Donor supported reforms and the role of collaborative africa reform initiative

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Introduction

- “If you give money to a recalcitrant junkie he will waste it”
- “If you want the people to eat bananas after you are gone do not leave behind money for them to buy it. Teach them how to grow bananas”

- Budget reforms are about creating effective systems that guarantee that for any resource available it can be allocated to priorities, accounted for and ultimately there is value for money
Essentials of budget Reforms

- Country Ownership: Brought about through participative approach to design of reforms
- Capacity: Human resource: Most reforms that rely more on external capacity are not sustainable: Experience of budget reforms in Uganda, south Africa, Kenya indicate that where there was more reliance on internal capacities the reforms had more ownership and were sustainable.
- Resources: The benefits of the reforms must translate in more priorities being achieved.
Essentials of budget reform—con’d

- Incentives: an effective budget reform must be anchored on rules and regulations the experience of south Africa, Uganda and Tanzania where there are strong PFM rules and regulation
- Sequencing or reforms: What works in particular country may not work in another.
- Political Involvement: The reform process must engage with the politicians to ensure that particularly in this area that budget decisions are enforced.
The role of Aid in budget reforms

- Additional resources: Reforms are costly and often require resources both Human and financial
- Creating capacity: The development partners have played a major role in reforms particularly in creating the necessary capacity
- Reform Supporters:
CABRI

Collaborative Africa Budget Reform Initiative (CABRI)

● Seeks to bring Budget Experts in Africa together to share and learn from each others success and failures and build on them to solve problems in their countries through building a credible budget process
CABRI-------Continued

- CABRI- started in 2004 with an initial seminar in South Africa Pretoria where 9 countries in Africa attended
- A follow up Business meeting in June 2005 in Nairobi
- A seminar planned end of November/December 2005
The key objectives of the initiative are

- Ownership of reforms: Through interaction
- Creation of capacity: Through country visits, opportunities to share and learn
- Demonstration effect: learning from each other
CABRI-Future

- Membership: all countries in the African Continent are recruited and participate in the activities of the association
- Resource Mobilization: Already a few donors have started supporting the organization but hope to attract more particularly in funding more in depth research that is beneficial to the member countries
In any reform there are winners and losers. The losers feel the impact immediately and often create the biggest resistance to reforms. On the other hand the benefits take time to be felt and often the beneficiaries have weak voices as they have nothing to show initially they are the most vulnerable and often are tempted to join the losers.