Why it Worked: Critical Success Factors of a Financial Reform Project in Africa

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Much is written about PFM reform in terms of content, sequencing and principles (e.g. getting the basics right). Little is written about the critical success factors of the technical assistance project that assist governments with PFM reforms. This article looks at the factors that made the DSA project work and was able to assist the Government of Ethiopia with its twelve-year PFM reform (Decentralization Support Activity Project, 2006). The reform is viewed as a success and Ethiopia's PFM system is now rated the third best in Africa (Hedger and de Renzo, 2010). There were six critical success factors to the DSA project: task, context, patrons, role, staff and decisions.

Task

The USAID programme office in Ethiopia, early on summed up why the DSA project would succeed: 'this project is the only thing we are doing that the government really wants.' More than any other factor, the government's need to improve public financial management (PFM) almost guaranteed the project's success—failure was ours to achieve. On countless occasions during my twelve years in Ethiopia, I heard the lament of foreign aid officials and project managers about 'how difficult' the government was and 'how hard it was to get anything done.' The government was demanding on the DSA

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and at times unnecessarily difficult, but for the most part it was not hard to get things done as they did it themselves and welcomed the assistance we could offer.

The government's need for a PFM reform was not a sufficient precondition of project success--the project had to provide appropriate help and establish trust. This was a new government forged by self-help through a long civil war and there was a strongly held viewed in the regime that much could and should be done with local resources no matter how modest. As in the armed struggle just completed, the government believed it was on its own and external resources, especially foreign advisors, were to be judiciously used. The belief in boot strapping and the parsimonious use of external assistance was an ideal context of reform. It was their show. Indeed, the DSA approach to technical assistance was always elbows near, not hands on. So two of the necessary, though not sufficient conditions for project success were in place from the start—*need* and *urgency* (Peterson, 1996). It was up to project to earn the other two conditions—*help* in designing an appropriate reform and *trust* in its execution and commitment to stay the course. A defining moment at the end of the first year of piloting the budget reform in the Southern Region was when leaving the head of the Finance Bureau's office, he shook my hand in thanks and admonished me—'don't turn your face on us.' Eight years later we did, but the DSA was not a two-year wonder and long commitment built trust.

The government's need for this reform, its ownership and the premium on self-reliance was there from the start and enshrined in the five-volume design of the Civil Service Reform Program which was prepared in relative secrecy by a small task force within the Prime Minister's Office coordinated by a lone advisor cutting his teeth in technical assistance to Africa (Task Force for Civil Service Reform, 1996). It was a

rumor of reform and its unveiling caught most foreign assistance agencies by surprise as

well it should since they were to be very junior partners if accepted at all and the design

was governments. The CSRP was a quiet revolution not Big Bang, Big Bucks, Big

Expectations, and Big Disappointment as is often the case of foreign assistance lead

reforms.

In addition to its priority, the government design of the PFM reform went a long

way to promote the success of the DSA. As befits the background of the lone expatriate

advisor who designed the PFM component of the CSRP (an auditor from the UK

National Audit Office), the reform focused on financial control. The PFM component of

CSRP (the Expenditure Management and Control Program—EMCP) was all about

'getting the basics in' which is given lip service in the PFM field but often ignored in

practice. Volume 4 of the CSRP/EMCP design manual drilled down into nitty gritty of

financial control including cash management (closing multiple bank accounts) and the

recommendations for audit as one would imagine, went on for pages. But what best

defined the focus on control was the principle of the 'Self Accounting Unit.' This was not

an esoteric principal and it is one that you would be hard pressed to find in other

country's PFM reform. With the Self Accounting Unit (SAU) as the end state of the PFM

reform, at a stroke the EMCP fused administrative structure with financial accountability.

In terms of the task of the DSA project, the SAU principle meant that there had to be a

coherence of financial control which defined the core of the project's terms of reference:

budget and accounts to which was added its automation and disbursement. From

inception, the DSA was clearly focused on the core of the core of financial control—

budget and accounts. The DSA was able to broaden the horizon of the auditor/architect of

the CSRP by recommending a need to 'look up' from control and introduce a framework

of resource allocation: medium term planning first of fiscal aggregates (Macro Economic

Fiscal Framework—MEFF); second of capital expenditure (a Public Investment

Program—PIP); and third capital and recurrent expenditure (a Public Expenditure

Program—PEP). The PEP never took off.

In summary, the coherence and focus of the DSA task enshrined in the

establishment of SAUs, promoted a successful outcome unlike many PFM reforms that

are a cacophony of techniques. While the scope was very focused in terms of the task to

be done, the challenge to the project was that the scope dramatically expanded eight-fold

in terms of coverage—second stage decentralization to weredas (districts).

Context

One of the most difficult challenges a manager of a technical assistance project

faces is to objectively determine the severity of a difficulty—are they to be expected

problems or are they a crisis that threatens the enterprise. The project faced many storms

of varying magnitude over its twelve-year life and while some appeared serious at the

time, the project for the most part faced a supportive, though at times uncertain

environment. There were four contexts that shaped the DSA project: political, task

environment, serendipity and crises.

Political context of US-Ethiopian government relations was very supportive of US

funded technical assistance to the Government. The US government had provided

extensive support to the regime in its struggle with the Derg and intensive contacts by the

same interlocutors continued during the early years of the new regime. When the CSRP

was unveiled, USAID was the first foreign aid agency contacted by the Prime Minister's

Office to gauge interest in the reform. When hostilities broke out in May 2008 (sixteen months into the start of the DSA project), USAID was the only bilateral agency that did not cut its development assistance. While the full story will never be known of how US-Ethiopian political ties facilitated the acceptance and continuity of the DSA project which was funded wholly by USAID for its first five years and with other funders for the remaining seven years, it is clear that the PFM reform and the DSA project were 'common ground' and to some extent 'hallowed ground' in the eyes of the two governments.

The devil is always in the details and in the trenches of bureaucracies, which is true in the case of the DSA project. Within the USAID mission in Ethiopia, there was not consensus on the need for an intervention in the 'governance' area and preparatory work was done for two years prior to the unveiling of the government CSRP. The preparatory work reflected a thoughtful approach by the USAID governance advisor, Stevens Tucker, and the years were well spent by him establishing contacts in the government and getting an understanding of the unfolding and complicated governance arrangements. The rapid enlistment of USAID to a portion of the government's CSRP program was made possible because Stevens Tucker had done the due diligence to know what made sense and that even the very modest resources that USAID would make available would have impact. USAID's due diligence also meant that the agency did not try to reform the government's initiative and impose its own agenda on the reform.

The context of the task for a PFM reform was very conducive—the government respected the hard budget constraint without which, all other PFM reforms are window dressing. Ethiopia was the only country on the continent with single digit inflation for

over 40 years. The PFM task environment was therefore one of making efficient, the effective financial control that existed. While there was a six plus year backlog of accounts and the budget structures and the chart of accounts were moving targets, at the end of the day, expenditures did not exceed budget ceilings and government borrowing was confined to short term smoothing of revenues. A second attribute of the task environment was the project faced a tabula rasa landscape. It did not have to jostle with other technical assistance teams and was the only set of cooks in the kitchen. With the war with Eritrea sixteen months into the life of the project, the potential for other cooks disappeared with the downsizing by foreign aid to Ethiopia but more importantly, the culinary critics (the multilaterals) were no where to be seen. The reform could proceed in splendid isolation and peace thanks to war.

'Luck is the residue of design' opined by Branche Rickey (manager of the Brooklyn Dodgers baseball team) perhaps overstates the role that serendipity placed in the success of the project. The DSA project was lucky. First, as noted above, the two-year war with Eritrea had the benefit of firmly establishing the project's concession to reform budget and accounts, it allowed needed time to assemble a technical assistance team, and it delayed for two years during the critical inception stage, the inevitable criticism of the reform by foreign aid agencies that had been excluded from the reform. By the time the war was over and foreign aid trickled back in, the DSA project had been underway for three and one-half years and had established a direction and momentum of reform that could be sniped at but not stopped.

Two years after cessation of hostilities with Eritrea, a campaign of another sort started in Ethiopia—decentralization to weredas (districts). This 'second stage'

decentralization (SSD) (first stage decentralization to regions was done during the first three years of the new regime--1991-1994), exemplified a campaign (a zemecha) in the full sense of campaigns conducted in the seventeen-year civil war with the Derg regime. It was to be implemented immediately, no discussion was to be entertained, and the objectives far outweighed any possible costs. It was as I informed in my mangled Amharic to the head of the Southern Region Finance Bureau, a Zemeche (campaign) of the Mashesha (reform). The edict for SSD arrived in late January (mid-fiscal year) when the project was deeply engaged with the budget reform pilot in the Southern Region. At a stroke, this edict required that the bulk of regional financial resources be assigned to the weredas and that these funds were the weredas to use as they saw fit. In the words of some senior officials, weredas 'could burn' the funds if they wanted. SSD potentially could have swamped the DSA's pilot reform in Southern region but it had the opposite effect. First, it galvanized top officials to sort out the administrative organization of the weredas that was directly linked to sorting out the structure of the budget—the budget classification for the region. The bedrock of financial control, the budget classification (who gets a budget) was no longer backroom esoterica of the regional finance bureau, but part of the daily discussions by the regional cabinet. So the Zemecha of SSD forced the alignment of PFM and administrative reform—an alignment that is critical to the success of any PFM reform (Peterson, forthcoming).

SSD enshrined urgency and though the Southern Region was remarkable in the quality of the leadership and senior staff in finance, they had a clear mission to make wereda financial management a success and they effectively harnessed the DSA resources for its achievement.

SSD forced the DSA project to develop meticulous preparations so that a clear and complete package of correct and tailored budget reforms would be delivered to each wereda. While much is said about 'getting the basics' of PFM right, little is discussed about the 'details of the basics.' The heart of a budget reform is a clear budget classification and chart of accounts and these two structures have to be operationalized in terms of clear budget forms which spending entities new to financial management must accurately complete. To ensure that 'no wereda was left behind,' the project meticulously prepared budget forms tailored for each wereda and their respective new budget institutions (BIs--the sector offices within the wereda that were to receive a budget), and pre-coded the budget classification on a sufficient number of forms. By pre-coding the budget forms, the DSA ensured that at least a submission from each BI from the 112 weredas in the Southern Region. A complete package of forms for each wereda with clear instructions in Amharic was assembled and six trucks were loaded to deliver these just in time for budget preparation by a one-week delivery schedule. The final loading of the budget convoy late in the day in the compound of the Southern Region training institute was looked on by the key officials of the regional finance bureau and the DSA staff—the zemecha of the mashasha was tangible and had begun.

Often overlooked in the success of the Southern region pilot was the Region's execution of the DSA in-service training program on accounting. In the two years before the pilot budget reform, approximately 1800 staff, principally from the weredas had been trained in a three-week program which covered three topics: principles of accounting, the detailed procedures of the existing accounting system, and the legal responsibilities of accounts staff. When the SSD edict was issued, the Southern Region had in place a pool

of trained staff at all tiers of administration (region, zone, wereda) who had a systematic

understanding of accounts and thus the core coding structures that linked budgets and

accounts—the budget classification and chart of accounts.

The final serendipitous act affecting the DSA project occurred two years into the

project's life (January 2000) was the closure of the head office of the DSA project—the

Harvard Institute for International Development (HIID). Corruption on the part of the

Project Manager and the senior faculty member directing the HIID privatization project

in Russia, brought a $134 million lawsuit from the US government and closure of HIID

by Harvard University. The immediate effects of this event was the soul and job

searching of the DSA project manager (the author) but this was resolved in reasonably

short order by the transfer of the DSA project to Harvard's Kennedy School of

Government. Had the author left the project in 2000, Harvard would have ended its

relationship with this reform. The project had emerged and developed in splendid

isolation for its first two years under HIID as senior staff of the public finance group of

the Institute provided no assistance and failed to follow through on their commitments

and stipulated responsibilities to recruit staff. Recruiting adequate expatriate talent for the

project was major challenge in the early years of the project and was a source of

continual frustration throughout the life of the project. Going it alone diverted

considerable attention of the chief of party which impacted the budget reform he was

responsible for, but it did have a silver lining—staff were eventually found through local

networks who were contextual—they could operate in Ethiopia. Finally, the virtual

absence of a home office meant there was no micromanagement from afar and as long as

the overhead checks arrived on time and in sufficient amount, the Kennedy School would little note nor long care what happened in Abyssinia.

Patrons

One could not ask for a better collection of funders than the DSA was privileged to attract. In short, they honored their resource commitments (albeit sometimes delayed), they stayed the course, and they did not micromanage. The dynasty of patrons over the twelve years flowered from USAID and a $1.5 million initial phase to a $13.7 million phase 4 with four funders (US, Ireland, Netherlands and the Government as the largest funder). Little is said in the PFM literature about costs and possibly for a reason—there is much waste, especially in financial information systems. PFM seems to have an odd niche in development projects of either being on a shoestring or in need of a diet. Fred Brooks, author of on of the best books on project management, 'The Mythical Man Month,' opined that the best projects have slim funding (Brooks, 1995). DSA started small and leveraged well and each successive phase of the project grew significantly. For the first three phases of the project (1997-2004), the project had sufficient funds but there were times when more was needed and the more was always forthcoming. In the fourth and largest phase of the project (2004-2006), which rolled out the reform to the largest region in Ethiopia (Oromia which on its own would be the fifth largest country in Africa) as well as the rest of the regions, the three funders and government piled on $13.7 million far exceeding the project's request for $8 million. It is not clear whether the project could have said no to this largesse, as by 2004 the issue of reform for the government was its completion regardless of cost. It is easy to write checks, far harder to staff up and deliver a quality reform across five disparate regions.

In addition to funding, the DSA succeeded because of the continuity of key government staff. A common item of laundry in the list of PFM reform is 'high level commitment' on the part of government. Commitment needs to be unpacked and in the case of Ethiopia a critical factor was continuity. The DSA project was under the same Minister of Finance for its twelve-year life. While one can point to episodes where the project could have benefited from more direct intervention on the part of the Minister, he intervened at the most critical points and let the project and respective regional governments get on with the business. His hands off, decision lite approach was probably the best one could expect. A critical question in reforming PFM under decentralization is defining the role of a central ministry of finance. The Minister defined it as limited. Two other senior government officials stand out in terms of supporting the project: the Vice Minister of Finance for the first two and one-half years of the project (Hailemelekot T. Giorgis) and the Head of the Southern Region Finance Bureau (Getachew Hamussa). Their roles can be summed up in a framework I developed after eight years of financial reform in Kenya about the personae of reform—saints, demons and wizards (Peterson, 1998). These two officials clearly met the criteria of saints: they understood and explained the reform to the right people, they defended it from the doubters and demons that would undermine it, they marshaled the necessary resources to achieve it, and backed the technical assistance (the wandering wizards of the DSA) and trusted their judgment. While the author, and most heads of a development project wished these saints would have done more to banish the demons, this is probably asking too much. At the end of the day, the results of the wizards and their patron saints have to stand on their own and the demons are banished on their own petard.

Roles

Wax and Gold (sene e wark), the apparent and the real, is a cultural underpinning of Amhara culture (Levine, 1965). It emerged out of a 283 successions of the Solomonic line that ruled Ethiopia and the need for dissimulation in rigidly feudal society. The role of the DSA project can also be thought about as wax and gold. The apparent role was straightforward and entombed in the terms of reference: resources, management, and expertise. Of far greater importance, however, were the real roles the project performed driven in large part, by the structure of maturing and deepening decentralization the project faced throughout the reform. The roles of gold were: go-between, decider, first responder and furniture. When asked how often he spoke with the Minister of Finance on PFM issues, the head of a regional finance bureau said two to three times—a year. PFM in Ethiopia was loosely coupled and unless regions were egregiously late with necessary reports, they functioned in splendid isolation. The DSA project performed a critical role as a go-between between the federal and regional governments both to ensure direction and momentum of the reform, but also technical coherence. The vacuum between center and region allowed the DSA room to maneuver and start 'multiple fires' of reform in different regions that ensured that some would catch on. A downside of the loose coupled character of this reform was that pioneer and successful regions would not persuade their neighboring regions, much less the federal government, when either their reforms were going off track or they were unduly disrupting the project. Decentralization afforded the DSA with multiple patrons, but they did not extend or expose themselves to controversies beyond their jurisdiction.

A second role of the DSA was decider—often of first and last resort. Surprisingly, some of the key decisions of the reform were left to the project. Perhaps the most important was the design of the regional pilot and how many and which regions should go first. The Ministry of Finance asked for the three largest regions (Amhara, Oromia and Southern) to which the project countered as being too much. The government's request was reduced to two (Amhara and Southern) and the project countered with one—Southern. This decision stuck in part on technical grounds, the Southern region had demonstrated strong capabilities in implemented the in-service training program but as the DSA's luck would have it, the Amhara region rejected the pilot, much to its immediate regret when seeing the Southern success, on the grounds that it was not prepared. Another decision point, and a source of a two-year standoff with a Vice Minister of Finance, was over the use of computers for the accounts reform in Amhara region in the third year of the rollout to regions. The DSA did not have adequate budget to procure the computers which were to be loaded with the project developed software for budgets and accounts and as the chief of party, I refused to proceed with the reform. In a tantrum and in front of the DSA's USAID counterpart, the Vice Minister ordered me to implement the reform and I refused supported by USAID and eventually the Minister of Finance. Some armchair pundits on PFM reform preach the importance of 'authority' in PFM reform which begs the question-who, what, when and where? The DSA project operated in a vacuum of authority, in the interstices of decentralization, and while it had no formal authority it was recognized as an authority. The DSA never abused this 'authority' and exercised it judiciously. This project role was humorously pointed out to me while visiting the finance of bureau of Oromia when the chief accountant noted as we

entered his office—'oh, the third government is here' (the first and second being the federal and regional).

As first responder to unforeseen needs, the DSA performed a critical role that filled gaps that would have impaired the reform. Rapid response to the needs of a financial information system and regional planning which were not envisioned in the terms of reference much less in the project budget, dramatically improved the quality of the reform. Under the initial design of the EMCP reform, automation of the budget and accounting procedures developed by the DSA were to be implemented by a European Union funded Financial Information System. In the twelve-year life of this reform the EU project never materialized and the DSA had to step into the breach. IT is the sinkhole of many PFM reforms, a tar pit that provides many rents but few deliverables. For the first seven and critical years of the project, the DSA developed and delivered on a shoestring budget an IT solution that supported and never delayed the budget and accounts reform. The shoestring was a key reason for the success of these systems as they covered the basics, included no bells and whistles, and were developed by host nationals using the level of technology found in the country.

A second critical response was the development of an innovative needs based unit cost transfer formula for regions to allocate block grants to weredas necessitated by the overnight decentralization to that tier. This innovation was done in a matter of weeks during the pilot budget reform in Southern Region and fended off a potentially explosive political crisis. The Southern Region is an amalgam of 53 ethnic groups and experienced episodic violence and with the SSD edict; the region needed an objective and transparent means of allocating seventy percent of the regional resources across ethnic/administrative

boundaries. The new transfer formula was accorded accolades in the regional council and avoided a potential stalemate that would have derailed second stage devolution as well as the pilot PFM reform. The potential for violent conflict in the region was ever present as witnessed by the deaths of fifteen in one dispute over the language of instruction in a location's schools.

The fourth and perhaps most important role of the DSA was as the furniture of the reform. As one advisor noted well into the reform, you have been around so long the government feels it can kick you. John Cohen who originated the DSA project opined after many years in Kenya, that the bureaucratic culture in much of Africa is inertia without accountability. Reforms need furniture—someone or some entity has to be held accountable for failure and available for the venting of the inevitable frustration created by change and foreigners involved in bringing change. Two years into the reform the Ministry started to conduct semi-annual two-day meetings on PFM reform with the all o the regional finance bureaus and these often became gripe sessions aimed at the DSA project. The DSA was never invited to these discussions which is just as well as they yielded no substance, but did allow the furniture to be kicked (and informed us of who was doing the kicking).

The most serious crisis of the DSA, or more accurately the crisis for the government, was closure of the project. They had twelve years of the DSA furniture to kick and use to hold accountable but they only had themselves to blame in the end for not adequately preparing themselves to take over the reform. The DSA was scheduled to end in November 2006 but was extended a year and then with three desperate monthly increments. Despite intensive preparations by the DSA and its hand holding, the federal

government never 'got' the scale and complexity of the reform and grossly underestimated the resources needed to sustain it. Three years after the closure of DSA, this problem has still not been addressed and it is having significant effects on the quality of PFM (Peterson, 2011).

Staff

To sum up the challenge of staffing a reform project, especially in a demanding environment such as Ethiopia, the buzzwords of the best selling management book of the previous decade are apt: 'get the right people in the right seats on the bus, and get the wrong people off the bus (Collins, 2001). Easier said than done, especially in terms of expatriates, but again, the DSA was fortunate in eventually finding a critical mass of the right people and giving them proper seats. The project had its share of those we could not get off the bus fast enough (principally expatriates with their one year plus contracts dictated by the duty-free allowance timeframe), but the good staff outweighed the bad.

To succeed, a PFM project needs to assemble an array of talent who are professionals in terms of standards, experience, judgment, integrity and commitment. Six job classifications are essential: all rounder's, managers, technicians, networkers, closers, and of course the support staff that save lives with safe driving, sanity with paper flow (the project produced 1000+ documents), and coordinating the moving parts (63 staffs in the case of the DSA).

The all rounder brings above all, needed perspective to the project team that tends to get lost by long and focused toiling at the coalface. To retain perspective the all rounder cannot be resident but should have a long and continuous commitment to the project. Perran Penrose was the DSA all rounder and brought perspective, strategy and

encouragement to the project. He served an unsung and invaluable role as the confidant to the chief of party that was essential for managing the inevitable crises (real and perceived), which required tough decisions, but decisions arrived it with thoughtful and confidential deliberation.

The rock upon which the DSA project was built was its manager, Sarah Guebreyes. Sarah was the definition of a superlative manager: judgment, integrity above reproach, appropriate and meticulous ability to organize, herculean due diligence, and above all, gravitas and respect. Sarah wielded the project checkbook and if it did not pass her smell test, the check was not signed—and her nose was never wrong. Her sixth sense of people and fair but firm people skills meant that the multi-cultural DSA team retained its colorfulness but achieved coherence.

Assembling the right technicians for a PFM reform is always difficult because an uncommon CV is required: expertise, experience and judgment in the application of that expertise, and a commitment to deliver long enough to make a contribution. Not all of the core DSA technicians fully met these attributes but they met enough to have effect. Technicians were assembled for the four tasks of the DSA: planning, budgeting, accounts and information systems. In planning, Perran Penrose the all rounder, brought above international standards to the local context. Two innovations of his stand out—the needs based unit cost transfer formula for allocating block grants from regions to weredas, and the wereda performance agreement, which brought accountability and planning of the block grant. Much is said about the need for reforms to be contextual. Perran's work was contextual but did not compromise standards and most remarkable of all, he made

sophistication simple. The government and especially foreign aid agencies have missed a huge opportunity in not appreciating these innovations and building on them.

Since the author was the budget technician, I shall spare the reader the superlatives but will apprise them of my errors in the last section. By staying the full twelve-year life of the project I did meet the criteria of commitment and I would argue that I did not bring a template set in stone for the budget reform. My quiet assessment of financial management of the health sector conducted under the EU social expenditure review the year before the DSA started, convinced me that for budgeting, the basics (budget classification, chart of accounts) had to be revisited and stabilized and that discipline had to be formalized (a budget calendar) (Peterson, 1996a).

The largest activity of the DSA in terms of manpower, budget and effort was the accounts reform. Recruiting expatriates in this field with the three requisite attributes proved surprisingly difficult and the project fired two successive resident advisors before finding James Joseph who was working right under our noses in Addis Ababa. The first accounts technician who did a yeoman's job in his brief stints from his academic appointment was Jim Yardley. With only brief stints Jim started the accounts reform and maintained its momentum while the project struggled to find a resident advisor. The procedural manuals, training materials developed by Jim were the stuff of legend—far exceeding international standards with clarity, breadth and depth. Once the project identified James Joseph as a resident accounts advisor, Jim and James were able to effect a workable transition. James met all three attributes of a technician with the highest marks. He was an accomplished and certified professional accountant but more importantly, he had worked in Africa for over twenty years and knew how to relate

formal procedure to day-to-day practice. James stayed the course for six years and his continuity was essential to the coherent rollout and continuous fine-tuning of the reform. James alter ego was Mebrahtu Araya who brought years of experience from government in the areas of accounts and procurement. Seemingly inseparable, this duo delivered the training as well as the key accounting reforms in Tigray and Oromia. Oromia which on its own would be the fifth largest country in Africa, was Mebrahtu's and James's crowning achievement—and achieved what the Vice Minister of Finance postulated—'if you change Oromia, you change Ethiopia.'

The development of a robust financial information system that supports and does not delay the rollout of a reform and does not rob a project of its budget and credibility is a rare achievement. It can be argued that the failure of many if not most PFM reforms in Africa is caused by the failure of IT. IT is a lightening rod for criticism of a reform as nothing caused more immediate and constant complaints as malfunctioning hardware, software or both. IT creates many 911's and at the closure of the DSA, it created a 9/11.

DSA avoided many of the problems that cause IT failure as noted above simply because it did IT on a shoestring and until the last three years of the project, was done off the terms of reference. We quietly slipped IT into this reform. Given the delay in the envisioned EU funded IT project, the DSA had to build a budget and accounts system to implement the reform. Starting small, keeping it simple, and driving it by procedures was precisely the approach of the first IT technician, Shaun McGrath. The brilliance of Shaun's work was not in his technological sophistication, but in his commitment and ability to bring the computer and the user together. His principal achievement was the design of the budget forms that were elegant in their simplicity and clarity and most

important, and for the first time, provided instructions on the reverse page. The devil is in the details and over the years I continuously heard compliments from officials on the quality of the budget and accounting formats. Shaun's budget forms in paper provided the data input and were replicated for the user in the software interface so the translation from paper to digital was seamless. Continuing his commitment to the user, from the very start, Shaun insisted that all forms and software be internationalized and his trademark of having the budget and accounting software operate in five languages on the fly (English, Amharic, Oromiffa, Somali, Tigrigna) was followed in all subsequent versions of the DSA financial information systems. With the fortuitous recruitment of Eric Chijoke, the DSA IT systems evolved to beyond international standards. He far exceeded the first attribute of a technician, expertise and among his many innovations to the final system the DSA left government with (Integrated Budget Expenditure--IBEX 1.3), was a technique for drastically limiting the bandwidth requirements of the software. (Excessive bandwidth requirements are a key stumbling block in using the sophisticated and expensive high end ERP Integrated Financial Management Information Systems—IFMISs). Only a portion of the 'tree' in which the user was directly working with, would be uploaded thus allowing the IBEX system to operate even with slow dialup connections. Finally but not least, Dula Tessema worked with Eric and absorbed the development environment and served as the real repository of the IBEX that allowed continued support and development following the walkout of Eric and others at the close of the DSA project. To this day, Dula is still, the repository (in waiting) of the IBEX system that runs the country's finances and is a critical (unrecognized) guarantee of the sustainability of IBEX.

To succeed, a reform project needs good intelligence as to what is going on, how the client (government) thinks the project is doing, and how to manage the inevitable difficulties. As the 'networker' of the project, Mebrahtu Araya knew what was going on before it went on. His understanding of the nuances of the ever changing and complex environment, in which the DSA operated, spared us from many mistakes and gave the project enormous credibility through its deft responses to 'troubles.'

Finally, to borrow from roster of players in baseball, a project needs a 'closer.' In baseball, the closer is a pitcher that comes in during the last inning or two and relieves the tired pitcher who has stayed the course for most of the game. The closer delivers the knock out blow with overpowering pitches that shutdown any opposition (batter) and quickly ends the game. The chief of party served as a tired closer since he was also the opening pitcher and pitched all twelve innings (years) of the project. Again and acknowledging that the closer is the author, he did deliver a strong fastball in the form of the proposal for a Reform Support Unit (RSU) which was to carry forward many of the key DSA staff to sustain the reform after the project departed (Decentralization Support Activity Project, 2007). Unfortunately, the government failed to appreciate this closing pitch and within a year, the key staff of the project had either been fired or left in frustration. The failure of the RSU continues to impair PFM in Ethiopia (Peterson, 2011).

Decisions

The last critical success factor of a project, decisions, is derived from the five other factors (task, context, patrons, roles and staff). On balance, did the good decisions outweigh the bad and the ugly? Gem Gema or self-criticism, is a tradition in the Ethiopian regime that emerged during the long revolution. A Gem Gema means full

disclosure of faults and the worst fault is not to disclose. The following is the Gem Gema of the decisions made by the chief of party (the author) and the project. The project made five good decisions that defined its path and success. First, the recognition and commitment of the bulk of project resources (over 90%) to in-service training. Second, a focus on the real basics of financial control (budget classification, chart of accounts, budget calendar). Third, piloting the reform in the Southern region with its inspiring leader and strong deputies. Fourth, a modest initial approach to IT to support the reform and a significant ramping up for a final system that could serve the country for years. The fifth and final decision was saying no to many World Bank overtures to transform the project into an automation project or a 'shotgun capacity building project.'

The project made one bad and unfortunately, one ugly decision. The bad decision was not replacing the young, inexperienced and arrogant head of the IT group who eventually led a revolt six weeks from the end of the project in the hopes of obtaining a monopoly rent from the government in running the IBEX. The ugly decision was selecting the smoke and mirrors boutique software of Dulcian Inc. to provide technical assistance to the follow on RSU. Their proposed upgrade of the operating DSA IBEX 1.3 software (IBEX 2) was vaporware but more accurately, walletware. After three years, and three plus million dollars, they delivered nothing to government.

To conclude, the DSA project and the reform it managed for government was a success because it embodied the strategy of small wins.

> The strategy of small wins addresses social problems by working directly
> on their construction and indirectly on their resolution…. A shift of
> attention away from outcomes toward inputs is not trivial, because the

content of appropriate solutions is often implied by the definition of

of what needs to be solved (Weick, 1984, p. 40).

And,

A series of small wins is also more structurally sound than a large win

because small wins are stable building blocks….A small win is a

concrete, complete, implemented outcome of moderate importance.

By itself, one small win may seem unimportant. A series of small wins

at small but significant tasks, however, reveals a pattern that may

attract allies, deter opponents, and lower resistance to subsequent

proposals. Small wins are controllable opportunities that produce

visible results (Weick, 1984, p. 43).

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