PFM ASSISTANCE: What works, doesn’t work, and why

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Ingredients of lasting improvements in governments’ service delivery

- **Public Financial Management**
  - Has to be long term – at least ten years. Expect set backs.
  - Transparent budget process and expenditure reporting – have to train the techies and have to inspire the politicians
  - Good and bad behavior must be rewarded - fast

- **Capacity Building**
  - Computerization and vehicles—the low-hanging fruit
    - Has to be long term
    - Capacity building is NOT a series of short term training sessions

- **Behavior Change Communication**
  - Is NOT a series of messages - cannot be measured by number of messages received or sent
  - This is not easy and almost never achieved
Post-Conflict Liberia: Donors and Government Created GEMAP

- Under tight GEMAP supervision, Liberia got PFM assistance 2006-10
  - Budget preparation and management – co signatures
  - Asset management – fabulous system of tracing government equipment with bar codes – especially huge public works department
  - Concessions – mines, forestry, & agriculture – embedded senior advisors
  - State Owned Enterprises like electricity
  - Procurement Reform every purchase order scrutinized at the front and at the end – needed? Lowest price? Properly invoiced?
  - Co-chaired by President Sirleaf and US Ambassador. Gave up some country ownership – Sirleaf recognized its worth. She was hero.
### Liberia Mobilizes Domestic Resources

#### Total and Tax Revenue, FY07-FY13

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Tax Revenue</th>
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<tbody>
<tr>
<td>2006-07</td>
<td>148,499</td>
<td>140,955</td>
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<tr>
<td>2007-08</td>
<td>207,713</td>
<td>175,601</td>
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<td>2008-09</td>
<td>234,902</td>
<td>200,484</td>
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<td>2009-10</td>
<td>288,002</td>
<td>226,143</td>
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<td>2010-11</td>
<td>387,906</td>
<td>288,300</td>
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<td>2011-12</td>
<td>477,279</td>
<td>365,015</td>
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<td>2012-13</td>
<td>559,200</td>
<td>380,100</td>
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Liberia Budget by Sector, FY06-FY14
When Ebola Struck, March 2014–October 2015

- Terrorized the population
- Devastated the economy
- Investors in mining, forestry and agriculture fled, as did most expatriate aid personnel
- Airlines flights cut, borders closed, international quarantines imposed
- Toll of hundreds of thousands feared
Haiti PFM Assistance to Central and Local Governments

- Deployed an electronic financial management system in 35 government offices
- Total tax revenue as a percentage of GDP increased by 4.2%
  - Compared to 1.7% average in amongst regional neighbors
- Tax revenue from international trade also increased by 1.9%
  - Compared to -0.4% decease amongst regional neighbors
<table>
<thead>
<tr>
<th>Country</th>
<th>2003</th>
<th>2012</th>
<th>Difference</th>
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<tbody>
<tr>
<td>Colombia</td>
<td>12.1%</td>
<td>14.5%</td>
<td>2.4%</td>
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<tr>
<td>Dominican Republic</td>
<td>11.9%</td>
<td>13.5%</td>
<td>1.6%</td>
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<tr>
<td>Guatemala</td>
<td>11.4%</td>
<td>10.6%</td>
<td>-0.8%</td>
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<tr>
<td>Haiti</td>
<td>8.5%</td>
<td>12.7%</td>
<td>4.2%</td>
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<tr>
<td>Honduras</td>
<td>14.5%</td>
<td>14.8%</td>
<td>0.3%</td>
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<tr>
<td>Jamaica</td>
<td>23.4%</td>
<td>22.75%</td>
<td>-0.7%</td>
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<td>Paraguay</td>
<td>8.7%</td>
<td>12.3%</td>
<td>3.6%</td>
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<tr>
<td>Peru</td>
<td>12.9%</td>
<td>15.7%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>1.7%</td>
</tr>
</tbody>
</table>
Change in Total Tax Revenue (% of GDP)

- Colombia: 2.4%
- Dominican Republic: 1.6%
- Guatemala: -0.8%
- Haiti: 4.2%
- Honduras: 0.3%
- Jamaica: -0.7%
- Paraguay: 3.6%
- Peru: 2.8%
Change in Tax Revenue from International Trade (as % of GDP)
Deliveries (babies) sites tripled
100% of staff paid on time
IPT2 doubled (preventive treatment of malaria-pregnant)
Constant data validation was vital to success – time consuming

HOWEVER low building of central capacity – lack of leadership at highest levels, insufficiently trained staff and no one took responsibility – very often the case in USAID contracts – focus tends to be on local – recommendation to change.

Must spend considerable time at central level – both USAID and CDC now doing this in Haiti. Building management capacity.

Liberia did through the WB build enough procurement capacity at the central level to qualify for G to G USG assistance – big deal.
Behavior Change Communication

- Ebola: Liberian Government and local NGOs
  - Created communications campaigns, mapped coverage
  - Trained contact trackers to test those exposed
  - Trained burial teams
  - US AID and Army, UN and WHO responded, but slowly
  - Need a compelling and truthful message
  - Liberia way ahead of other two countries in containing the disease = USG BIG player – great leadership

- Zanzibar bed nets and national pride - need a hook – health sometimes not enough
- Mali and the Touregs – girls in school and condom usage
Messages did increase AWARENESS of need for bed nets and prevention of teen pregnancy.

However, they lacked focus, campaigns were piecemeal and real behavior change was not measured. Indicators were not linked to clear deliverables.

BCC is not well incorporated into technical areas.

Lack of funding – not seen as critical.
Financial management and capacity building

- Has to be long term – ten years and a partnership – implementation plans every three years – evaluations CONSTANT CONSTANT – this is key to all development projects. Looking over shoulders good.
- Must be connected to real outcomes and NOT inputs – number of trainings mean nothing.
- Must build in consequences for good and bad behavior – stop pouring money down a rat hole.

- Train technicians, engage politicians – be tough
- Conditionality should NOT be a dirty word
- Expect problems – have a plan B and C
Set up four or five result packages – not twenty – and make them measurable over short and long haul.

Site the example of Tanzanian journalists.

Don’t get discouraged.
Behavior Change – more Pam tidbits

- Just sending messages is NOT behavior change
- Behavior often changes only if there is a deep personal reason that resonates– not because you said so.
- You must measure and test results – this is tough but doable – if you are giving messages to have fewer children – was the message culturally acceptable and was it linked to accessible methods.
- If behavior does not change – change the message or the activity.
- Look at cook stoves and female mutilation and family planning
- Evaluate evaluate evaluate. Lesson of PEPFAR. LOOK LOOK LOOK
QUESTIONS??? OR COMMENTS

- NOW YOU talk!