Reforming for results at a time of crisis: Public Financial Management in MENA

Conference Agenda

GIFT-MENA Annual Conference
November 30 – December 2, 2010
GRAND SERAIL
Beirut, Lebanon

In collaboration with:

For further information, please contact:
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Context

Public finance management (PFM) is at the very heart of how governments translate public resources into socio-economic development results. All Governments initiated public finance reform initiatives to enhance the effectiveness and transparency of public finance expenditures and to better target the collection of revenues. Furthermore, with the recent financial crisis and resulting shocks, all governments, and mainly those of indebted countries, have been put under pressure for rethinking their regulatory framework and accelerating planned PFM reforms.

Although financial systems in MENA countries have not been highly vulnerable to the crisis so far, the impact of the global recession on the real economy was significant in many MENA countries. Countries' capacity to react varied, depending on initial fiscal and external account positions, level of public debt and institutional capacity to implement sound macroeconomic and structural policies.

In such context, governments are taking action and designing various solutions to address the vulnerabilities identified in their economies. Recovery plans include support to the national banking system and stock markets, more flexible monetary policies, the increase of public capital and infrastructure investment, fiscal stimulus package and others. Drastic importance is especially given to reform measures that aim at:

- Directly reducing borrowing through improved cash management and the establishment of Treasury Single Accounts;
- Improving predictability of the budget and efficiency of public spending through result-oriented and medium term budgeting;
- Monitor and control public spending through the modernization of public procurement functions and the strengthening of internal and external audit.

Still, the capacity of the public service to implement the mandate and manage the functions of the state, including public finance, remains one critical factor for the development of any country.

In this respect, capacity building has become a key component of public service reform projects, reflecting the desire of both recipient governments and of international donors to help civil servants cope with modern approaches and implement sustainable change.

Such capacity-building is often provided through dedicated government training institutes that not only provide general training for public servants, but also consultancy and advisory services. These institutes support their respective ministries’ policy orientations, develop training curricula and modules and successfully contribute the longer-term strengthening of essential technical and management skills.

Proposed event and audience

The Governance Institutes Forum for Training in the Middle East and North Africa (GIFT-MENA) network is actively seeking to improve the institutional and operational capacity of civil service training institutions in MENA, in support of current public finance reform initiatives.

Towards this end, the network is planning to organize its annual conference from November 30 to December 2nd, 2010, in Beirut, under the theme: Reforming for results at a time of crisis: Public financial management in MENA.

Participation to the meeting is open to experts in public finance management, head and senior training managers of schools and institutes servicing the public sector in MENA countries.
high-level officials concerned with public finance reform as well as representatives of international organizations and the donor community.

The Conference will be held back-to-back with the GIFT-MENA Annual Meeting of Civil Service Training Schools and Institutes in MENA and 3rd General Assembly Meeting.

On this occasion, GIFT-MENA members will meet to:

- Present to other network members their most recent capacity-building projects;
- Share new initiatives and build new partnerships;
- Meet new members and take stock of GIFT-MENA Achievements since 2008;
- Agree on the overall direction of the network for the upcoming period (2011-2012).

An exhibition area will allow the schools and institutes to expose their most recent capacity-building initiatives and publications. Every institution will be provided with an exhibition booth.

Objectives

The conference will offer a platform to:

- Meet experts involved in PFM, discuss common challenges and innovative solutions, promote peer-to-peer learning;
- Get a first-hand presentation of the PFM curriculum developed in the Arabic language by the Institute of Finance and the World Bank. The curriculum is composed of four modules focusing on (1) Budget preparation, (2) Budget execution, (3) Public accounting and (4) Internal control and external audit;
- Share capacity-building needs and contacts with providers and demanders of technical assistance and training in the area of PFM.

The World Bank – International Bank for Reconstruction and Development- has awarded in 2007 the Basil Fuleihan Institute of Finance of Lebanon, training and communication agency of the Lebanese Ministry of Finance, an Institutional Development Fund grant amounting to U.S. $338,000 to develop capacity-building tools for sustainable governance in Lebanon and the Middle East and North Africa (MENA) region.

The objective of this 3 year project is to build the capacity of the Institute in developing and providing a high quality and specialized set of four training modules in Public Financial Management in the Arabic language. Such curricula is expected to improve overall public sector governance, transparency as well as the performance of current staff, and help prepare the next generation of leaders.

The four modules focus on:

1. Budget preparation
2. Budget execution
3. Government Accounting
4. Audit and Control.

The curriculum development was based on the results and recommendations of training needs assessment survey conducted by an international expert, and published in the report: "MENA region training needs in public financial management".
Themes to be addressed

The meeting will provide an overview of the advancements and challenges pertaining to the implementation of PFM reform in MENA countries and will draw from countries specific cases.

The session topics will focus on:

- How Ministries of Finance in MENA are managing PFM reforms in time of crisis and are they successful in driving government performance;
- What roles donors and international organizations play in advancing PFM reforms; Instruments of aid and technical assistance;
- Medium-term budgeting as a tool for economic recovery: Strategic budgeting, Macroeconomic forecasting and revenue projections;
- Performance-based budgeting and reform of the budget preparation cycle (including budget coverage, classification, etc.);
- Reforming budget execution (including cash and treasury management, public procurement, etc.);
- How internal and external audit functions are being reformed to accompany the achievement of a culture of performance;
- What kinds of challenges face change management? Are leaders well prepared to lead the change?
- Are training schools and institutes successful in accompanying the deployment of reforms? And what kind of institutional strengthening do they need? Can Public-private partnerships be useful in PFM capacity-building?
Tuesday, November 30, 2010

17:00 – 18:30
Grand Serail

Conference Opening Ceremony under the auspices of Mr. Saad El Hariri, President of the Council of Ministers
MENA Economic Outlook: 10 Years of Public Finance Reform

Introduction by Ms. Lamia MOUBAYED BISSAT, Head of the Institut des Finances Basil Fuleihan, Lebanon

Keynote speeches:
1. Ms. Agnès ARCIER, President, ADETEF, France
2. Speech by Mr. Hedi LARBI, World Bank Mideast Director, represented by Ms. Hanine SAYED, Human Development Coordinator in Lebanon, Jordan and Syria, Middle East and North Africa Region
3. Her Excellency Ms. Raya HAFFAR, Minister of Finance, Lebanon

DAY ONE: Wednesday December 1st, 2010

9:00 – 10:00
Grand Serail

Public Financial Management Reform in the Middle East and North Africa: An Overview of Regional Experience

Issues to be addressed:
- Comparative approach of PFM reform in MENA countries
- What reforms are working, what are not, and why?
- An emerging set of promising practices

Keynote speaker:
1. Mr. Mark AHERN, Senior Public Sector Specialist, MENA, The World Bank

10:00 – 11:30
Panel 1
Plenary
Grand Serail

Reforming budget preparation: The Governments’ strategic tool for policy implementation

Issues to be addressed:
- Strategic budgeting: How are MENA countries improving their macro-fiscal capacity and developing medium-term sector strategies? Can medium-term budgeting assist MENA countries recover from the crisis? Budgeting under constraints.
- Integrating recurrent and capital expenditures: Why is shifting the management of capital spending to the Ministry of Finance a lengthy process; How to address sources of institutional resistance?
- Introducing a performance focus to the budget: Experiences from the field; Are MENA countries still at a pilot stage? What are the reform and PFM system prerequisites that would facilitate the successful introduction of performance budgeting?
- Role of legislature: How do parliamentarians review and deliberate budgetary proposal from executive?

Countries’ Experiences:
MOROCCO: Budget modernization in Morocco and the development of forward estimates and sector policies; Review of the Moroccan experience and the way forward.
AUSTRIA: The case of Austria in modernizing budget preparation: Challenges, ingredients of success and lessons learnt; The evolving role of legislature and Parliament; Comparison to other OECD countries.
TUNISIA: The experience of Tunisia in introducing performance based budgeting; The agenda of reform, challenges encountered during implementation, first results, lessons learnt and the way forward.
Reforming for Results at a time of crisis:
Public Financial Management in MENA
1-2 December, 2010
Beirut, Lebanon

Speakers:
1. Mr. Mounir RACHED, Economic Consultant and Vice President of the Lebanese Economic Association, Lebanon
2. Mr. Bernhard SCHATZ, Budget Officer, Ministry of Finance, Austria
3. Mr. Mohammed HADDAD, Head of Division - Budget Reform, Follow-up, Budget Execution and Organic Law, Ministry of Economy and Finance, Morocco
4. Mr. Lamine MOULAHI, Director General, Budget Directorate, Ministry of Finance, Tunisia

Moderator: Ms. Kawthar DARA, Project manager, CDR-UNDP Millennium Development Goals Framework, Lebanon

Coffee break

12:00 – 13:30
Panel 2
A roadmap for Budget execution reform: Treasury, Accounting and Reporting

Issues to be addressed:
- How can a well functioning treasury system reduce the costs and risks of government operations? Where do MENA countries stand in implementing Treasury Single Accounts?
- Are cash management reforms effectively associated to debt management reforms? How do effective cash management and the implementation of Treasury Single Account help Governments reduce borrowing?
- What are the technical challenges that lay ahead MENA Ministries of Finance in conducting sound Treasury and Cash Management reforms?
- How to secure the solid commitment of staff at Ministries of Finance for successful reform implementation?
- The role of Financial Management Information Systems (FMIS) in treasury reforms;

Countries' Experiences:
- JORDAN: A comprehensive approach to improve economic classification; Development of a new chart of accounts, the adoption of International Public Sector Accounting Standards and the broad GFMIS project.
- EGYPT: Challenges of Treasury and Cash Management at the Ministry of Finance of Egypt; Allocation of roles among the Ministry of Finance and the Central Bank of Egypt; The establishment of a Single Treasury Account; Linkages to debt management.

Speakers:
1. Mr. Robert BOU JAOUDEH, Senior Financial Management Specialist, The World Bank
2. Dr. Jalal DEBAI, Advisor, GFMIS project, Ministry of Finance, Jordan
3. Mr. Mohamed ASSAD, Advisor to the Minister, Ministry of Finance, Egypt

Moderator: Mr. Jacques CHAARAOUI, Project Manager, EFMIS Project, Ministry of Finance, Lebanon

Lunch break

14:30 – 16:00
Panel 3
Public Procurement Reform: Improving the Government’s value for money

Issues to be addressed:
- MENA countries approaches to Public Procurement Reform: Why are procurement systems weak and how are MENA countries attempting to upgrade them?
- To what extent are MENA countries integrating new international trends like Green or Sustainable Public Procurement?
- How is international technical assistance supporting Public Procurement Modernization?

Countries' Experiences:
- YEMEN: Implementing the New Tender Law passed in 2007: How did the new law address
the shortages of the old law? How was it implemented? What were the challenges? Was it supported by capacity-building initiatives?

• MOROCCO: How did the e-procurement platform act as a strong tool to reduce corruption?

Speakers:
1. Mr. Marian LEMKE, Senior Advisor, SIGMA, OECD
2. Mr. Sepehr FOTOVAT, Country Procurement Coordinator, The World Bank
3. Mr. Anaam Yahya Al-SHAHARY, Secretary General, High Tender Board, Yemen
4. Mr. Abdelmjid BOUTAQBOUT and Mr. Mohamed SEGHROUCHNI, Ministry of Economy and Finance, Morocco

Moderator: Ms. Nancy TYAN, Contracts Department Manager, Legal Affairs Division, Council for Development and Reconstruction, Lebanon
DAY TWO: Thursday December 2nd, 2010

9:30 – 11:00
Panel 4
Plenary
Grand Serail

Financial oversight and scrutiny: Holding the Government to account

Issues to be addressed:
- Why financial scrutiny matters and what does it involve? Helping the Government set its strategic priorities and levels of expenditures.
- Internal audit: A foundation for accountability in Government? How are MENA governments streamlining the control processes?
- External audit: Building public-private partnerships between the supreme audit institutions and private audit firms.
- What are the shortages of external audit in MENA? How to address them?
- How internal and external audit functions are being reformed to accompany the achievement of a culture of performance.
- Role and functions of Parliamentary committees in financial oversight.

Countries’ Experiences:
- PALESTINE: How did the Ministry of Finance build its internal audit functions? Were international standards adopted? How did international technical assistance contributed to this reform?
- IRAQ: Limitations of ex-ante control systems and its impact on the Government's ability to conduct business; How is Iraq planning to modernize its control scheme? Lessons learnt from the introduction of an "inspector general" function as part of external audit reform.

Speakers:
1. Ms. Celeste KUBASTA, Advisor on Budget and Financial Accountability
2. Mr. Daniel BATO, Team Leader, System-wide IPSAS Project, The United Nations
3. Mr. Nader SALAHAT, Director General of Internal Audit, Ministry of Finance, Palestine
4. Dr. Alaa KADUM, Director General of Technical Affairs Department, Iraq Board of Supreme Audit, Iraq

Moderator: Ms. Dina MELHEM, Head of MENA Programs, Westminster Foundation for Democracy, United Kingdom

11:00 – 11:30 Coffee Break

12:00 – 13:30
Concluding Remarks
Plenary
Grand Serail

1. Mr. Robert BOU JAOUDEH, Senior Financial Management Specialist, The World Bank
2. Ms. Lamia MOUBAYED BISSAT, Director, Institut des Finances Basil Fuleihan, Lebanon

13:30 – 14:30 Lunch