

or sophisticated for the capacity of some countries to absorb. The development of integrated financial management information systems is a good example of a fashionable concept in which donors invested heavily but with mixed success. In some countries that are ready for them, they've been useful. In other countries, expensive technology has degraded after a few years, and there's been little progress. The question is why.

It is possible that donors have been, to some degree, guilty of promoting blockbuster reforms. Such reforms may provide large rewards to consulting companies for work on design, implementation, and maintenance, but they have generally had a limited impact. One reason for this is that the reforms tend to give too little attention to the institutional environment and incentives or are too technocratic.

Another area where the donors may have been culpable to some extent is in promoting medium-term expenditure frameworks—another fashionable idea. In principle, these frameworks are the right way to go, but they require a participatory approach to budget making and other preconditions that require a level of development and capacity that are beyond many countries' immediate scope. In short, a lot more thinking has to be done on sequencing reforms and carrying them out and on establishing

a more basic platform on which development can take place.

This is getting rather beyond the scope of the PEFA program, but I think it's an important point—it relates to the question of how to create a sustainable program of reform. How can the donors assist countries to build capacity and move forward with the reform agenda in a slow but sustainable way? And that is fundamentally important. The donors have not always been very good at advising on the sequencing and prioritization of reforms or on the change management process needed to deliver satisfactory outcomes. The Bank is investing heavily in learning activities to identify reasons for past successes and failures in these areas, but more work needs to be done. And the development agencies need to invest in new skills—governance, communications, change management, and so on—to equip themselves to provide such support. ■

Assessing and Reforming Public Financial Management: A New Approach, by Richard Allen, Salvatore Schiavo-Campo, and Thomas Columkill Garrity, will be available in November from the World Bank, Washington, D.C.

Donor agencies have sometimes tended to emphasize reforms that were perhaps too complex or sophisticated for the capacity of some countries to absorb.

—Richard Allen

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