to a misalignment in the appropriated budget and spending.
- Deviations between budgeted and actual expenditure reached a high of 31 per cent in 2013.
- The continual accumulation of expenditure arrears without information on total stock of arrears.

Virements from 2014–2016 per year across MDAs



Root Causes



Consultative Process: Multi- Agent Leadership

“The consultative approach is relevant to solving problems given that we have received a good number of suggestions on our work.”

Through the process, there has been a noticeable change in how the Budget Directorate engages its counterparts within the Ministry as well as sector Ministries, motivated by collaborative effort and consensus building as opposed to the usual sensitization effort

Survey

IFMIS data
gathering

Fishbone
team

Budget
bilateral

Arrears
workshop

Arrears
verification
exercise

Meeting
with Public
Accounts
Committee



Progress

- Established guidelines and templates for budget reporting to strengthen monitoring
- Authenticated arrears to avoid the settlement of fraudulent invoices
- Sectorial training on arrears managements
- PDIA Difussion
- **Reduced the number of virements by 25 per cent**



Closing Capability Gaps

Coordination

- Less silo-ed approach to executing Ministry functions
- Stronger engagement with sector ministries during budget cycle
- A collaborative problem solving approach to sectorial needs

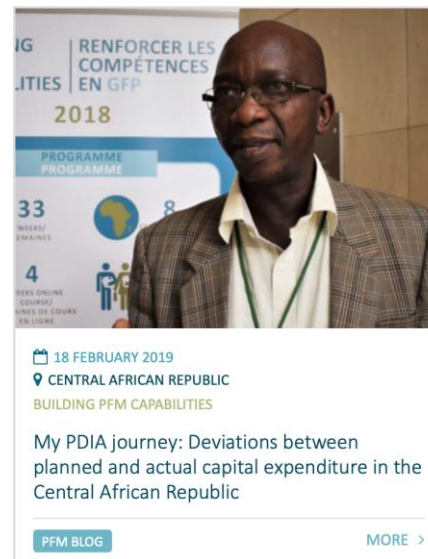
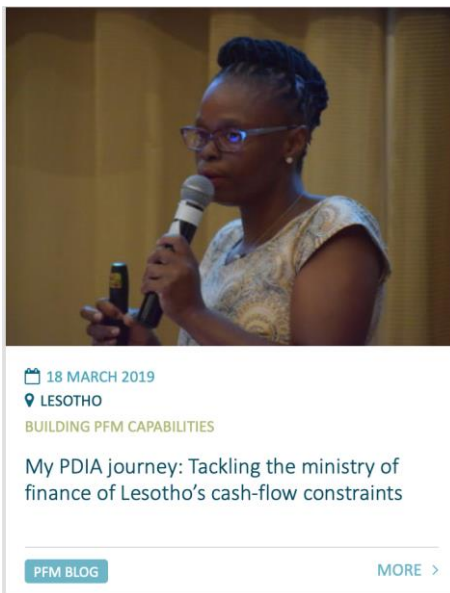
Technical

- Better understanding of procurement framework and gaps in compliance
- Established process for authenticating arrears

Regulatory

- Revised budget execution guidelines
- Strengthened budget reporting framework

My PDIA Stories



Thank you

neil.cole@cabri-sbo.org

awa.touray@cabri-sbo.org

www.cabri-sbo.org