

## **“Budget Support: Potential and limits of the instrument for supporting reforms/policies”**

**NOMADE Meeting – 30 May 2008  
Agenda**

### **10.00 – 10.15: Welcome**

### **10.15 – 11.30: The Nomade Network**

- The new organisation of ADE’s macroeconomic area
- Electing the managing board of Nomade
- Presenting the Nomade portal on ADE’s website
- Strengthened cooperation:
  - Forthcoming or potential work,
  - Memo on “field mission”
  - Expectation from the Network.

### **11.30 – 12.30: Is there evidence that budget support leads to better designed and more effectively implemented policies ?**

Mark Watson ("Budget support: potential and limits of the instrument for supporting reforms / policies in relation to the transport sector") and Laurence Jacquet (Assistance Technique pour le Suivi du Programme de Modernisation de l'Enseignement Secondaire en Tunisie)

Discussion:

- What are the implications in terms of reforms of moving from project aid to budget support?
- How sector budget support vs. general budget support contributes to sector reforms?
- What are the needed changes for donors (qualifications; working organisation...)?

### **12.30 – 13.30: Lunch**

### **13.30 – 15.00 : Does budget support fulfil the expectations that this instrument has raised for supporting reforms?**

Presentation of the study on the coherence between: PFM diagnosis, budget support programmes and capacity development programme financed by the EC in the field of PFM. (Karolyn Thunnissen)

Discussion:

- Is there evidence that BS leads to improved public finance management?
- Does BS improve institutional capacities of the beneficiary countries? What have been the main options to support capacity development (conditionalities, TA ...)?
- Is the variable tranche mechanism of the EC an effective substitute to the WB type conditionality?

### **15.00 – 16.00: Is the budget support an appropriate instrument for providing aid to all types of countries? What are the alternatives?**

Presentation of illustrative cases: Patrick Chaussepied (Ukraine and Moldova; Benin)

Discussion:

- Three situations: Countries highly dependent on aid; More developed countries (with a stronger institutional framework and higher capacities in terms of designing and implementing policies); Fragile States
- Is there a standard BS adapted to all types of countries?
- How different are strategies to support reforms?
- What are the most effective tools (conditionalities and/or policy dialogue, TA, relying on other donors (WB, IMF...)?