

Country experiences

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Kenya, Tanzania, Zambia, Kyrgyz Republic, Cambodia, Mocambique

- Move towards budget support
- Comprehensive PFM reform
- PEFA assessments used in needs and risk assessment, and progress monitoring

PEFA

Advantages:

- ❑ Identifies weaknesses in national systems
- ❑ Comprehensive approach
- ❑ Dialogue
- ❑ Quite clear benchmarks
- ❑ Comparisons over time

Weaknesses:

- ❑ A-level benchmarks hard to reach
- ❑ PEFA doesn't give reasons
- ❑ Cannot be used directly for reform design
- ❑ Doesn't cover service delivery problems

Conclusion

- More is needed for reform design and needs assessment
- A need also for PER Public expenditure review
- PETS, Audit reports, PPERs, sector reviews to cover lower levels of system, plus sector PEFAs
- LFA workshop and in-depth studies to identify causes and prescribe cures, whether legislation, behaviour, systems, capacity problems

Programme design and donors

- ❑ Often pooled fund plus WB rules
- ❑ Plus remaining outside donors
- ❑ Problems to elect lead donor and coordinate
- ❑ Cumbersome procurement rules
- ❑ Focal points on both sides needed

Project implementation

- ❑ Build in sufficient capacity building
- ❑ Comprehensive makes sense – but also to identify stand alone project efforts, revenue, customs, procurement,
- ❑ Bring main actors on board – Treasury, Budget dept, line ministries
- ❑ Long term effort necessary, durability and endurance are key factors

Results - mixed

Good Progress:

- Kenya payroll and taxes
- Malawi IFMIS
- Tanzania Audit, NAO
- Procurement legislation

Slow or no progress:

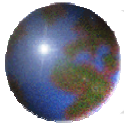
- IFMIS systems
- Accrual concept
- Performance audit
- Implementation of procurement and audit legislation

Parliament's role – Zambia and Tanzania

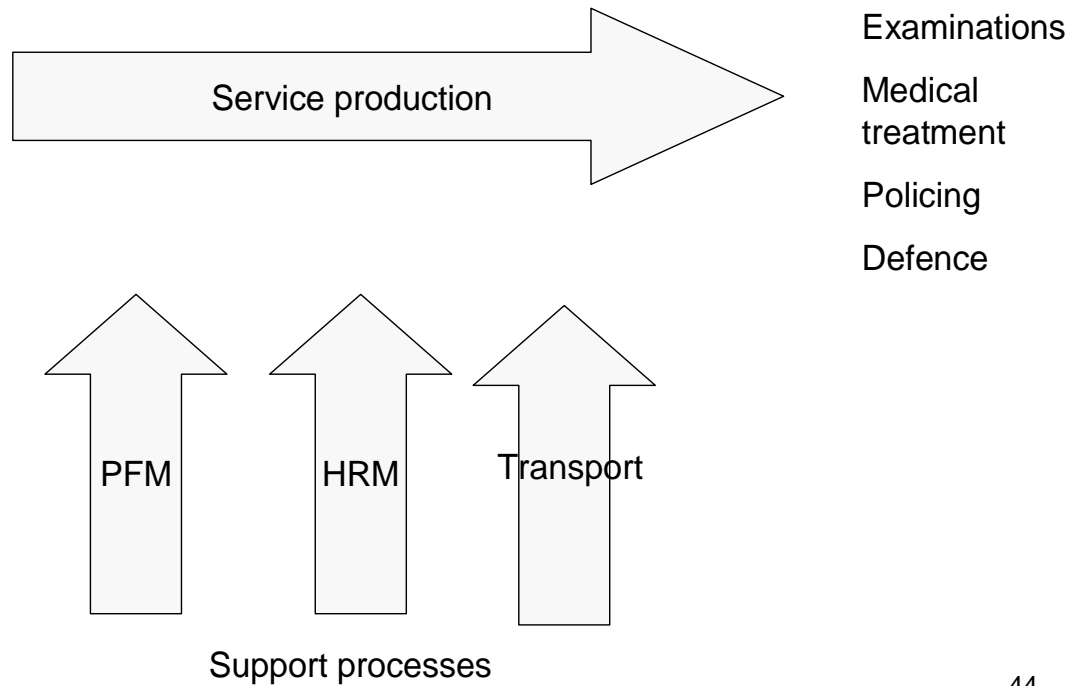
- With regard to donor funds – they are not involved much
- With regard to national planning and budget process – also not
- So with increased budget support, accountability and watchdog function is weak

PEFA results

- ❑ Slow move forward
- ❑ But doesn't lead to service delivery improvements
- ❑ Why?
- ❑ PEFA doesn't address the local or sector system implementation,
- ❑ Incentives, motivation and leadership lacking
- ❑ Other processes may be at fault



PFM is a support process



General Budget Support

- Can move support to dysfunctional government systems
- Parilaments role key for public oversight of the budget allocation– but its role in even national budget process is weak

□ Thank You
