

PFM Reform: Promises and Tears

The lessons learnt from reforms gone wrong

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Lessons from experience

- Lack of attention to managing the authorising environment
- Ambitions beyond capability to design and deliver
- Lack of commitment of the Minister of Finance and the Ministry of Finance
- Failure to spread the reform beyond the territory that the Ministry of Finance commands

Lessons from experience

- Impatience and lack of persistence
- Key person risk
- Capability shortages
- Lack of attention in the design to central-local government financial relationships
- Lack of attention to how public enterprises come into better PFM

Lessons from experience

- Problems with large scale ICT projects
- Inflated expectations of what PFM can do to promote better government performance
- Ineffective donor relationships
- Limited project planning and management capability
- Lesson from 30 years of change in new Zealand

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