

SESSION 2.

Building momentum along critical pathways

Detailed diagnostics

**Public Sector Reform and Capacity Building Unit
Africa Region, World Bank**

Country X's existing capability, prospects, options

Core public management

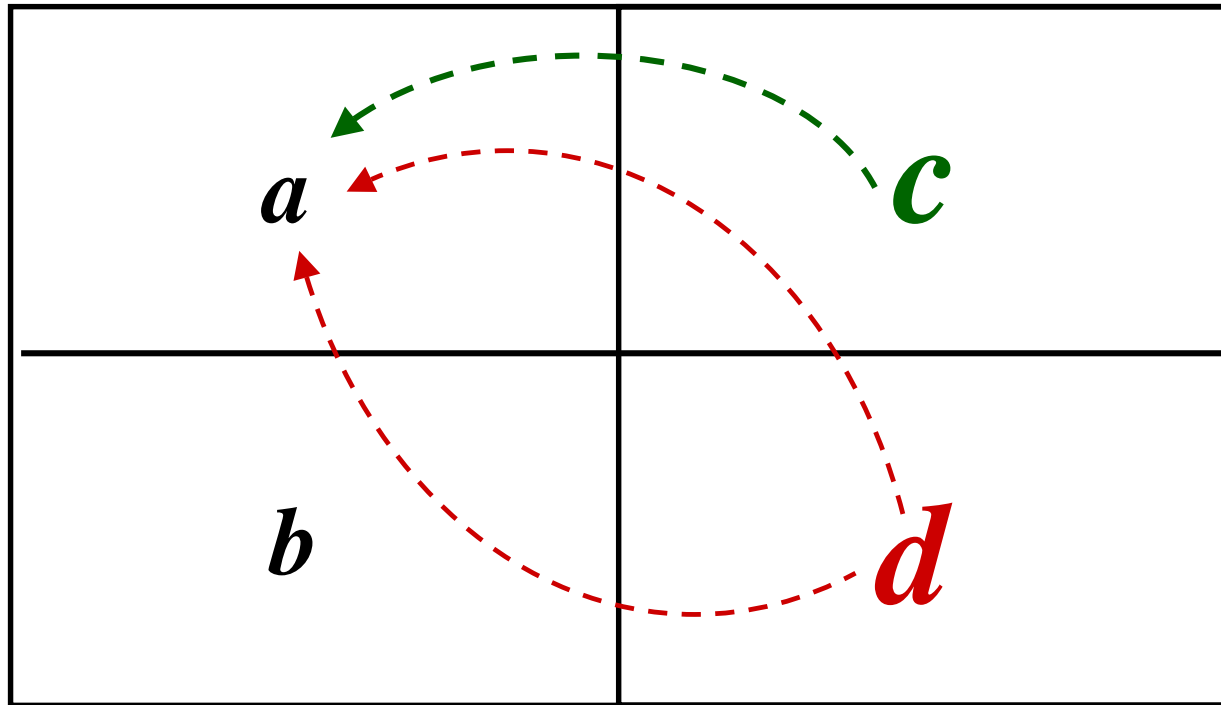
High

Low

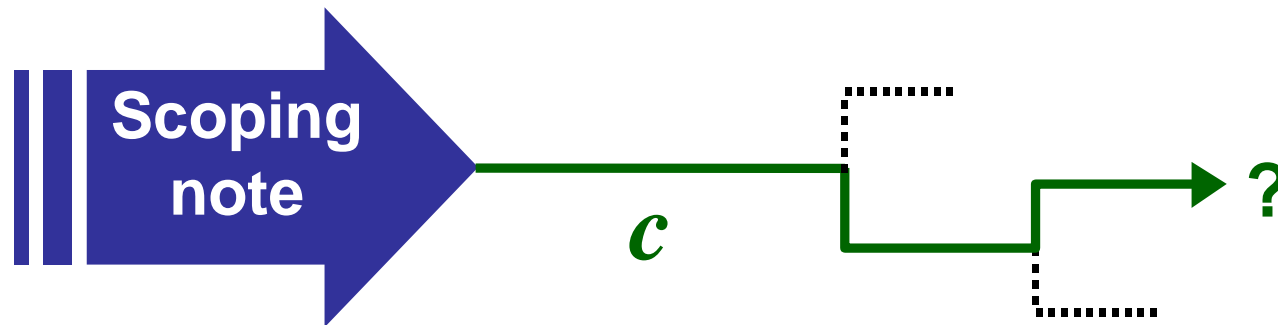
Participatory
Governance

High

Low



***When core public management
is the critical path....***



1. Define the problem correctly

**civil servants
are inefficient or
not performing**



**civil servants
face the wrong
incentives**



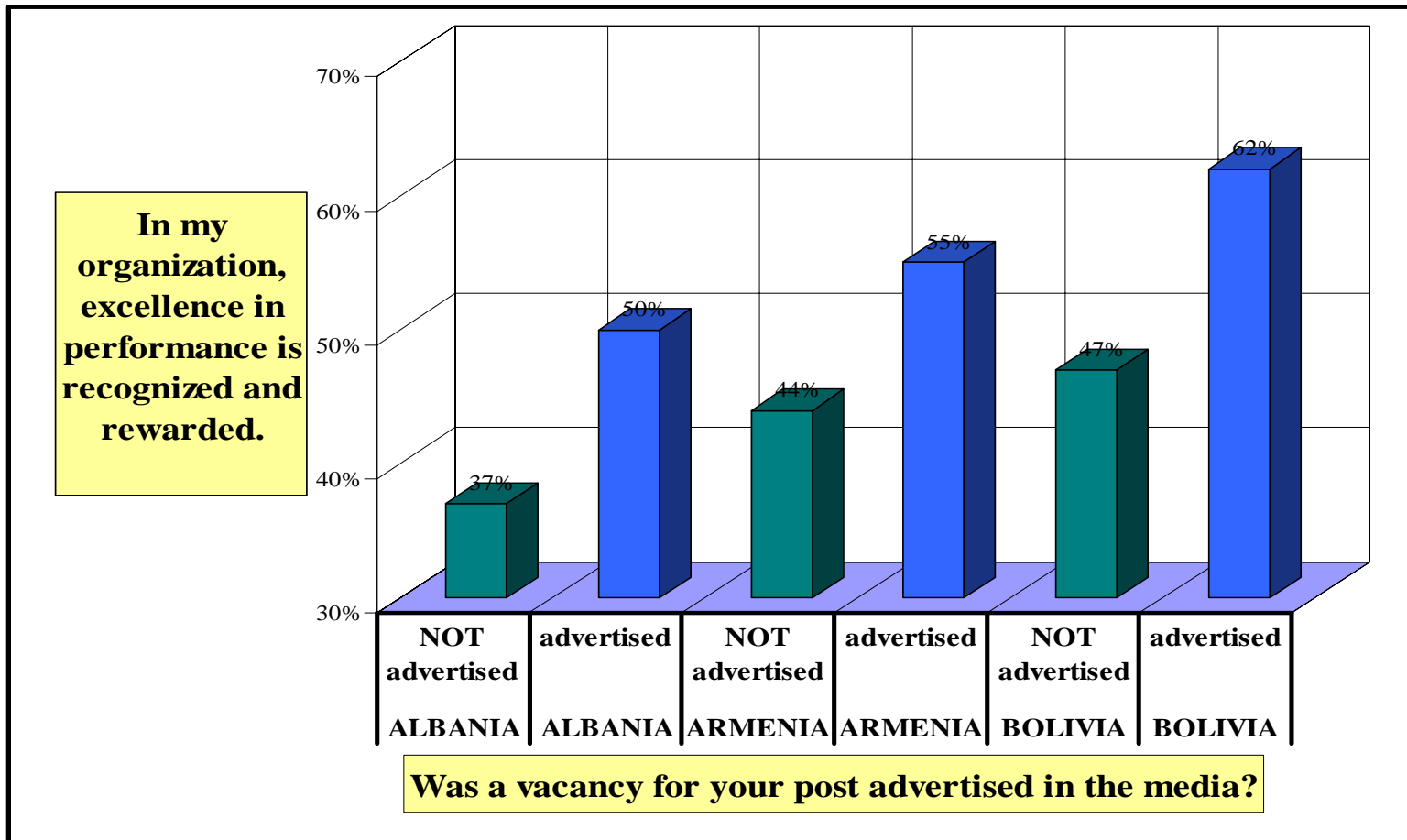
**government
lacks credibility**



**government is
not sending clear
signals through
the budget**



Poor performance is due to the absence of competitive hiring

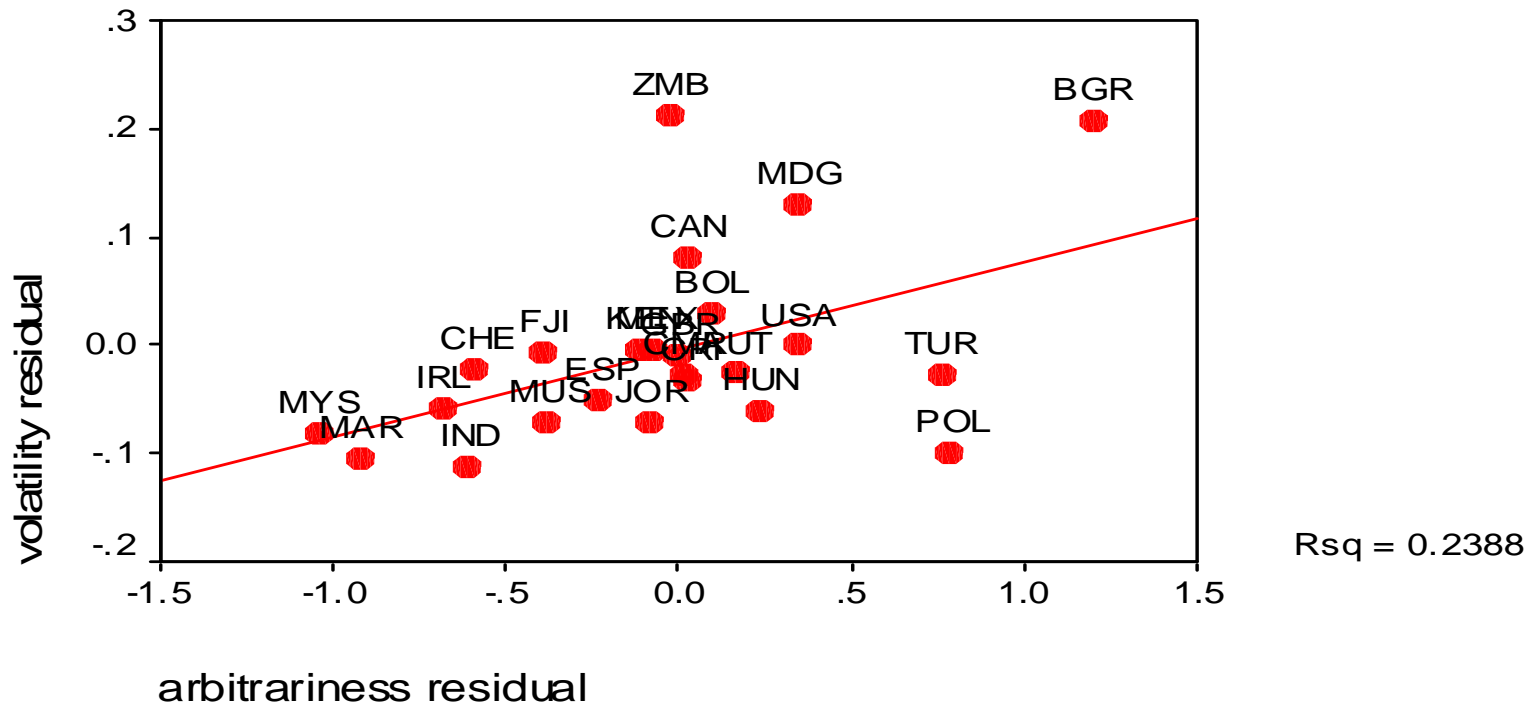


Source: Gokcekus and Mukherjee, World Bank, March 2000

Credibility depends on how governments sets the budget

budget policy volatility and business perceptions of government arbitrariness

(controlling for per capita income)

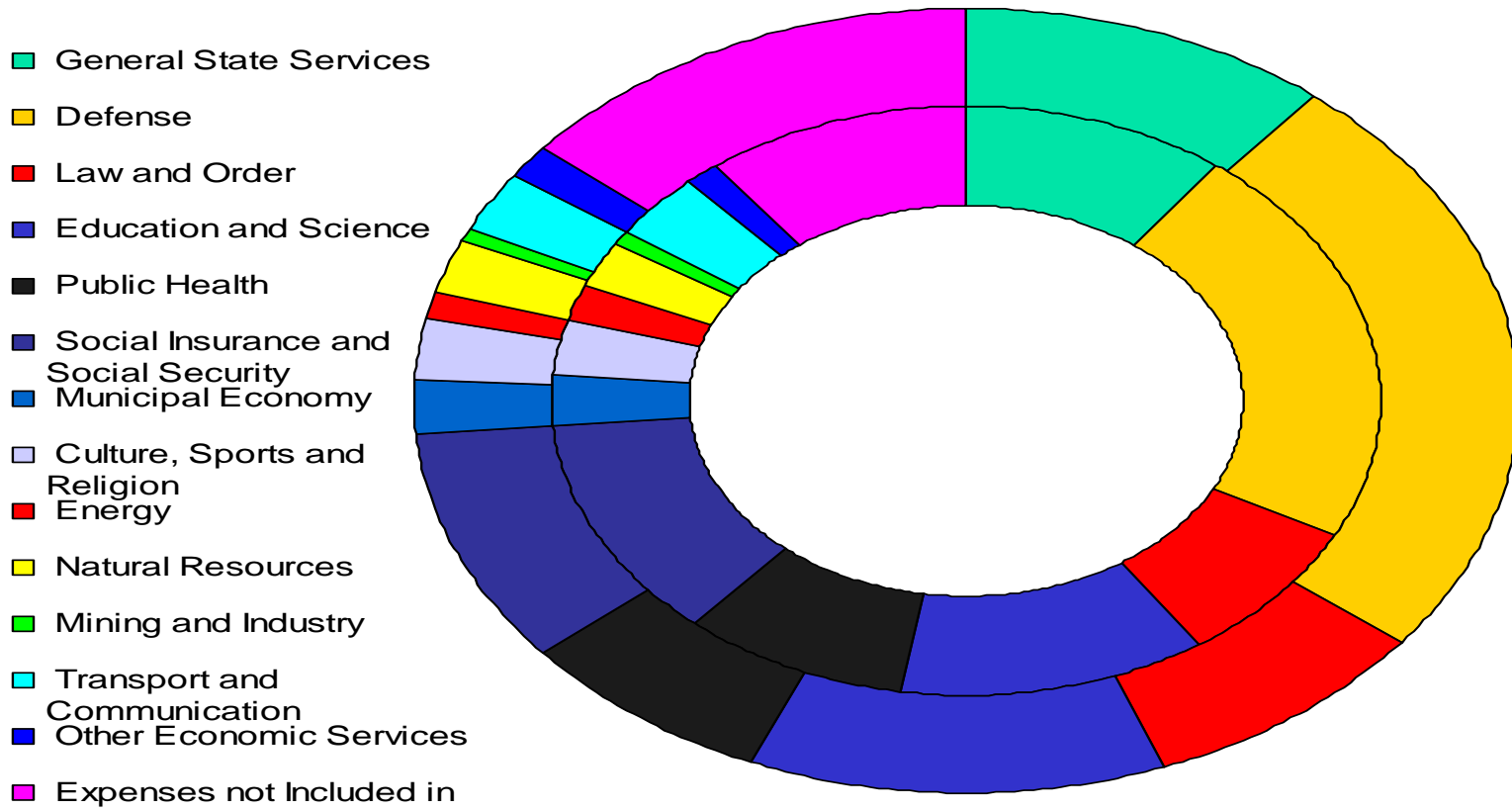


2. Test against benchmarks

- **World Bank public management tools provide benchmarks on...**
 - **budget preparation and execution**
 - **financial accountability and audit**
 - **civil service incentives and capacity**
 - **inter-governmental relationships**
 - **working environment at agency-level**
 - **management performance at agency-level**
 - **policy outputs**
 - **confidence in the bureaucracy**

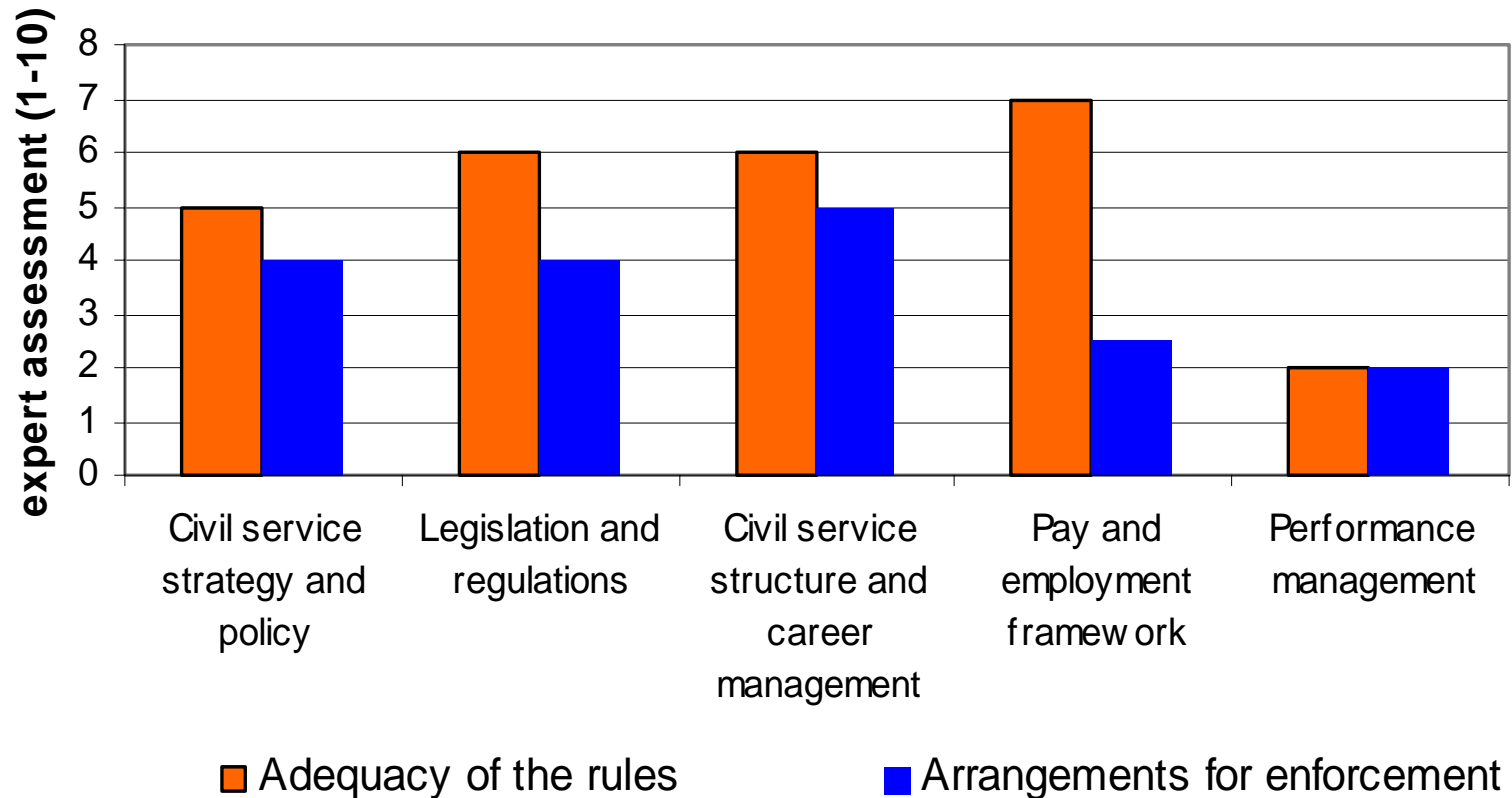
Public Expenditure Management toolkit points to variance

budget plan and actual in country X



source: *unpublished paper*, World Bank, August 1999

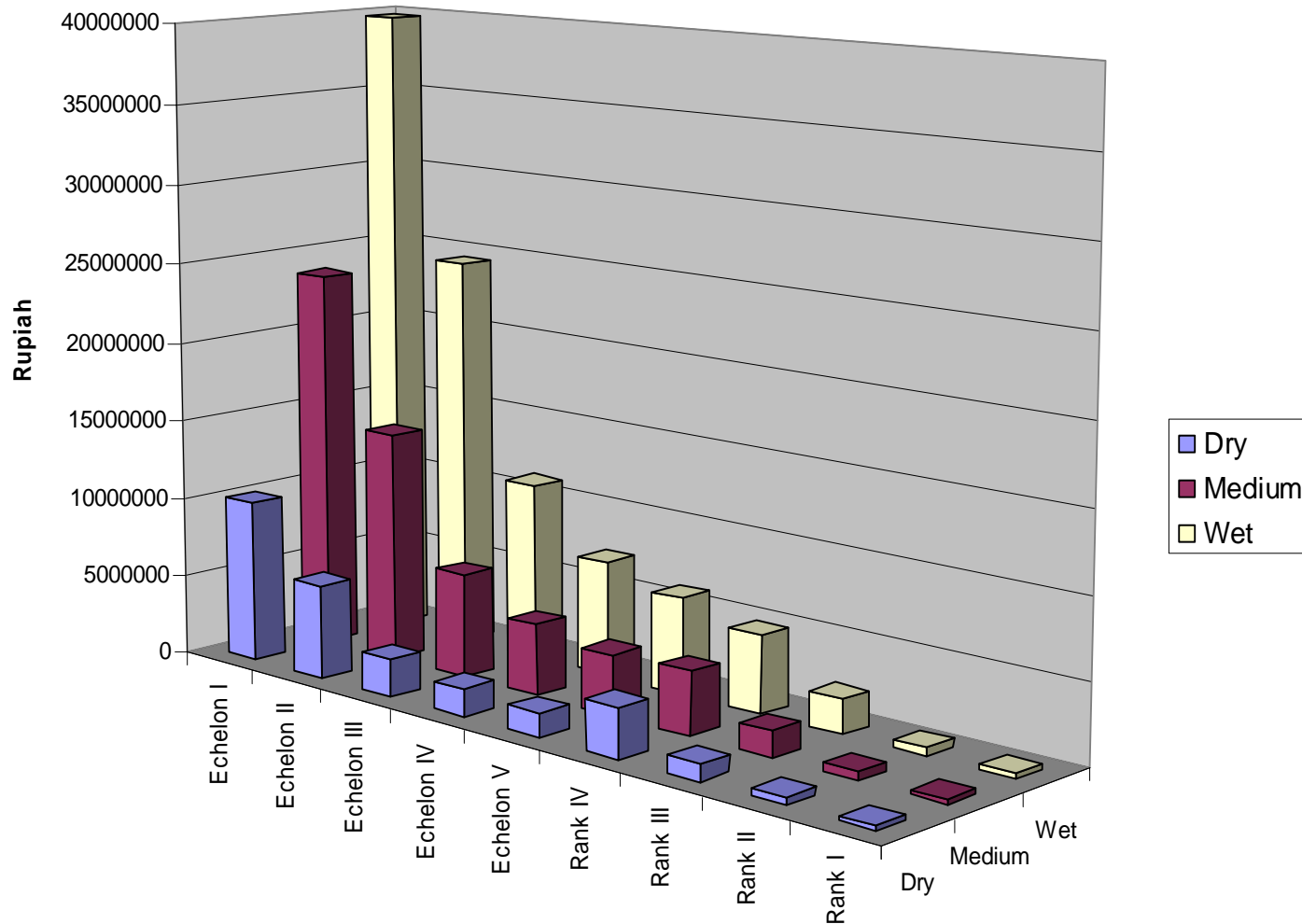
Civil service tool in country Y shows (i) formal arrangements are not bad



source: *unpublished paper*, World Bank, March 1999

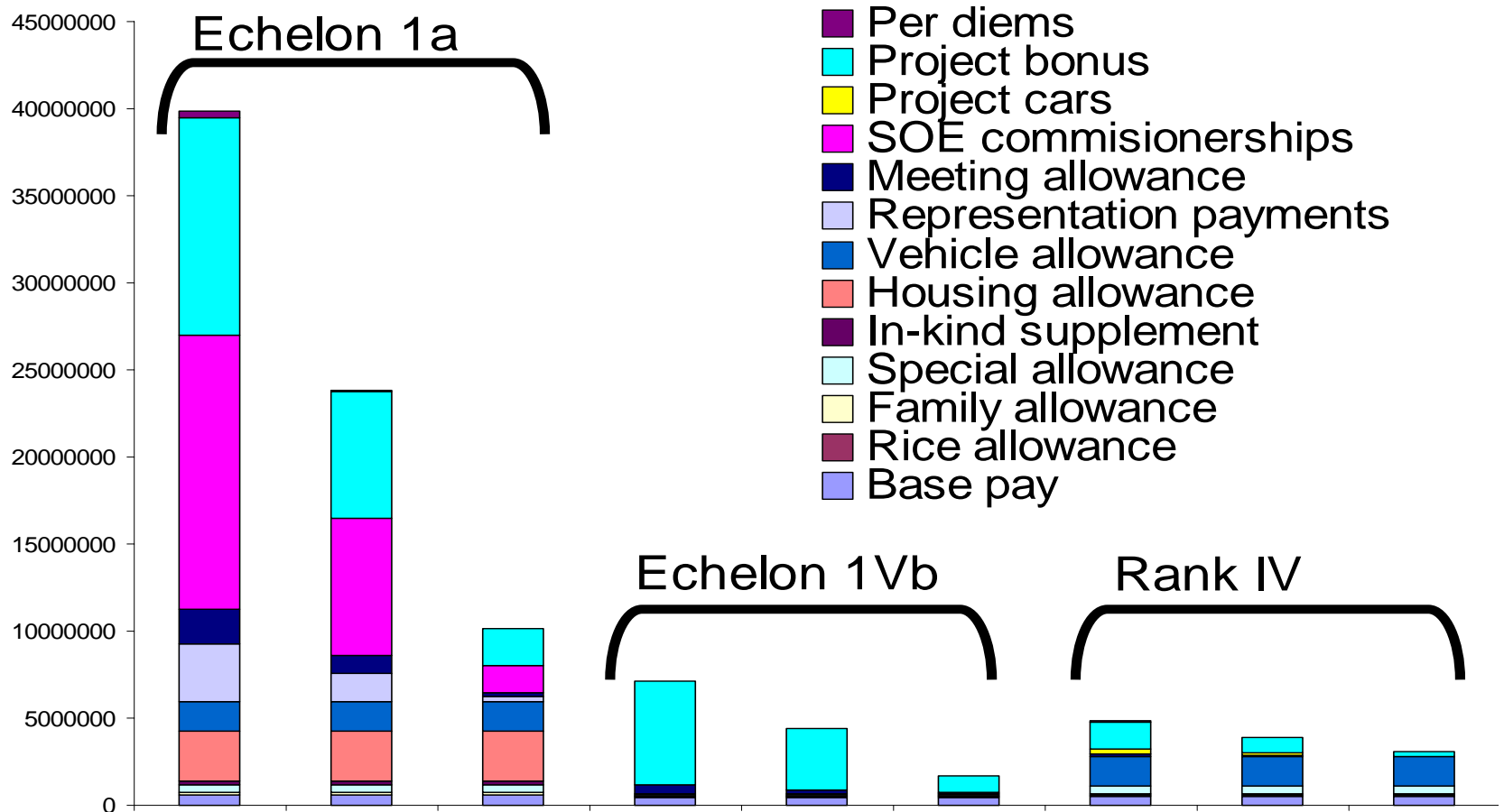
But (ii) salary incentives are highly distorted

Average Individual Total Compensation in the Civil Service
by Rank and Agency Moisture Level

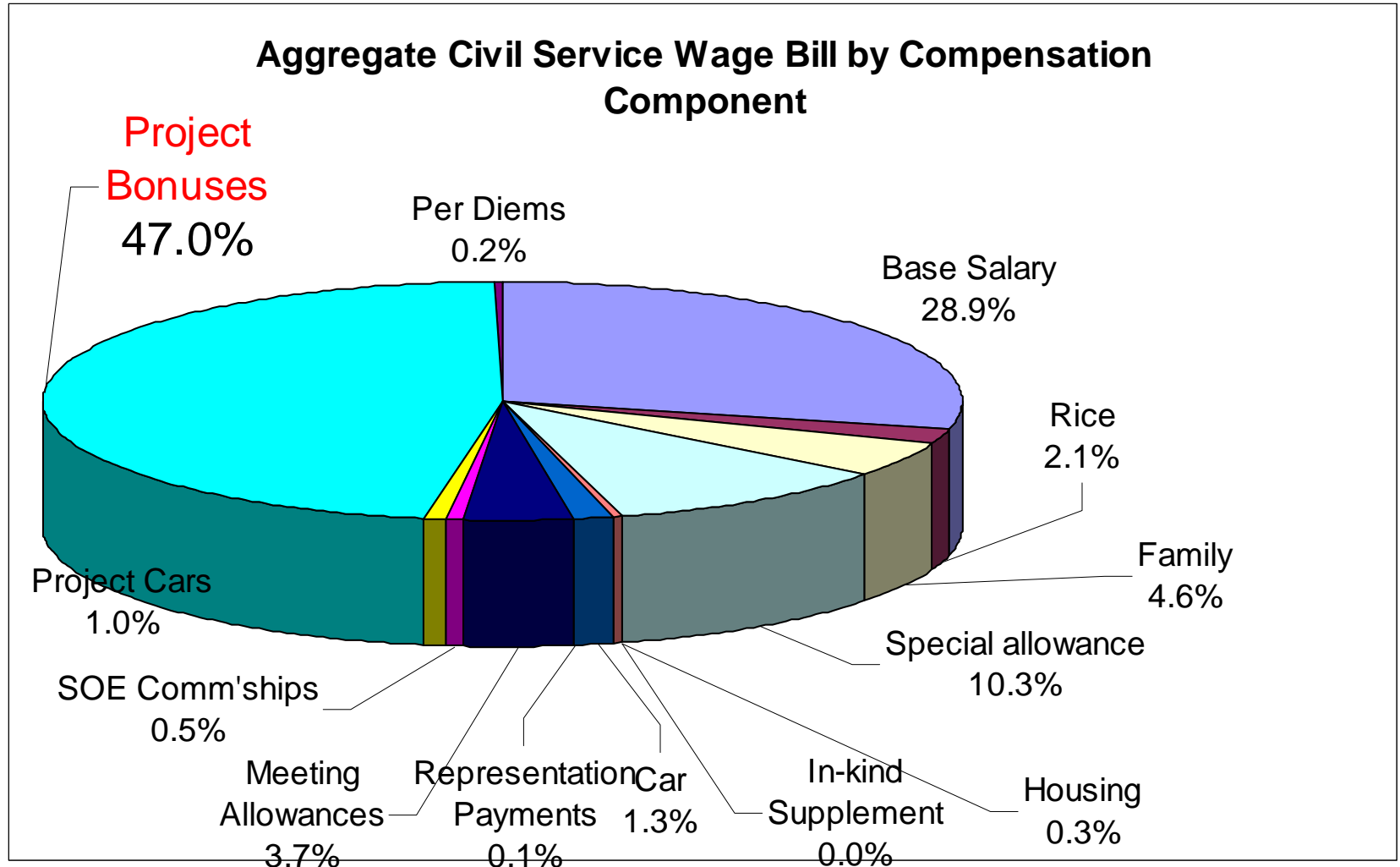


And (iii) allowances drive the distortion

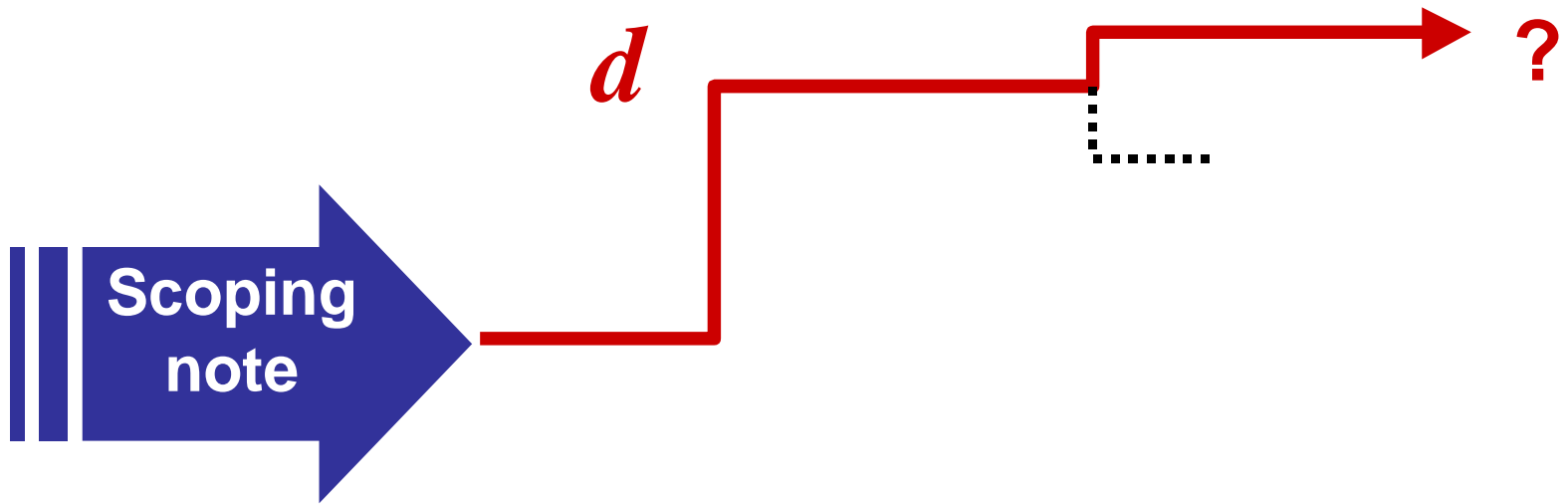
Individual Compensation Breakdown by Allowance for Selected Grades



And (iv) the budget drives these allowances



When frontline delivery is the critical path....



Start with clear hypotheses about frontline delivery performance

- Insular planning and prioritization processes undermine demand responsiveness**
- Earmarking financial and resources contributes to poor implementation**
- Lack of information on performance weakens downward accountability**

Choose appropriate survey strategy

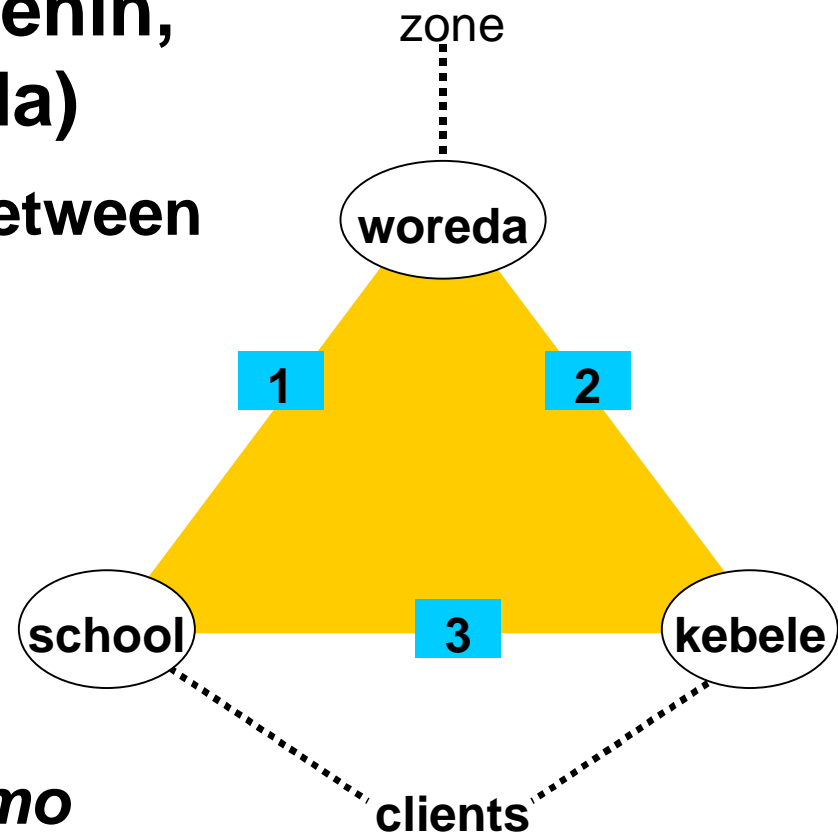
- **Multiple surveys**
- **Quantitative, perception data**
- **When perception data is used**
 - **Delineate whose perceptions matter for performance?**
 - ***Triangulate* perceptions**

What they tell us about performance on the frontlines (1)

- **Household surveys (several countries)**
 - Access, usage, satisfaction
- **Facility-level surveys (Uganda)**
 - Cost efficiency
- **Resource leakage (Uganda, Ethiopia)**
 - Expenditure tracking survey(s)

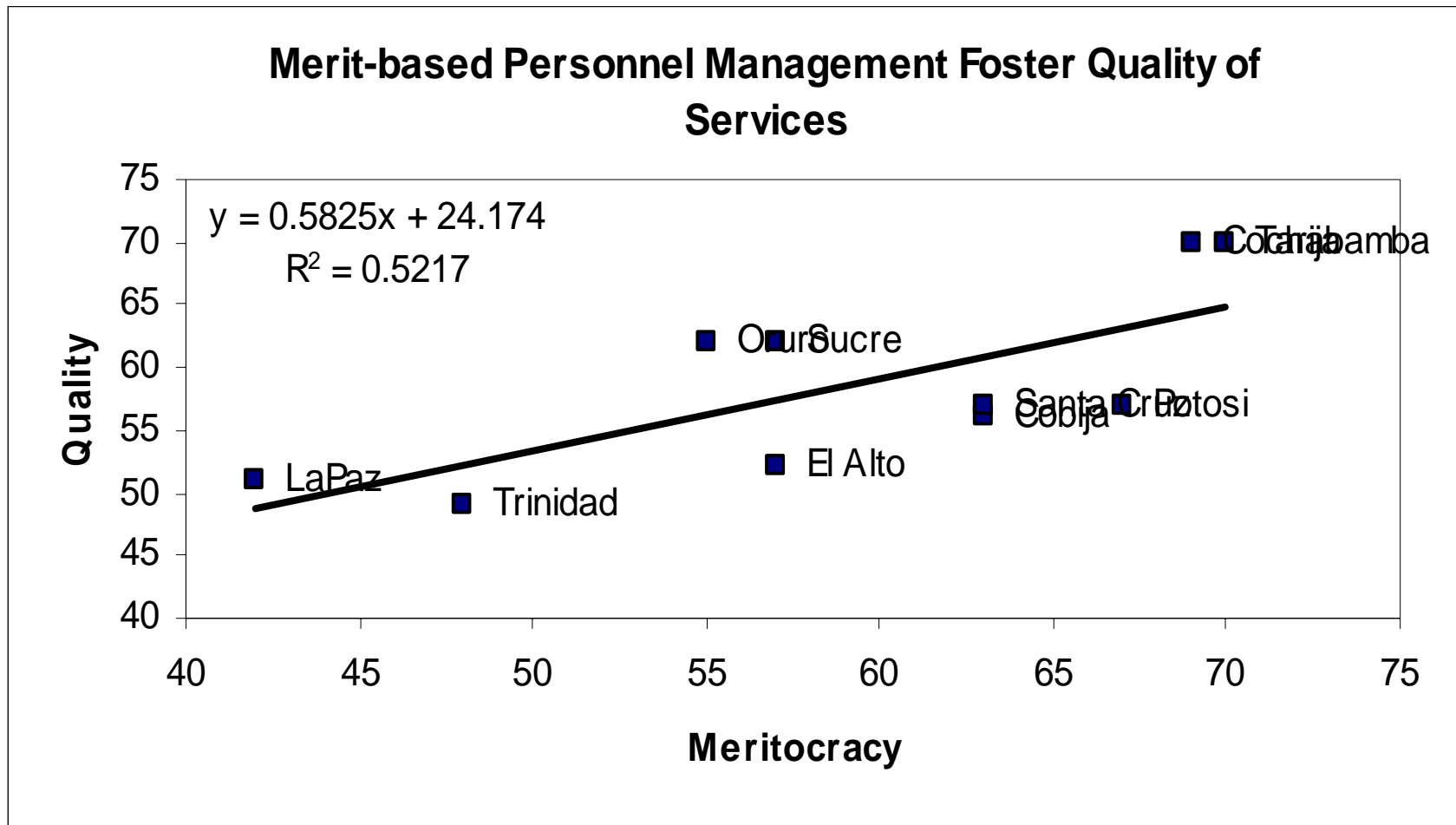
What do they tell us about the determinants of performance (2)

- **Triangulated surveys (Benin, Guinea, Ethiopia, Uganda)**
 - **Nature of relationships between key actors**
 - Planning and prioritization
 - Resource flows
 - Incentives
 - Accountability

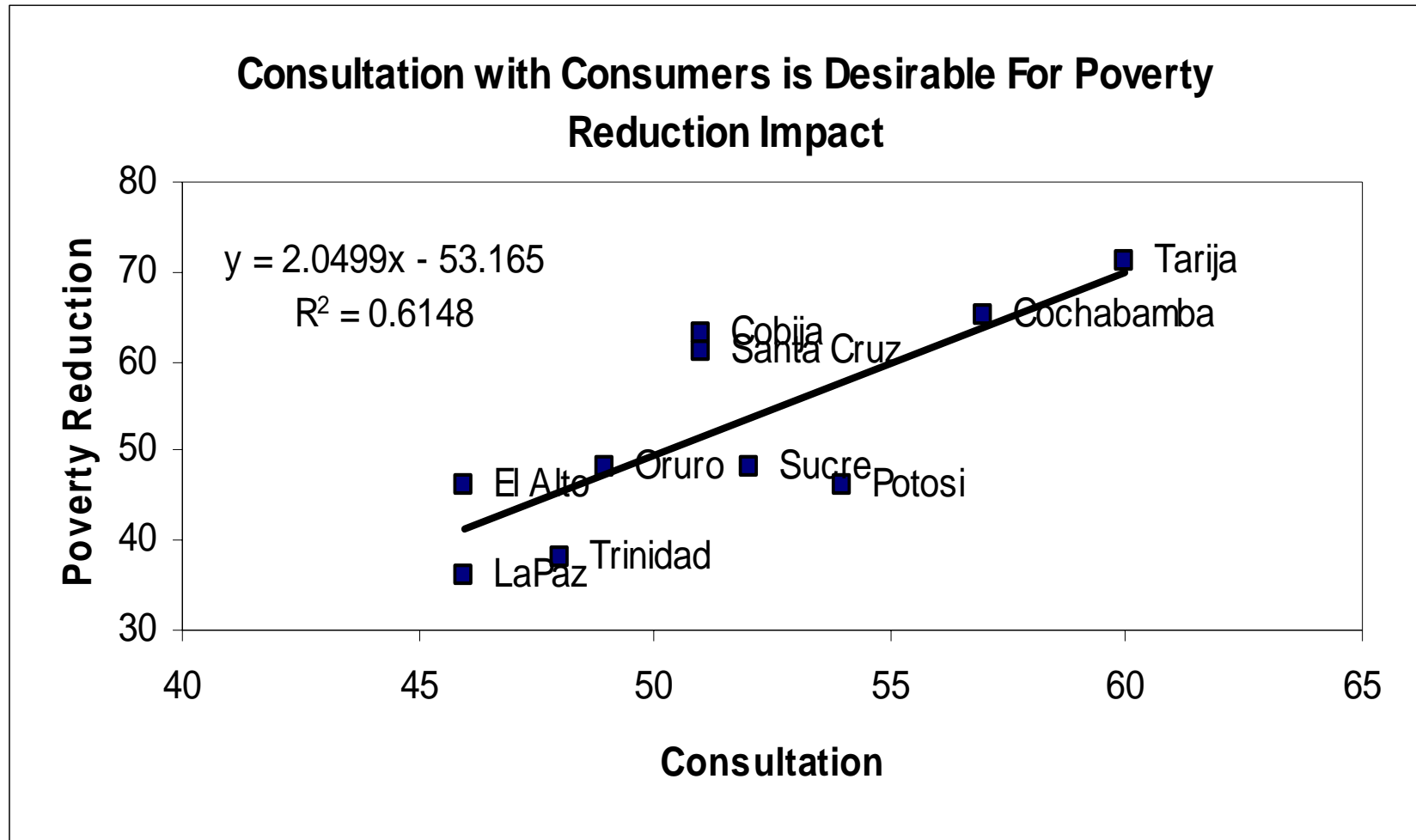


School performance in Oromo Region, Ethiopia

Some evidence from Latin America (1)



Some evidence from Latin America (2)



Questions to consider

- **How can governments ensure that the voices of the poor**
 - are institutionalized in ongoing and future diagnostics?
 - influence the identification of critical reform pathways?
- **How can diagnostics be designed and sequenced in order to *activate* demand for pro-poor governance?**

MARY MUDULI'S PRESENTATION