

**FRED MEAR**

De Montfort University, Leicester Castle Business School, United Kingdom

**SAMUEL KOMAKECH**

De Montfort University, Leicester Castle Business School, United Kingdom

**ANNA MEAR**

De Montfort University, School of Health and Life Sciences, United Kingdom

## **THE IMPACT OF IMPROVED PFM SYSTEMS ON HEALTHCARE OUTCOMES IN SUB-SAHARAN AFRICA (SSA)**

### **Abstract:**

The impact of Public Financial Management (PFM) systems on economic performance and service delivery are difficult to measure. Since the Busan partnership on aid effectiveness (2012) conditionalities have been required to improve PFM systems for greater Government financial governance. In many areas of service delivery arms length agencies have been established as part of the reform process. Differential pay rates between the central departments and agencies have led to a pay gap between the agencies and the ministries for whom they work creating dysfunctional behaviour. This research looks at the impact on frontline staff in service delivery to identify areas of PFM reforms that have impacted positively on healthcare service delivery in SSA. The research will identify areas of highest benefits and those that are 'Potemkin villages' to the service users in the health sector.

We adopt a holistic view and focus on the impact of PFM reforms on service delivery outcomes. In doing so, the article demonstrates the complexity of service delivery where country-led reforms and development partners'-led initiatives can have unintended consequences, and can create conditions for deterioration in service delivery.

Based on seven preliminary interviews from the Ministry of Finance of a SSA country (four), development partner (one), civil society (one) and a consultant, we show that there are indicative areas of both positive and negative impacts of PFM reforms on service delivery in SSA. PFM reforms and development partners' engagement improved governance (accountability in particular); however, over confidence in computerised system meant less vigour in internal checks risking inefficiency and loss of development funds through misappropriation.

This paper highlights the importance of the country-led reforms and institutional contextualisation in setting aid conditionalities especially considering the history of institutional voids in many SSA economies. The initial findings have implications for governance and effectiveness of service delivery and cautions development partners, national governments and civil society to consider the complexities of national contexts (economic, social, historical, epidemiological and political) when initiating or implementing PFM reforms in SSA countries. This approach requires more than a tweaking of standard approaches to account for national contexts.

### **Keywords:**

PFM systems, economic performance, service delivery, financial governance.

**JEL Classification:** F35, H83, H51