Some Lessons of PFM Reform Using the Platform Approach

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Sequencing through ‘Platforms’  
(Steps on a Staircase)

Each step adds value, but also builds to the next.

Activities selected based on contribution to platform objective
Pillars – Technical Change is Not Enough

Each Step

- Process Development
- Capacity Development
- Institutional Development
- Motivational Development
Platforms/Steps in a Russian Context

Step 1
- Initiate production of data about objectives and results.
- Incentives to produce data.

Step 2
- Deepen basis for linking resources to performance.
- Strengthen framework and incentives for achieving results.

Step 3
- Improve systems for gathering performance data.
- Strengthen capacity and organisation for managing for results.

Step 4
- Integrate systems contributing to performance based resource management.
- Streamline budget implementation and empower managers.
Cambodia – Platform Definition

SEQUENCE OF PLATFORMS EXPENDITURE MANAGEMENT

Rewarding performance as well as discipline
Basis for stronger deconcentration
Greater external transparency

Opportunities for efficiency
Re-alignment of resources with priorities
Scope for in-depth review

Platform 1
Budget is credible because it delivers a reliable and predictable resource to budget managers

Platform 2
Initial improvements in internal control and holding managers accountable.

Platform 3
Improved linkage of priorities and service targets to budget planning and implementation.

Platform 4
Integration of accountability and review processes for both finance and performance.

 Enables
Accountability for performance

Around here that:
* Regional standards start to be beaten
* Donors consider more budget support

Credible common data
Effective discipline
Basis for reward and sanction
Greater internal transparency

Matching of resources used to period in which consumed.
Control over arrears
Better basis for procurement efficiency.
Some Lessons From Application

• It can help:
  • Government to take genuine ownership
  • Government/donor dialogue to be at strategic level

• It can’t be completely sequential – some things for later platforms have to be started now.

• Observing the logic requires discipline – keeping distractions off the table is tough.

• It is important that the achievement and impact of each Platform can be measured.