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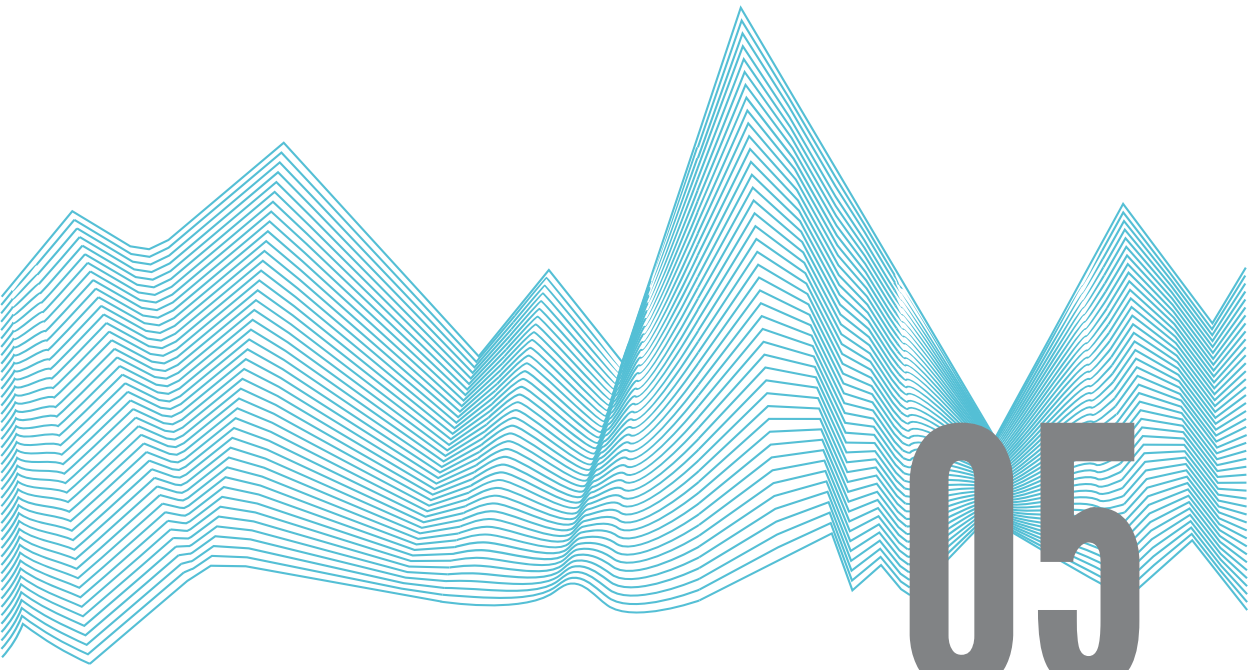

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HAS SWEDEN INJECTED REALISM INTO PUBLIC FINANCIAL MANAGEMENT REFORMS IN PARTNER COUNTRIES?

Matt Andrews

Has Sweden injected realism into public financial management reforms in partner countries?

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Preface

The importance of well-functioning institutions – formal and informal 'rules of the game' – for development is widely acknowledged nowadays. Since Douglass C. North was awarded the Sveriges Riksbank prize in Memory of Alfred Nobel in 1993 for his path breaking work in this field, the academic literature on institutions and development has literally exploded. Much has also been written on how institutions change. However, to bring such knowledge to bear on the practice of development cooperation has been easier said than done.

Based on his recent work "The Limits to Institutional Reform in Development" (Cambridge, 2013), Matt Andrews understands better than most why governance reforms in poor countries fail more often than not. According to Andrews, lack of realism in the design and implementation of reforms is an important explanation; the reforms frequently build on external ideas that badly fit realities in the targeted contexts.

In this report Andrews takes a specific look at whether Sweden has contributed to increased realism in poor country reform of 'public finance management' (PFM) over the last decades. What he labels as a 'realistic approach' pertains to efforts at working in more iterative ways, putting local reformers in the forefront and applying a more practical approach to doing reform, rather than merely focus on its technical content.

Donors have in recent years placed increased importance on public finance management reforms. This is partly a consequence of the Paris agenda's call for country 'ownership' and use of country systems. When country systems are used, donors need to have confidence in these systems. Nevertheless, reform progress in this area has been limited. Andrews' argument is that a bilateral donor like Sweden, which has recent experiences from own reform processes would be well placed to use these advantages. By drawing on its own experts who have knowledge about how to reform, Sweden could contribute more into international reform collaborations. Sweden also ought to draw on such experiences in trying to influence the international PFM agenda.

Reforms in the field of public finance are particularly well suited to "twinning" between authorities in donor and partner countries.

Andrews has a point when underlining the potential in exchanges between such peers concerning both reform content and processes. There is much cross-learning to be made not only on technical aspects but on political as well.

Andrew's study shows that Sweden has contributed to increased realism in PFM reforms – but only to a limited extent, and only during an earlier period. His conclusion is that it takes some additional efforts to succeed in such an endeavour. You need a set of things in place – Swedish expertise with reform knowledge; knowledge about the context in which reform is to take place; excellent contacts and working relations to partner governments as well as technical knowledge about the systems.

This is of course a tall order. Still, given the centrality of well-functioning institutions, and given Sweden's experiences at home, there should be scope for contributions in this area. This calls for more of concerted efforts where those involved in setting up aid programmes makes it a priority to involve persons with reform experience, not least from the policy levels. Following the advice of Andrews, Sweden would likely have to act more like a partner than a mere financier, if this is to happen.

The author, Matt Andrews from the Kennedy School of Government at Harvard University, is solely responsible for the analysis and conclusions in this report. His work has been accompanied by a reference group where Ms Eva Lithman has served as chair.

Stockholm, September 2015

Lars Heikensten

Sammanfattning

Många biståndsgivare ger stöd till reformer inom området offentliga finanssystem (PFM) i låg- och medelinkomstländer. Trots det blir resultaten av dessa reformer oftast begränsade – reformerna brister ofta i genomförbarhet. Bedömare menar att resultaten skulle bli betydligt bättre ifall reformerna utformades på ett mer realistiskt sätt. Lösningarna behöver växa fram utifrån den konkreta omgivning där reformerna ska genomföras.

I rapporten argumenteras för att en 'realistisk ansats' handlar om att ett givarland utnyttjar de erfarenheter man vunnit från reformarbete på hemmaplan, använder sig av personal som har förmåga att förstå kontexten de verkar i, samt bygger starka relationer till kollegor i samarbetslandet. En sådan ansats står i kontrast mot en mer allmänt använd 'teknisk ansats' där standardiserade reformer huvudsakligen syftar till att hitta specifika lösningar på kort eller medellång sikt, och där förutbestämda metoder och processer används. Många standardiserade reform-komponenter har även formaliserats inom ramen för en internationell standard som kallas 'Public Expenditure and Financial Accountability Performance Measurement Framework' (PEFA).

Bilaterala givare av Sveriges typ borde rimligen ha en komparativ fördel när det handlar om att göra PFM-reformer mer realistiska i låg- och medelinkomstländer, eftersom Sverige har egna erfarenheter av att genomföra PFM-reformer. De svenska erfarenheterna handlar om att reformerna måste vara realistiska och lärdomarna handlar om att pröva ut lösningar, till exempel när det gäller att bygga politiskt stöd för reformerna.

Denna rapport undersöker i vilken utsträckning svenska biståndsmyndigheter har bidragit till en mer realistisk ansats vad gäller PFM-reformer. Rapporten kartlägger svenskt engagemang i den internationella PFM-diskursen såväl som svenskt stöd till reformer i Mocambique och Kambodja. Frågeställningen gäller i vilken mån Sverige ansträngt sig för att dessa reformer ska genomföras på ett mer realistiskt sätt, och i vilken mån svenska erfarenheter har utnyttjats i detta syfte.

Studien visar att svenska biståndsaktörer har ansträngt sig för att göra PFM-reformer mer realistiska. Däremot har man inte använt sig

av Sveriges egna reform-erfarenheter för att göra detta, åtminstone inte i den utsträckning som kunde förväntas. Svenska biståndsaktörer har däremot fokuserat på att anpassa reformerna till den kontext där de genomförs och på att bygga starka relationer till sina partners i samarbetsländerna. Dessa två senare arbetssätt är nödvändiga för att skapa realism i genomförandet av reformer. De skulle dessutom kunna fungera som katalysatorer för ett lärande som tar sin ugångspunkt i Sveriges egna reformer. Mot slutet av rapporten diskuteras varför sådana lärdomar från hemmaplan inte använts lika tydligt i svenskt PFM-arbete som de används i andra bilaterala givares PFM-arbete (exempelvis Australiens). Rapporten avslutas med några rekommendationer kring hur svenska reformerfarenheter kan lyftas fram mer inom ramen för Sveriges internationella utvecklingssamarbete.

Summary

Many donors are working on Public Financial Management (PFM) reforms in developing countries, but these reforms are commonly limited. They suffer from gaps that undermine their use and impact. Observers suggest that this impact can be improved if reforms are designed and implemented in a more realistic manner — allowing solutions to be shaped by the practicalities of reform contexts.

As will be argued in this study, a 'realistic apporach' refers to an approach that draws on a donor country's comparative advantages in reform experience, utilises context sensitive development practitioners and builds robust relationships with partner country counterparts. Such an approach stands in contrast to the commonly used 'technical approach' where blueprint projects mainly focus on introducing specific solutions in a short- or medium term time-frame, through pre-determined methods and processes. Many of the standard technical reform elements have even been formalized into a benchmark framework called Public Expenditure and Financial Accountability Performance Measurement Framework (PEFA).

There is an argument that bilateral donors like Sweden might have a comparative advantage in injecting more realism into PFM reforms in developing countries, given that Sweden has its own PFM reform experiences to draw on when working in these countries. Swedish experiences speak to the importance of being realistic in reforms, and offer lessons on how this can be done (through testing solutions, for instance, building political constituencies, and more).

This paper asks whether Swedish development agencies have leveraged this experiential advantage to foster a more realistic approach to development, and PFM reforms in particular. It traces Swedish engagements in the global PFM discourse and through PFM work in Mozambique and Cambodia, asking whether evidence reveals Swedish efforts to bring more realism to PFM work—especially by leveraging the comparative advantage of Sweden's own experience.

The findings suggest that Swedish agencies have attempted to bring realism to PFM reforms in development. This has not involved drawing on the country's own reform experience as much as one might expect, however. Instead, development experts have focused on establishing context-sensitivity in their work, and building strong

relationships with developing country counterparts. The paper suggests that these two kinds of engagement appear vital to bringing realism into any reform agenda, and can catalyze learning based on the lessons emerging from Sweden's own reforms. It concludes by discussing why these lessons are not as prominent in Sweden's PFM reform engagements as they seem to be in the engagements of other bilateral donors (like Australia), and offers some recommendations to promote the 'lore' of Sweden's own reforms among its international development community.

Introduction

Public financial management (PFM) reform is a common part of many development initiatives. It generally involves promoting 'good practices' in developing countries, embedded in frameworks like the Public Expenditure and Financial Accountability (PEFA) assessment (PEFA 2006). These include multi-year budgeting, competitive procurement, modern internal audit, and more. Such practices have proved effective in selected contexts and promise solutions to common problems in governments. Unfortunately, a growing literature shows that many governments do not solve their problems after years of adopting such solutions. Data reveal that governments commonly produce new laws that are not enforced and budgets that are not effectively executed, and suffer from weak capacities in distributed units (like line ministries and local governments) after many finished projects (Andrews 2006, 2011, 2013; Porter et al. 2011; Wescott 2009).

Studies tie these limits to a lack of realism in reform design and implementation (Andrews 2013; Andrews, Pritchett and Woolcock 2012; Booth 2011; Levy 2013; World Bank 2012). They argue, essentially, that reforms commonly fail to allow for necessary adaptation of external ideas to the realities in targeted contexts, often because the reform processes focus too narrowly on introducing the external good practice *in principle* and pay little attention to the practical difficulties of doing so *in practice*. Studies suggest, for instance, that such reforms pay insufficient attention to the political and administrative difficulties of effecting change, and that these difficulties commonly undermine reform results. Where studies see more effective and far reaching reform they often find that the externally nominated 'good practices' are fitted to the targeted context through more adaptive processes that emphasize the real and practical issues of doing reform (like building reform support, testing and adjusting reform designs, and continually matching solutions and capacity realities and needs) (Andrews 2015; Andrews et al. 2014; Cabri 2014; Levy 2013).

These studies call for approaches that allow more realism in reform processes in developing countries, especially those supported by

multilateral and bilateral donors. They do so knowing that similar calls have been made before; and that there are already many examples of such realism in the development community.[2] There is, however, a challenge to identify these examples and describe what such processes look like in practice. This search leads quickly to a focus on bilateral donors. A small and interesting set of work suggests that such donors might have a comparative advantage in introducing more realism to PFM-type reforms in developing countries, given their own country's recent experiences with doing such reforms. The argument is simply that development agencies from these countries can leverage the real experiences with doing reform in their own contexts when engaging with reformers in developing countries. They can, for instance, access experienced reformers to share lessons on issues like building demand for change, establishing political support for reform, and adapting reform ideas to context. Such lessons are often learned best through experience and remain tacit in those who have been through the experience. Bilateral agencies arguably have an advantage in accessing such people and their lessons, and can more effectively incorporate this valuable knowledge into their reform support than multilateral agencies.

This paper offers a novel analysis of this theory, asking whether Swedish development agencies working in the PFM field have leveraged the potential comparative advantage of the country's own experience in supporting reform. The country's own reforms have resulted in effective Sweden-specific adaptations of many of the good practices being promoted in developing countries today (including multi-year budgeting and modern accounting and audit). Academic descriptions of these reforms emphasize the processes by which they were adopted and the realism involved in such, and suggest the presence of many applied and tacit lessons one could see as valuable in developing countries (about testing reform ideas, for example, progressing gradually in reform processes, creating an urgent pressure for change, and building support for reform). The question asked here is whether Swedish development agencies bring these lessons into their support for PFM work, building on a potential advantage to promote realism in reform.

2 Examples are being identified and curated by the Doing Development Differently community, at http://doingdevelopmentdifferently.com

After introducing this question in an opening section, the paper provides a study of Swedish development agency engagement with PFM, in three domains: at the global level (where the development community has identified what 'good' reforms should entail) and in two country-level experiences (Mozambique and Cambodia). The study uses process analysis to examine Swedish engagement in these domains (and reflects on 'Swedish' involvement broadly, not on any one development agency[3]). This approach offers a historical rendering of engagements since the late 1980s, based primarily on documentary evidence. There are limits to this kind of study, discussed in the methods section, but its strength is in allowing a view of reform support over time.

A conclusion notes that this view shows repeated attempts by Swedish development agencies to bring realism into their reform engagements. This has sometimes involved drawing on their own country's reformers and reform experience, although there does seem to be less of this than one might expect given the scope and success of the country's own reforms. One explanation for this centers on evidence that Swedish reform engagements attempt to bring realism into their engagements by promoting a process-oriented way of doing development within its development agencies and with partner countries (not just by drawing on their own-country experience). This finding leads to a revision of the argument about how bilateral and multilateral agencies can promote realism in development. Another concluding observation notes that all efforts to bring realism have been less prevalent and effective in the past decade. Explanations are offered for this as well, including the growing importance of budget support in developing countries and the focus on highly specified and generalized PFM products—rather than process.

3 There are many different agencies involved in development in Sweden, and these do deserve specific reference. However, the focus here is on overall behavior of these agencies and thus the paper will refer to 'Swedish' experience. This is primarily to facilitate easier reading in the paper.

Donors, PFM, and the need for realism in reform

Many donors provide aid to developing countries. A large literature has emerged around this topic (Acht et al., 2015; Berthélemy 2006; Dreher et al., 2008; Dreher et al., 2011; Edgren, 2002; Heinrich, 2013; Knack and Rahman, 2007; Santiso, 2002; Werker, 2012; Younas, 2008). It shows that bilateral donors allocate aid based on many factors and motives. These include selfish or egoistic motives like preserving ties with former colonies (Alesina and Dollar, 2004), influencing electoral outcomes (Faye and Niehaus, 2012), and furthering trade links with recipient countries (Berthelemy, 2006). They also involve more altruistic motives like fostering human rights (Gates, and Hoeffler, 2004; Neumayer, 2003) or responding to the challenge of poverty reduction, or helping countries respond to specific needs (like education or health provision) (Dreher et al., 2011). Governance has become a focal point of such engagements in the last two decades, especially as the development community has embraced ideas about country-ownership in the development process (at High-Level Forums like those in Paris, Accra and Busan).

A common view emerging from these interactions holds that aid is most effective in places with good governance systems—where the governments driving reforms and development are effectively structured, managed, and held to account (Brautigam, 2000; Burnside and Dollar, 2004). This view has fostered some interesting donor responses to a country's governance arrangements.[4] One of the more

[4] The resulting relationship between aid and governance quality is not clear, however (Acht et al., 2015; Bueno de Mesquita and Smith 2009; Clist 2011; Dietrich, 2013; Gyimah-Brempong et al.2012; Hoeffler et al. 2011; Knack, 2001; Winters and Martinez 2015). Some studies show that donors commonly allocate more aid (in general) to already well-governed countries (Claessens et al., 2009; Clist 2011; Freytag and Pehnelt, 2009; Schudel, 2008). Others show that donors provide more aid to less well governed countries, often aiming to use this aid to improve the quality of governance (de la Croix and Delavallade, 2013; Easterly and Pfutze, 2008; Easterly and Williamson, 2011). Other studies show that different types of aid respond in different ways to governance quality. For instance, better-governed countries seem more likely to get no-strings-attached general budget support (Clist et al. 2012; Nordveit, 2014). Countries with weaker governance are more likely to get technical assistance (ostensibly to improve governance) or aid in forms that bypass the state (going through civil society organizations, for example, which also aims to influence governance

consistent responses has been to focus on public financial management (PFM) reforms—given that PFM systems are central to the management of government monies, the potential for corruption, and the effectiveness of aid and support (especially when such is provided through government budgets, or 'on budget').

Donors, PFM and limited results

Most developing countries have far-reaching PFM reform programs in place, supported by a wide variety of donors who focus heavily on this work. A 2008 World Bank report noted that it supported over 30 projects with a PFM component a year since 2000, valued at $912 million per year (or 4.7 percent of Bank lending) (World Bank 2008, 28). These reforms—and those supported by other agencies like bilateral donors—tend to emphasize the introduction of similar reforms in all countries. This is shown in a study of 31 African countries (Andrews 2010) which found that 28 were pursuing Medium Term Expenditure Frameworks (MTEF); 25 were introducing program, performance or activity-based budgeting; all were adopting Government Financial Statistics (GFS) or Classifications of the Functions of Government (COFOG); 26 were using ceilings to prepare budgets; all were creating Treasury Single Accounts (TSAs) or some consolidated public accounts structure; 20 were tackling a systems project (like FMIS); and all were adopting International Public Sector Accounting Standards (IPSAS) or some other version.

Scholars and practitioners familiar with PFM lingo will identify these as fairly standard technical reform elements commonly mentioned in OECD countries. Many of these elements have been formalized into a Public Expenditure and Financial Accountability

relationships) (Bermeo, 2010; Dietrich, 2013). Other studies show that different bilateral donors respond differently to governance. For instance, Alesina and Weder (2002) argued that America gave more aid to corrupt countries but that Australian and Scandinavian donors gave less to corrupt countries. Isopi and Mattesini (2008) find American, Finnish and Italian aid biased towards more corrupt countries and United Kingdom aid biased towards less corrupt countries. Studies have also explained that aid and governance are in a dynamic relationship, where the focus and type of aid changes as governance challenges change. Manning and Marlbrough (2012) describe such changes in Mozambique, where governance challenges caused funding to shift from project-based aid and technical assistance (targeting institutional reform in the central government) to general budget support (and an emphasis on local governance reform).

(PEFA) Performance Measurement Framework (PEFA 2006). Developed by a multi-donor group, the PEFA framework standardizes an approach to thinking about PFM systems that focuses countries and donors on multiple dimensions Wescott (2009) describes as the immediate objectives of reform. The PEFA assessment is presented as a tool that countries can use to benchmark their system against "existing good international practices" (PEFA 2006, 5) and has been used to assess and guide reforms in over 100 developing countries since 2006.

Reform results have been mixed in most countries, however, with growing evidence of common reform gains, limits, and gaps (de Renzio and Dorotinsky 2007; Wescott 2009; Andrews 2010; Porter et al. 2011; Andrews et al. 2014; Ronsholt undated[5]). Studies using various kinds of data (including scores from PEFA assessments) commonly find that reforms yield stronger budget processes than execution processes, for instance (which has been called the 'downstream' gap, given the view that budgets are written in the 'upstream' part of the budget process and executed in the 'downstream' part). These studies also refer to the commonly found 'de facto' gap, where evidence reveals that formal or de jure laws, rules and processes tend to be stronger after reforms but the de facto enforcement, adoption and use of these mechanisms is still weak. Finally, the studies reflect on a pervasive 'deconcentration' gap, where concentrated or centralized agencies like the budget department or treasury are more capable after reforms, but distributed agencies like line ministries and local governments remain weak (and unable to comply with and use new mechanisms).

Studies reflecting on this evidence have tended to criticize the processes by which PFM reforms are introduced and implemented in most developing countries, especially questioning how "realistic" these processes tend to be (de Renzio and Dorotinsky 2007, 21; Andrews et al. 2014; Porter et al. 2011). In particular, studies note that reform gaps reflect practical difficulties with doing reform that should be better integrated into reform designs and implementation protocols (Andrews et al. 2010; Levy 2013). These include political constraints to reform, weak or poorly suited capacities to adopt the new 'good practices', limited readiness for change, and more. Such challenges

[5] Frans Ronsholt's analysis was written in 2012 or 2013, and is available at http://www.pefa.org/

demand a high level of realism in all reforms. Recent work suggests that this realism would manifest in processes that help to address challenges to change, adapt the 'good international practices' to local realities, and allow solutions to emerge gradually as political space and room to manoeuver and administrative capacity grow (Andrews 2013; Andrews, Pritchett and Woolcock 2011; Booth 2011; Grindle 2004). Brian Levy (2013) describes this kind of engagement as 'working with the grain' in any reform process and context: as this paper progresses, it will be called 'bringing realism into reform processes'.

Where will realism come from?

The critiques of development work, in PFM and other areas, tend to result in calls for more realism in reform processes in developing countries. These calls have been made before, especially in the learning process work of the early 1980s which suggested that development organizations should adopt flexible and adaptive mechanisms when working with client governments. Arguably, however, many development organizations struggle to work in this manner and the approach to doing development is most commonly informed by a rigid 'blueprint' project process that emphasizes the early and complete determination of what a reform should look like—often by disconnected experts working far from the reform context—and then requires implementing the reform as it was designed (Brinkerhoff and Ingle 1989; Korten 1980; Rondinelli 1993; Bond and Hulme 1999).

There are, however, examples of work that is more flexible and adaptive and that allows realism into the reform process. Indeed, many development experts will argue that they work (at least in practice) in this way all the time. Recent efforts to capture reform successes help to showcase some such processes (see, for instance, Andrews (2015), based on Princeton University's Innovations for Successful Societies cases). Beyond this, a group of such practitioners has recently emerged to identify, curate and share lessons about this kind of process realism in the Doing Development Differently community[6] (which includes people like David Hulme and Derick Brinckerhoff from the 1980s learning process school, more recent contributors to this kind of work like Brian Levy and David Booth, and many

[6] Visit the community at http://doingdevelopmentdifferently.com

practitioners from inside multilaterals, bilaterals, non-governmental organizations working in development and developing country governments themselves).

Do bilateral donors have a 'realism advantage'?

In searching for examples of realism in reform processes, one comes to consider the work of bilateral donors. An interesting part of the aid literature suggests that these donors may have a 'comparative advantage' in fostering realism in reforms. The idea of comparative advantage comes from economic theory and posits that countries trade those goods and services in which they have a relative advantage over others (often because of factor endowments or technological progress). When applied to development and aid, the argument is that some donors may have a comparative advantage over others in supporting certain activities or areas, given specific or superior experience their own country has in those activities or areas (Dewald and Weder, 1996; Marquette and Doig, 2004).

This means, for instance, that a development agency from Country A might be able to support PFM programs more effectively—and with more realistic and applied help—in Country X *because Country A has many experienced reformers* willing to engage directly with emerging reformers in Country X and share their real and applied lessons about how to do PFM reforms. In contrast, development agents from Country B or Multilateral Organization C may not be able to support Country X with realistic and applied PFM reform assistance because Country B or Multilateral Organization C has no experience with PFM reforms, and thus has no advantage in mobilizing its own real lessons about doing such reform. As a result, one might expect that development assistance from Country B or Multilateral Organization C would lack the realism that is possible from Country A, given the relative lack of real experience to draw on.

Building on this, one could argue that bilateral development agencies from countries with their own recent PFM reforms have an advantage in bringing realism into PFM reform agendas in partner countries. This advantage would be reflected in their ability to capture and share lessons from their country's own reforms about real, practical things—like how to build political commitment for reforms,

to choose and adapt technical solutions, and more. These lessons are seldom codified, taking the form of tacit knowledge embedded in the heads of those who are most experienced (or in the shared lessons about the experience). Bilateral donors representing governments with such tacit knowledge have a potential advantage in accessing and sharing such lessons that others do not (especially technical experts from multilateral organizations who may have PhD's but have not participated in reforms, and are thus arguably less equipped to supply such lessons or foster realism in reform).

This argument does not suggest that PFM reforms should only be supported by bilateral donors representing countries experienced in PFM reforms. It suggests rather that these bilateral donors have a potential advantage in being able to introduce realism into reform initiatives—built on a sensitivity to the importance of realism and an ability to mobilize lessons about how to deal with practical realities of reform. Stated as such, one is left wondering how many bilateral donors with this potential advantage actually use it to inject realism into the reforms they support.

The realism advantage, PFM, and Sweden

There are arguably a number of examples where one sees donors building on this kind of advantage, helping to ensure that reforms are realistic and end up delivering useful results (without the gaps evident in many PFM reform initiatives). One example relates to the creation of Botswana's anti corruption commission in the early 1990s,[7] which was supported by various bilateral agencies (including Britain's Department for International Development). With the help of its British donor, the country hired consultants who had been involved in creating the 'best practice' anti-corruption unit in Hong Kong (at the time under British control). These people were able to work with government counterparts to introduce ideas from Hong Kong in adaptive ways, advising on adjustments needed to fit the Botswana context and on how to deal with emergent challenges involved in the change process. The result was an agency quite different from the Hong Kong model but effective in Botswana's context (especially in

[7] See the Princeton University case 'Botswana builds an anti-graft agency, 1994-2012' http://successfulsocieties.princeton.edu/publications/managing-corruption-risks-botswana-builds-anti-graft-agency-1994-2012

solving problems that had festered there). More recent examples come from Eastern Europe, where countries have looked to experienced government officials from Georgia's recent past (and present) to share practical lessons on areas ranging from budget reform to regulatory reform and anti-corruption. While Georgia is not seen as a donor country (in financial terms), the transfer of lessons provided by Georgian officials is a reflection of its comparative advantage (as a recent reform leader in the region) and may in time prove to be as valuable a form of development assistance as any other.

There are other more traditional donors who have potential comparative advantage in areas like PFM, and one wonders if they too take advantage of such to inject realism into reforms in partner countries. Sweden is an example. The country offers a recent story of major governance reform—especially involving PFM modernization (Blöndal, 2003; Hagemann and John, 1997; Miyazaki, 2014; Molander, 2000; Molander and Holmquist 2013; Paulsson, 2006; Premfors, 1991; Wehner, 2007, 2010; Wilks, 1995):

This experience dates back to the 1960s and involves many reform efforts that did not initially deliver anticipated results (especially in the period before the 1990s) but proved part of a long-term success. These include variations of program budgeting and programmatic auditing, accounting modernization, and local government financial reform.

The country also has many relatively successful reform experiences to share (especially since the mid 1980s). These include steps to formalize the budget calendar and introduce new laws, centralize more authority in the central finance ministry, clarify intergovernmental responsibilities, adopt multi-year budgets and fiscal rules, modernize accounting and auditing regimes, and more.

These experiences are full of practical lessons about doing realistic reform and dealing with the challenges that often undermine reform successes in developing countries. Observers have written, for instance, about the experimental approach through which many reforms emerged in Sweden (Wilks 1995; Pollitt and Bouckaert 2004), how new ideas often built on old systems (Blöndal 2003; Lundquist 2001), ways of making the case for reform and building groups of both reform entrepreneurs in administration and reform supporters in the Parliament (Molander and Holmquist, 2013), shaping both capacity building efforts and reform designs in tandem with each other

(Olson and Sahlin-Andersson, 1998), staging reform innovation through time (Mattisson et al, 2004), and more.

The country has experts who can share their experience about how to make reform happen, especially since 1992 (when reforms accelerated in the wake of a financial crisis). Some efforts have been taken to capture and codify these lessons (Molander and Holmquist, 2013) but much of the content remains tacit—in the minds of those who were directly engaged in 'the weeds' of reform. Their experiences are extremely valuable, reflecting on challenges facing many developing countries, and arguably easier to access by Swedish development agencies than by other multilaterals and many bilateral agencies. Countries like Australia and the United Kingdom have similar experience to share, but countries like Germany, France, Belgium, and Switzerland arguably do not (given less of a recent PFM reform legacy). Multilateral agencies also have less of an advantage in this area. These agencies are not governments and could therefore not have any embedded experience in doing the reforms underway in developing country governments. Additionally, many of those hired in these organizations are brought in because of their technical knowledge (and qualification) and not because of their practical experience, limiting the potential influence of tacit knowledge they may have.

This paper asks whether Sweden's aid agencies have leveraged the country's comparative advantage and PFM reform experience to inject realism into PFM initiatives in development. It asks this question in respect of two domains in which PFM initiatives are centered: The global domain where decisions are taken (mostly by development organizations) about what and how to do PFM work; The local domain(s) where PFM reforms are introduced to improve country systems.

Research Method

This question cannot be addressed at any one point in time, because reform agendas evolve over and through time. The question also cannot be addressed through direct reference to one or other piece of quantitative data, or even when looking at a set of data pieces. This is because influence involves relational interactions that are extremely difficult to measure and manifest in casual ways (something quantitative data analysis is not well suited to assess).

Given these concerns, a qualitative method was adopted to address the question. Called systematic process analysis (Hall, 2006), this approach involves examining interactions over time to see if evidence supports a specific explanation of behavior or outcomes instead of an alternative explanation. The two explanations are offered to ensure competition in analysis; historical evidence is not just being collected to see if it supports a dominant theory but is scrutinized to see if the dominant explanation holds more convincingly than another explanation.

In the current study, the two sets of competing explanations relate to what one would expect to see if Swedish aid did or did not reflect its proposed comparative advantages in the PFM arena. These are presented in Figure 1 as extreme opposites: The Realistic Approach and the Technical Approach.

Fig. 1. Realistic and technical approaches to supporting reforms

	Realistic approach Built on compaative advantage and adding 'realism' to reform	Technical approach With no comparative advantage in adding 'realism' to reform
General approach	Emphasize the interaction of reform context process and product to solve specific problems	Emphasize generic reform product
Process and activity	Offer flexible advice and assistance based on own country experience with PFM reforms, especially 'how to'do reforms; Longer run assistance through relationships, peer interaction and knowledge transfer activities	Blueprint projects focused on introducing specific solutions in a specific short or medium term time-frame through predetermined methods and process to adopt technical mechanisms
Agents involved	Own country reformers (past and present) are key to the work, engaged in relational peer to peer activities	Generic 'experts' in the products being promoted/ introduced
Anticipated result	Counterparts empowered in 'how to' do reforms; emergence of hybrid reform solutions that solve problems	Faithful replication of specified reform products, to solve problems and strenghten systems

Source: Author's construct.

In the first approach one would would expect development agencies to blend a focus on reform context, process and product to solve specific problems. These are crucial dimensions of an applied, contextualized and 'real' reform. The agency would offer flexible advice in context of a long-term, continuous relationship; drawing on own-country experiences in doing so. Agents with experience in own-country reforms would be leveraged directly, in knowledge sharing interactions with partner country officials. The initiative would focus on empowering these partner country officials to find and fit their own reforms (borrowing from other practice where possible, but adapted to context). In contrast, a technical approach would emphasize introducing a product through a time-bound reform project, with generic experts providing technical support to introduce the specified reform product.

These two approaches are obviously extremes. They are structured around the learning process and blueprint approaches offered in past

research as archetypes of more and less realistic approaches to development (Rondinelli, 1993; Bond and Hulme, 1999).[8] There are obviously blends of the two approaches, and these blends are arguable more common (and more desirable) than the two extreme archetypes (Brinkerhoff and Ingle 1989; Andrews 2015). In the process tracing method, however, the stark contrast of extremes is useful in forcing researchers to scrutinize and reflect on evidence. Reflections often allow more nuanced findings (that fall between the extremes), that are more visible because of the stark contrast in opening theoretical frameworks.

Evidence was collected to examine events over time and build a narrative of Swedish PFM assistance in the development arena, asking which of the two sets of explanations seem to have the most evidentiary support. Two narratives were created to investigate the extent to which Swedish work built on its comparative advantage to inject realism into PFM reforms in development:

- The first narrative focused on Swedish engagements in the global PFM reform agenda. It was created by examining Swedish influence on the emergence of commonly used and influential handbooks, manuals, assessments and network-type arrangements in the global PFM field. It is impossible to trace all of these mechanisms, so a decision was taken to focus on those emanating from or related to the World Bank (arguably the dominant player in this field). The research focused on asking whether and how Swedish experiences were offered as an influence over these materials and whether and how these injected realism into the emerging PFM models, policies and evaluation mechanisms.
- A second narrative focused on the influence of Swedish engagements on PFM reform agendas in two specific countries, Mozambique and Cambodia. The countries were chosen because they both have well known PFM reform agendas in which Sweden has been involved. The narrative for each was created by examining key points of engagement in the two reform agendas; and then assessing Swedish influence at these points. In both cases, evidence was used to reflect on the extent to which Swedish development agents in the countries drew on Sweden's own reform experiences

[8] Andrews (2015) uses a similar contrast in a recent paper explaining process characteristics of more and less successful governance reforms in development.

to advocate for a more realistic approach to doing reform (that focused on the practical difficulties of doing reform, not just blueprint designs).

The research exercise drew on many sources of evidence. Documents were sourced after interviews with lead World Bank and International Monetary Fund (IMF) experts, for instance, who identified landmark influences on PFM (like handbooks and assessment tools). Similar influences were sourced within Sweden's aid community; by referring to experts in various agencies, who identified when key resources were authored and provided these resources for analysis. Evidence of PFM engagements in Mozambique and Cambodia emanated from project documents, evaluation documents and other working documents available from the World Bank and Sida. The author accepts that it is impossible to ensure that all evidence has been captured, and it is therefore possible to have missed key parts of the narratives. All efforts have been taken to minimize this likelihood, however. In particular, the study analyzed other recent narratives of these stories to identify any glaring omissions, and two prior versions of this paper were shared with over ten experienced Swedish experts for feedback.[9] This feedback was not added to the primary evidence, but was used to identify gaps in evidence and to assist in interpreting evidence. A process of triangulation was used to vet this feedback, whereby comments were investigated more thoroughly if they were echoed by two or more of the specialists. The final section refers to some of these comments, making it transparent where feedback shaped interpretation and conclusions.

[9] The author is very grateful to experts who offered comments on these earlier drafts. These experts included Finn Hedvall, Stefan Sjölander, Hallgerd Dyrssen, Anton Johnston, James Donovan, Sven Olander, Thomas Kjellson, Karl-Anders Larsson, and Per Molander.

Analyzing Swedish experience with PFM

This section describes the findings from this process tracing exercise. The findings are written in three parts. The first part reflects on the narrative of Sweden's global PFM influence. The second part discusses the narrative of Sweden's country-level PFM influence in Mozambique and Cambodia. The third part brings these narratives together to answer the research questions about Sweden's influence over PFM agendas in development (and indicate which of the two sets of explanations in Figure 1 best explain the Swedish engagement).

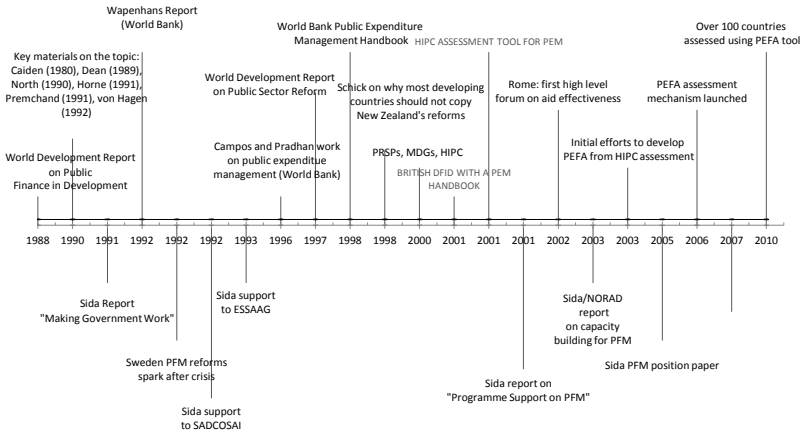
A Narrative: Sweden in the global PFM domain

The first narrative focused on Swedish influence on the emergence of global PFM thinking and practice. This narrative attempted to capture Sweden's influence over the emergence of a PFM orthodoxy in development. The emergence of such orthodoxy can probably be dated back to the mid-1980s (as shown in in simplified timeline in Figure 2), when PFM-style interventions first emerged in World Bank and IMF structural adjustment programs. These focused predominantly on improving the macroeconomic foundations and discipline of nation-state budgetary systems. Such interventions spawned a practical and academic literature on various new PFM tools, including fiscal rules, performance budgeting, and multi-year budgeting regimes (that were also emerging in the 1980s in countries like New Zealand and Australia, as part of the growing new public management movement (Blöndal 2003; Norman and Gregory, 2003)).

Building on these experiences, the World Bank produced landmark documents that explained why donors should engage in public sector reforms in the late 1980s and early 1990s (like the 1988 paper on *Public Finance in Development* and the 1992 Wapenhans Report). The emerging agenda was also influenced by intellectual work on new institutional economics (especially that of Douglass North), which manifest particularly in studies on the role of fiscal rules in public

finance (Alesina, 1999; Bayoumi and Eichengreen, 1995; Horne, 1991; von Hagen, 1992).

Fig. 2. Simplified timeline of rise of PFM orthodoxy, with Swedish contributions



Source: Author's analysis of documentary evidence.

During this time, the field of public expenditure management emerged as important in the World Bank and IMF. The early influential global work came in the form of studies produced through these organizations, including pivotal work by Ed Campos and Sanjay Pradhan (1996a, 1996b), which provided key roadmaps on how to navigate the PFM system and how to assess its functionality (by looking at fiscal discipline, allocative efficiency, and technical efficiency). These pieces were followed in 1988 by arguably the most cited and influential early pieces of work in the PFM field; Allen Schick's article on 'Why most developing countries should not copy New Zealand's Reforms' (Schick, 1998) and the World Bank Public Expenditure Management Handbook (World Bank, 1998).

Publications on the topic were plentiful from this point on, emerging from various academic sources and from other donors

(including Britain's Department For International Development in 2001). Many projects were being developed in the PFM area as well, and many different donors were offering support. PFM—and the cluttered nature of PFM support (known as Public Expenditure Management, or PEM, at the time)—was a major topic of discussion at the first High Level Forum for Aid Effectiveness in Rome (in 2002) and also overlapped with discussions about debt forgiveness (in the emerging Highly Indebted Poor Country (HIPC) debt forgiveness initiative) and the potential to consolidate donor engagements through mechanisms like the Poverty Reduction Strategy Papers and the Millennium Development Goals. The World Bank and IMF led these discussions and created a HIPC assessment framework donors could use to assess the quality of countries' PFM systems (de Renzio and Dorotinsky, 2007).

The HIPC assessment framework was then transformed into a more formal and universal PFM assessment tool called the Public Expenditure and Financial Accountability mechanism (or PEFA) (PEFA, 2006). The process of creating the PEFA instrument started in 2003 and lasted until 2006, when the first version of a universal assessment tool was released. The process was led by the World Bank and IMF but also included other donor agencies (especially including sponsors like the European Commission, the UK's Department for International Development, the French Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, and the Swiss State Secretariat for Economic Affairs). An advisory board also existed to help define the content of the assessment instrument.

The instrument has become hugely influential in development. Most developing country governments use the PEFA instrument to assess system quality and most donor agencies use PEFA studies to inform their PFM reform strategies. PEFA is arguably, therefore, a key point of reference to book end the last decades of PFM history. It is the most tangible expression of a PFM orthodoxy in development.

The question raised in this paper is simply whether and how Sweden has used its comparative advantage with PFM reforms to inject some realism into this orthodoxy. It is a question that requires examining what Swedish support to PFM work has looked like over the last two decades. This work began in the 1980s in selected countries (especially in Southern Africa and Tanzania). It was part of growing set of work described in the volume, "Making Government Work", published in 1991 (Sida, 1991). This was the first attempt by

Sweden development agencies to review its experiences and to formulate guidelines for support in the field of public administration. Documents like this showed that the country had quite extensive engagement in the PFM field (ranging from budgeting to accounting, audit, and revenue management)—especially in countries like Mozambique.

The content of the guidelines this landmark document provided were thorough and founded on real experience that many other development organizations had not yet accrued. In a sense, it therefore provide an early version of 'New Realist' ideas that was also being reflected in academic work on process theory (Brinkerhoff and Ingle, 1989; Rondinelli, 1993). The details are worth reflecting on, as done by Andersson and Isaksen (2003, 19):

"*The guidelines emphasized the need for thorough analysis of the context within which support to any particular areas was considered. Participatory approaches in programme/project identification and formulation were advocated. Emphasis was put on the need to secure recipient ownership (the concept was not yet widely used). No by-pass project management arrangement should be allowed and the aim of TA was to contribute to capacity building and not to do gap-filling in the regular operation of a recipient organizations. The approach should be one of institution building, implying long-term support to improving the capacity of recipients in terms of better systems, rules and procedures, organization and competence.*"

It is interesting to note how closely aligned this thinking was to the learning process thinking discussed earlier, and to the 'Realistic approach' outlined in Figure 1. This thinking was not, however, a product of Sweden's own experience with reforms. Rather, the thinking came from a group of development professionals in Sweden's development apparatus who were striving to inject realism into development based on their experiences of doing this work in developing country contexts (not drawing on their own-country reform legacy).

Sweden's own PFM reforms were accelerating at this time as well, however, and various academic studies were being produced to explain these experiences (Burkit and Whyman, 1994; Brunsson, 1995; De Haan et al., 1999; Fudge and Gustafson, 1989; Hagemann and John, 1997; Lindbeck 1993; Molander, 2000; Molander and Holmquist, 2013; Wilks, 1995). These reforms were considered very successful by

the late 1990s (given how Sweden emerged from the early 1990s fiscal crisis and managed, within a decade, to rewrite its laws and introduce various major reforms). A number of 'personalities' emerged in the process as well (including the Minister of Finance who presided over many reforms, Göran Persson, and officials like Per Molander).

As a donor, Sweden's PFM work remained quite localized in this time, mostly in African countries south of Tanzania. Swedish-supported PFM reforms at the time were designed to adhere to the practical (realistic) principles embedded in the 'Making Government Work' publication, and drew as well on the practical experience of agencies that were actively engaged in similar reforms in Sweden. Indeed, a core group of Swedish agencies developed specific capacities to support international development work at this time (including the National Audit Bureau and the National Tax Board) (Andersson and Isaksen, 2003).

The idea of 'twinning' emerged as a preferred way for Swedish agencies to support reforms in the mid-1990s. Building on twinning experiences, Swedish agencies produced various pieces of work that showed the value of their guiding principles (as noted earlier). These studies were true to the capacity development approach espoused in the 'Making Government Work' and emphasized the importance of having long-standing reform engagements, working across multiple areas in the PFM system, fostering local ownership in reforms, and structuring reforms in ways that recognized the political realities on the ground (Andersson and Isaksen, 2003; Brobäck and Sjölander, 2001; Dahl, 2001; Sida, 2005). These were visionary points to emphasize, and seemed to reflect the tacit experience of Swedish 'twins' who knew the unwritten non-technical difficulties of reforms.

Apart from these written pieces, Swedish agencies also supported the creation of innovative collaborative mechanisms in this period. They were foundational sponsors of a Southern African chapter of the International Organization of State Auditors (SADCOSAI) and of the Eastern and Southern African Association of Accountants General (ESSAAG) in 1992/93. These collaborative communities were created to help foster peer engagement, learning and support in development. They were places where practitioners with tacit experience could readily engage other practitioners with real problems and share knowledge and encouragement. These kinds of peer connections are now common in PFM but were not so at the time, and they arguably reflected common approaches in Sweden's own reforms (which

emphasized collaboration, the support of groups of reform entrepreneurs, and learning from experience) (Pollitt and Bouckaert, 2004, 288-289; Molander and Holmquist, 2013).

This evidence suggests strongly that Swedish development agencies were attempting to foster realism in global and regional PFM (and governance) discussions and practice in this period. They were certainly building on the comparative advantage of their own reforms in so doing (through twinning, for instance). They were also building on the lessons learned by their development experts in the field (and codified in their highly practical, context-sensitive capacity development approach manifest in publications like 'Making Government Work'). This latter set of work points to field experience by development experts as an additional factor influence the 'realism' of engagements, which is a vital observation for the current work (and discussed in more detail later on).

It is important to note that one does not see the kind of capacity building thinking embodied in 'Making Government Work' or the initiatives like SADCOSAI reflected in the global discourse of PFM at the time (or, arguably, in the current PFM orthodoxy). There is no reference to Swedish thought-documents or to Swedish support of PFM reforms or even of Sweden's domestic reforms in World Bank publications in 1996 or 1998 cited earlier, for instance. These publications have an explicit Anglo-Saxon bias, written by teams of experts from Australia, New Zealand, the United States and Britain. These publications reflect on technical experience in these countries (and other former British colonies like South Africa) and were written by officials who had been engaged in such reforms (and who were arguably using their comparative advantage in so doing).

Swedish influence over the global PFM agenda remains potentially large but practically limited in the frenetic period between 2000 and 2007 as well. Whereas one finds Sweden's own reforms maturing during this time and receiving a growing audience of admirers in Europe and the OECD (Blöndal, 2003), there is no evidence that major donors like the World Bank were scouring the country's experience for transferrable lessons. These lessons were also not forthcoming through Sweden's own donor agencies, despite various publications on the topic (Sida, 2005; 2007a, 2007b). These publications did reflect on past Swedish reform experience in places like Mozambique and also continued to stress the importance of the capacity development approach—which this paper would

unequivocally label 'realism'—but with no reference to Sweden's own reform experiences.

Instead, documents produced by Swedish development agencies in this period were arguably more attentive to the agenda emerging form places like the World Bank and placed prominent emphasis on the technical side of the reforms popularized in such work. For instance, a key focus of the handbook is on training Swedish officials in the diagnostic tools developed and used by other agencies (notably the World Bank). These handbooks were used for generic training by other development agencies (like DFID and Belgium) alongside materials created by the more dominant World Bank and IMF. It is unclear whether the capacity building content in these Swedish handbooks had any influence on those being trained (where this would certainly have promoted a focus on realism in reform). It is clear, however, that none of the people trained through these materials would have learned anything about the Swedish experience (where applied lessons could have reinforced the focus on realistic, applied, practical reform design and implementation processes).

Sweden sponsored research at the World Bank in this period as well, but this research also failed to leverage Swedish comparative advantage in PFM. For instance, a book series sponsored by Sweden and edited by Anwar Shah (at the World Bank) fails to provide any reflection of Sweden's own reforms or on Sweden's reform experiences in developing countries.

Beyond this, Sweden was trying to influence development agendas implicitly, working with British DFID and OECD DAC to shape PFM reform ideas like Peter Brooke's Platform Approach and various good practice papers. Most of these influences focused on communicating the importance of government ownership, iterative reform, context-specific capacity development, and other dimensions emerging from the "Making Government Work" paper. Sweden was not a prominent player in the process of determining the most prominent PFM products of this period, however, especially the PEFA indicators. Some Swedish officials did sit on the PEFA board of advisors, but their influence is not clearly reflected anywhere in the final assessment tool.

This is not to say that Sweden has had no engagement in the application and roll out of the PEFA framework. Swedish experts have participated in many PEFA assessments, sometimes funded by

Sweden directly and sometimes through consultants working for other development agencies. Sweden has also attempted to inject its realistic capacity building thinking into the PEFA agenda and applications of PEFA (especially through the assessment by de Renzio et al, 2010) emphasizing building ownership and capacity and fitted reforms in countries. This influence seems, arguably, to have been quite marginal (especially given low citations of the work by de Renzio et al. and the fact that PEFA's ramped up application seems to have a very limited practical focus and does not seem very adaptive to context).

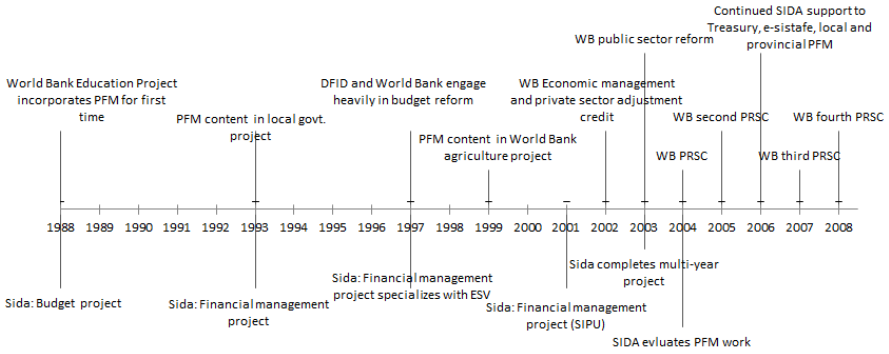
A Narrative: Sweden's country-level support

Sweden has had a presence in various developing country PFM reforms. Mozambique and Cambodia are the ones examined here, given that the Swedish engagement has been significant in both. The experience in these very different contexts is both different and similar. The full detail of these experiences is impossible to mention, but analysis here builds on observations drawn from a wide analysis of documentation; including project documents, evaluations, annual reviews, country strategies, and email correspondence. This vast data reservoir is condensed into a narrative that is necessarily limited in coverage but aims to tell a story that is generally representative and reflects accurately on Swedish influence on PFM reform trajectories in the two countries.

The Mozambican story in short

As can be seen in Figure 3, Sweden began working on PFM issues in Mozambique in the late 1980s. This was a time when "Comprehensive reform of public financial management was not a mainstream area of donor attention [and areas like] financial management and audit were by-passed or ignored [by donors]" (Sida, 2004, 17). The early Swedish project on budget management "worked away quietly for several years, largely unnoticed, addressing some fundamental capacity issues with an innate philosophy of partnership, ownership and long-term commitment (defined from the outset as 10–15 years)" (Sida, 2004, 17).

Fig 3. Simplified timeline of events in Mozambique's donor financed PFM reforms



Source: Author's analysis of documentary evidence

The Swedish project appears to have been devised with direct reference to the guiding principles in Sweden's development community (mentioned earlier as reflected in the "Making Government Work" piece). It emphasized the importance of local ownership for reform, genuine institutional capacity building, and the gradual development of contextually-relevant reforms. These 'realistic' reforms were promoted in various areas, including the budget directorate, accounts arena, and audit realm.

Swedish support in these areas began with a standard consultant model, in which a firm was hired to offer advice. This initial experience was not considered successful, however, and from the early 1990s Sweden generally worked through twinning arrangements, in which individuals from Swedish PFM agencies were embedded in Mozambican entities and offered advice and technical assistance 'from inside'. The main entities involved included the Swedish National Audit Office and the Swedish National Financial Management Authority. These agencies are understood to have enjoyed what this paper call a comparative advantage in providing advice and assistance (because of their tacit affinity with the challenges of doing PFM work and their technical knowledge of the area). They continued offering advice even when a quasi-consulting group (SIPU) took over project management.

Sweden's experience with this reform was not always positive. Evaluations indicate that reform of this kind is extremely difficult and

happens in fits-and-starts. It is thus frustrating, and demands a huge amount of commitment from both donors and own-government counterparts. This commitment proved difficult to maintain with the Swedish PFM agencies, whose officials were required to work in Sweden as well as Mozambique, often did not speak Portuguese (as needed in Mozambique), and could not always engage for large amounts of time. This restricted Sweden's ability to truly build on the potential advantages of these officials' tacit knowledge.

The World Bank and DFID became more engaged in PFM reforms in the mid-1990s, initiating multi-year budget reforms in Mozambique in 1997. These reforms were the flavor of the day in development and featured prominently in the 1998 World Bank Public Expenditure Management Handbook. Sweden itself was initiating its own version of this reform at around this time (in Sweden), and Swedish reformers who had been working in Mozambique warned against introducing a technical solution that did not fit the country's capacity realities. This shows an effort to inject realism into the reforms, building on both Sweden's own reform experience and the embedded values of Sweden's development experts (whose work was focused on local capacity building and 'fitting' advice to context). This advice was not taken, and the World Bank and DFID became the primary advisors on budget preparation, pushing reforms that remain problematic today.

Similar changes were afoot in other areas of PFM as well, where donors like the World Bank and IMF took a greater interest in PFM. This interest was amplified by the Highly Indebted Poor Country (HIPC) initiative and the move towards providing direct budget support. All of this came to a head when Mozambique adopted the PARPA (its poverty reduction strategy paper), which heralded a new age in donor engagement. Money was meant to flow through the country's own budget in support of the PARPA, which made the quality of the PFM system very important. The major donors thus started engaging on reforms in this area and by 2004 they were promoting interventions through large lending operations (like the Poverty Reduction Support Projects, or PRSCs).

These new donor engagements supported large reforms like the development of the E-Sistafe integrated financial management system. These reforms built substantially on the work Sweden had spearheaded beforehand (especially the support to the Sistafe PFM legislation underpinning the new system). Furthermore, Sweden contributed to this work and continued in the 2000s to support

reforms in areas like accounting and audit and in local government PFM (particularly in Niassa, a province where Sweden has had longstanding engagement). Swedish government officials came to Mozambique to examine accounting systems, for instance, and Swedish audit and tax officials have been continually involved in advising government and other donors on reform designs and implementation modalities.

Gradually, however, Sweden has become one of many contributors rather than a lead influencer. The lead roles are arguably held by the IMF and World Bank, who engage most directly with the government to shape the content of reforms and are dominant players in coordinating donors. Additional Swedish influence has come indirectly through consultants like Allan Gustafsson (a former Swedish budget official), though these consultants have often been hired by organizations like the World Bank and not Sweden's aid agencies.

The decline in Swedish influence is arguably most apparent in the lack of direct Swedish engagement in the 2006 PEFA assessment,[10] or in any of the other four PEFA analyses since that time. These influential studies have been sponsored by other donors, like the Swiss, European Commission and NORAD, and written by consultants from other European countries (like the UK and Italy). None of these documents reference Swedish experience in the formative 1990s, or the well-written and insightful evaluation of Swedish experience written in 2004. These documents should be seen as continuing efforts by Swedish development professionals to inject realism into Mozambique's PFM reforms. Experts from Sweden's own PFM entities were sometimes introduced to lend credibility to such efforts (offering specialist advice on IT applications in accounting, for instance). Such efforts have increasingly had more specified influence in areas like audit, where Sweden has been able to continue a flow of such officials into Mozambique and where other donors have allowed Sweden to take the lead.

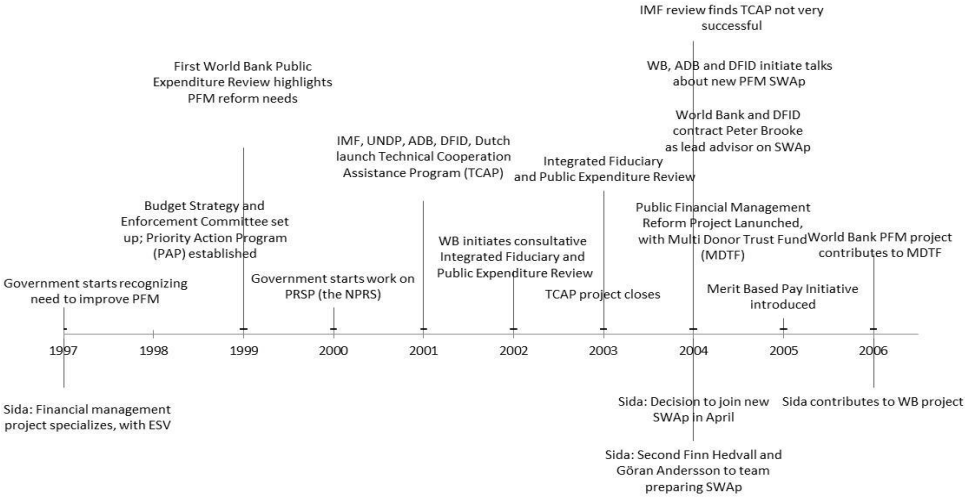
[10] One commentator on a draft of this paper notes that Sweden did engage in this process, providing funding for a workshop and participating in the process of developing the PEFA. This was probably the case as Sweden was part of a large donor group engaged in PFM reform in Mozambique. The analysis here reflects on the PEFA documents, however, and in these documents Sweden is not singled out for having any particularly relevant role. It should be noted that this may mask the reality on the ground—where formal recognition in documents do not reflect real influence.

The Cambodian story in short

Donors became involved in PFM reforms a lot later in Cambodia, given instability that festered until the mid-1990s. The government became aware of the need to strengthen PFM in the late 1990s, however, and engaged various donors for advice. The World Bank and IMF took distinct leadership roles at this time, providing technical assistance and penning some of the early influential analyses on the topic—including the 1999 Public Expenditure Review (shown in Figure 4). The PFM specialists working on this product came predominantly from Australia and introduced ideas that were prominent in the World Bank Public Expenditure Management Handbook (as was the case in Mozambique). The review led to the initiation of a Budget Strategy and Enforcement Committee and a Priority Action Program (PAP), both of which had limited influence (Taliercio, 2009).

The Cambodian government then began work on its poverty reduction strategy (called the NPRS), which initiated engagement around questions of budget support. At the same time, the IMF and a string of other donors worked with government to introduce PFM reforms (and others) through a Technical Cooperation Assistance Program (TCAP). TCAP lasted about two years and its PFM component was considered unsuccessful (as reflected in a 2004 IMF evaluation). Largely because of this continuation with weak reforms, the World Bank initiated a consultative process in 2002—aimed directly at producing an integrated fiduciary and public expenditure review (IFPER). In 2003 this generated a landmark 230 page document outlining the state of public finance and the need for PFM reforms.

Fig. 4. Simplified timeline of events in Cambodia's donor financed PFM reforms



Source: Author's analysis of documentary evidence

Sweden had been present in Cambodia throughout this time, working largely in projects focused on poverty reduction and democratic governance. Some of these projects had components with PFM content. Sweden was not directly engaged in the PFM discourse outside of these projects, however. This absence is most evident when reviewing World Bank, IMF and Asian Development Bank PFM documents (including prominent Public Expenditure Reviews). These do not mention the involvement of Sweden in reforms. The earliest one sees any mention is in documentation for the 2003 IFPER, which notes that Swedish officials were consulted in the review and dissemination process.

The World Bank's leadership among donors in the PFM domain continued in late 2003 and 2004. Under the leadership of an American Task Team Leader (Rob Taliercio), the World Bank began talks with government, DFID and Asian Development Bank partners about a new integrated reform strategy (building on ideas developed in the IFPER). It would be called a Sector-Wide-Approach for PFM (SWAp). A prominent British consultant called Peter Brooke spearheaded the basic design of this initiative in early 2004,

introducing a popular 'Platform Approach' that was gaining international prominence as a way of sequencing reforms. The reform design and content was well developed by March of 2004, when Swedish experts first started to engage.

Sweden joined the reform community in April 2004, when a decision letter notes that they had been invited to engage by the World Bank and Asian Development Bank. The letter accepting such invitation reads that the bigger donors showed "particular interest … in accessing Sida's experience and approach to capacity development in public financial management since Sida has a long and good record of providing support in this area." In his reflection on this, and emphasizing the influential role played by his own organization, the World Bank task team leader Taliercio notes (Taliarcio, 2009, 101):

"In order to operationalize the idea of a PFM SWAp, the Bank, ADB, DFID, and the RG [government] agreed to a series of joint missions. Other DPs [Development Partners]—IMF, EC, AusAID, JICA, the French Cooperation, and UNDP (Sida later joined)—joined the missions on an associated basis. DPs became more and more convinced of the approach, and the level of engagement increased. Though one or two DPs remained skeptical, it was clear that "the train had left the station," which motivated these DPs to participate, even if reluctantly at times."

Sweden became heavily engaged in the SWAp, contributing to a multi-donor trust fund and, in 2006, to a World Bank project (that wrapped up in 2013). Sweden also provided technical assistance through Finn Hedvall and Göran Andersson, two prominent consultants working on PFM in Sweden. Andersson had worked on summaries of Sweden's PFM work in developing countries and Hedvall was simultaneously involved in writing up a PFM handbook. Sweden was also one of a number of donors supporting the 2012 PEFA assessment.

Given such roles, it seems quite clear that Sweden has engaged constructively in PFM reforms in Cambodia, operating in the slip stream of the larger donors. This is similar to the situation in Mozambique after about 2002, where the donor has been one of a number of development partners supporting reforms through finances and technical assistance, and through targeted efforts to share tacit knowledge. It is important to note that Swedish influence has arguably grown since 2010, as the European Union took control of the agenda

(following disputes between the World Bank and Cambodian government).[11] Swedish influence has incorporated some twinning in this period, with particular engagement by the National Audit Office. As in Mozambique, development experts have been able to maintain engagement by Sweden's own auditors in this work, and other donors have been satisfied to let Sweden work in this (relatively) narrow area.

Combining the narratives: Has Swedish aid injected realism into PFM?

This paper investigates the degree to which Swedish aid has injected realism into PFM agendas—globally and in specific countries. As discussed in the first section, this focus is relevant and interesting when one thinks of the comparative advantage that Sweden arguably enjoys in the PFM arena. The country has been actively engaged in its own set of PFM reforms (generally considered successful) and the tacit knowledge it could share about doing reform gives it an advantage in helping developing countries think about how they are doing their own PFM reforms.

The study underpinning this paper has involved constructing short, stylized narratives of Sweden's work in the PFM area—at the global level and in two countries, Mozambique and Cambodia. In all three narratives, evidence has been provided to show how Swedish agencies have supported PFM reforms. The narratives are highly nuanced and most definitely incomplete (as any historical rendition would be in the development domain, given the relatively weak documentary sources in most development organizations). Figure 5 attempts to summarize some of the conclusions of this narrative, however. It is an adaptation from Figure 1, which illustrated what one might expect the Swedish role to look like if it was either extremely 'realistic' or 'technical'.

The first observation emerging across the narratives is that Swedish development agencies have used PFM work to try to inject realism into development. This is reflected in the influence of early thought pieces like "Making Government Work" on Swedish PFM engagements. This work was not focused on PFM explicitly but introduced fundamental principles intended to shape the way Sweden

11 This reflects a comment from one of the reviewers of an early draft.

engaged in the development space. These principles emphasize the importance of practical, context-specific reform engagement and have been faithfully and continually reflected in PFM documents produced by Swedish development experts. Efforts to promote realism in PFM reforms are also evident in Sweden's various long-term reform engagements—in places like Mozambique and other East African countries, and more recently in Cambodia. Swedish support is usually provided through development experts located in these countries and manifests in patient relationship building by contextually-aware development professionals.

Importantly, the research did not start out looking for this kind of evidence as proof that a bilateral donor like Sweden was trying to inject realism into PFM agendas. Instead, the focus was on whether bilateral donors like Sweden draw on the comparative advantage of their own-country reforms to influence thinking about what it takes to really achieve PFM reform. There is evidence that Swedish development initiatives have attempted to draw on this advantage as well. This is particularly the case in Mozambique, but also in Cambodia, and is most prominent in specific areas of the PFM reform agenda—like accounting and audit. One sees efforts by Sweden's development agencies to engage Sweden's own past and present audit and accounting officials in reforms in these areas; in twinning-type arrangements, advisory roles, and offering comment on reform ideas proposed by other donors. The experience of these officials is obviously valued by Swedish development experts, but the country's development professionals seem to engage these officials quite narrowly and exercise control over their work in the developing countries.

Fig. 5. Realism in development: Lessons from Swedish PFM reform support

	Realistic approach: **Built on (i) comparative advantage, (ii) context-sensitive development practitioners; and (iii) robust relationships with developing country counterparts;** **All adding 'realism' to reform**			**Technical approach:** **With no comparative advantage in adding 'realism' to reform**
General approach	Emphasize the interaction of reform context, process, product and local political sensitivities to solve specific problems			Emphasize a generic reform product
Process and activity	1.Offer flexible advice and assistance based on own country experiences with PFM reforms especially 'how to' do reforms; longer run assistance through relationships, peer interaction and knowledge transfer activities	2. Embedded work in the reform context, with a focus on learning the context and developing an emphatic understanding of reform opportunities, tensions and challenges	3. Strategic partnership with country counterparts who provide political know-how and organizational legitimacy and authorization for reform	Blueprint projects focused on introducing specific solutions in a specific short- or medium term time-frame, through pre-determined methods and processes to adopt technical mechanisms
Agents involved	1. Own-country reformers (past and present) are key to the work , engaged in relational peer-to-peer activities	2. Trained and trusted development experts working in the field, inspired by 'capacity building' principles	3. Trusted and trusting officials in partner governments, willing to engage politically on behalf of reform objectives.	Generic 'experts' in the products being promoted / introduced
Anticipated result	Counterparts empowered in 'how to' do reforms; emergence of hybrid reform solutions that solve problems			Faithful replication of specified reform products, to solve problems and strenghten systems

Source: Author's construct

This is particularly interesting, and could be interpreted in various ways. One interpretation, postulated here, is that a country's own reform experience—no matter how positive or rich in lessons—is insufficient to provide that country with a comparative advantage in

supporting similar reforms in other contexts. If lessons from Sweden are to be valuable in Mozambique, they need to be provided in a timely and contextually-relevant manner, located in an ongoing dialog and 'translated' to the local context. To be useful, these lessons also need to be received by trusting and trusted government counterparts targeted for learning who can open the political and organizational context for influence. Furthermore, the lessons also need to be contextualized in the global narrative of PFM—which is largely technical. Swedish officials involved in Sweden's own reforms in Stockholm cannot establish the contextual conditions for translation in Maputo or ensure counterparts in that context are present to learn or engage politically, or ensure that Swedish lessons are interpreted so as to make sense in the dominant global narrative.

In a sense, one needs 'catalyst conditions' to ensure effective transfer of lessons from comparative cases. These requirements constitute additional elements to any effort at injecting 'realism' into development, with specific implications for the processes and activities and agents required (as shown in Figure 5). They leave one thinking more comprehensively about what it takes for outside donors to promote realism in development: (i) having some comparative advantage in lessons about the practicalities of doing reform; (ii) context-sensitive development practitioners, and (iii) robust relationships with government counterparts. Beyond this, some technical engagement is also needed (given that most PFM reforms are constructed in a technical language and any effort at realism needs to be communicated in such).

This kind of interpretation helps to explain why one sees many elements of 'technical' PFM work in Swedish initiatives. It is impossible to work in this domain and not engage from a technical perspective (and still be seen as legitimate); so if development experts want to promote realism they need to also be technically proficient. The interpretation also helps to explain why Sweden seems to work quite narrowly in the PFM domain, especially in more recent years. Sweden does not have a huge government, and cannot afford to offer a wide ranging number of its own PFM experts for external engagements (so one should expect narrow engagements by those with Sweden's own lessons). Further, Sweden is a smaller donor than many and does not have resources to locate large numbers of staff in countries. As a result, one should expect limited entry points through context-sensitive development practitioners. Finally, it is extremely

difficult to develop many deep 'robust' relationships with government counterparts, and many donor agencies will be lucky to have even a few of these relationships to work with and through. The result is that practical, realistic reform initiatives supported by an entity like Sweden will probably be narrow and targeted—like the long-standing audit engagements in Mozambique—rather than broad and generalized.

This interpretation is open to testing, and should be tested in future work trying to explain how development agencies can promote more realistic reforms. Such work could contrast Swedish experience with that of other bilateral agencies that have arguably had broader influence on the PFM domain, especially Anglophone countries like New Zealand, Australia and the United Kingdom. These countries have arguably leveraged their own reform experience much more aggressively than Sweden has, but it is unclear if they have done so to share the secrets of their reform processes and promote deeper and more realistic reforms or rather to promote the wide (and often shallow) adoption of their reform products (like MTEF).

This discussion leads to the second major observation from this study: That Sweden's efforts to promote realism in reforms seem to have had less effect over time (as the global PFM reform agenda expanded and attracted the interest of bigger multilaterals) and in the bigger areas of specific agendas (that have also been dominated by multilaterals). One sees this particularly in the limited influence Swedish efforts have had in shaping the more recent global PFM discourse—which has arguably become more technocratic and less 'realistic' since the mid-2000s and the advent of the PEFA instrument. One also sees this in the Swedish experience in Mozambique, where the Swedish-influenced capacity-building approach seemed to wane after the early 2000s. Bigger reforms were introduced at this time, and the reform agenda was dominated by multilaterals supporting such projects.

It is once again difficult to offer a conclusive view on why this seems to have happened. There does seem to be evidence, however (at the global and country level), that the space for realism and perhaps even for the influential small bilateral donor has declined in the PFM domain in the past decade. This period has seen various high-level meetings (in Paris, Accra and Busan) introduce new rules aimed at streamlining donor engagements. It has also seen a focus on enhancing government ownership of the development processes, and placing

donor money 'on budget' in developing countries. These efforts have led to greater interest in PFM by the bigger donors (especially multilaterals) and to greater pressure to establish PFM systems capable of handling large amounts of donor finances. These pressures are part of the reason why the PEFA assessment framework emerged (to streamline what donors were advising governments to do in the PFM space and to provide donors with an assessment mechanism to use in determining if governments systems were strong enough to warrant receiving money 'on budget').

Given this interpretation, it would appear that recent gains of better donor coordination, country ownership and agenda formalization have been associated with losses in the space to do realistic reforms. Larger donors now dominate most PFM agendas and these agendas are increasingly driven by the pro forma application of PEFA-type mechanisms. Both of these realities limit the competition for ideas in development, close the space for comparative advantage of smaller players, and undermine efforts to promote realistic, context-specific reforms.

Conclusion

This study was motivated by the observation that many donors are working on PFM reforms in developing countries, but that these reforms are commonly limited. They suffer from gaps that limit their use and impact. An argument suggests that this impact can be improved if reforms are designed and implemented in a more realistic manner—allowing solutions to be shaped by the practicalities of reform contexts (political, administrative, and other). There is an argument that bilateral donors like Sweden might have a comparative advantage in injecting more realism into PFM reforms in developing countries, given that Sweden has its own PFM reform experiences to draw on when working in developing countries. These experiences speak to the importance of being realistic in reforms, and offer lessons on how this can be done (through testing solutions, for instance, building political constituencies, and more). The question asked here is whether Swedish development agencies have leveraged this experiential advantage to foster a more realistic approach to development, and to doing PFM reforms in particular.

This is not just an academic question that adds to the vibrant list of questions about Swedish aid (Bergman, 2007; Billing, 2011; Danielson and Wohlgemuth, 2005; Dijkstra and White, 2013; Dreher et al., 2010; Hårsmar, 2010; Kärre and Svensson, 1989; Odén and Wohlgemuth, 2007). The question is at the heart of a practical (and strategic) comment embedded in the 2008 Swedish country strategy for Mozambique, which discusses "Sweden's comparative advantages" by referring to the 'reputation' and experience of the home country, and suggests that Sweden should try to actively transfer this experience to developing country partners (Sida, 2008, 17):

"***Sweden's comparative advantages - conclusions about Sweden's role:*** *Sweden is Mozambique's sixth largest donor and hence plays an important role in development cooperation. A good reputation and tradition of democratic, open and effective administration gives Sweden special advantages in the area of good governance where it has been possible to carry on a critical dialogue, particularly as far as corruption is concerned. Furthermore, Swedish assistance fills a supportive function through transfer of knowledge, dialogue and exchange of experience*."

The current study suggests that Sweden's development agencies have been attempting to facilitate this 'exchange of experience' in the PFM field, and influence the realism of reforms. However, the extent of this sharing might not be as large as one might expect (at least not in the past decade and a half). As discussed in the preceding section, efforts to bring Sweden's own reform experience into the global narrative on PFM reform has actually been quite limited. Similarly, efforts to draw on Swedish experience in country work in Mozambique and Cambodia have also been narrow—especially in the past decade.

It is possible that the findings would be different if additional documents were introduced or if one were to examine Swedish influence over other countries' reform paths (perhaps in a country like Tanzania, where influence has also been heavy).[12] Given the documentary evidence collected for this study, however, the findings seem quite valid, and raise questions about why Sweden would not build more aggressively on its own experiential advantages in the PFM domain—and potentially how the Swedish aid community could do this better in the future.

There are many reasons why Sweden may not be building on its comparative advantage in this area:

- First, Swedish policymakers working in the aid field may not perceive PFM as an area of comparative advantage. As in the comment from Mozambique, Swedish agencies have commonly viewed themselves as having advantages in areas like democratic governance and humanitarian support. PFM may just not be seen as such an area.[13]

12 In this light, reviewers of a draft version noted various important cases where one might find different experience—where Swedish government officials were directly engaged in partner country reforms to foster more realism in reform. These include support for audit reforms in Tanzania, efforts to balance an overly-technical PFM reform in Kenya, and a tax project in South Africa between 1995 and 2002.

13 Reviewers of a draft differed in their agreement with this point. Some noted that PFM has been an important area of engagement in Sweden's development relationships. Others noted that it was an important area conceptually but was arguably not effectively resourced to be a big area of influence. They pointed to structural deficiencies in agencies like Sida to explain this (noting, for instance, that there were no dedicated PFM groups). Others argued that most Swedish development officials are not aware of the potential value of Sweden's own reform story, however, and this lack of awareness has indeed led to less than optimal influence in this area.

- Second, Swedish officials may be concerned about being seen to export a 'Swedish model' in the PFM field—especially if this leads to a focus on the technical dimensions of 'what' was done in Sweden (rather than applied and adapted lessons about 'how and what' to do in reform).[14] This could lead to downplaying the value of the Swedish experience to client countries (and even in global discourse).
- Third, Swedish aid agencies may actually perceive this as an area of potential advantage but practical complexity. It may be too difficult to effectively leverage support and experience from within Swedish agencies, especially from those with high levels of tacit experience and relational prowess. This seems to be a lesson from the 1990s reforms in Mozambique and could be a significant constraint on building comparative advantage in the PFM arena in Sweden.[15]
- Fourth, Swedish aid agencies may find it difficult to influence a global agenda—and associated country agendas—because of language limitations (where the tacit experience in Sweden is communicated in Swedish and the development agenda is dominated by Anglo countries).
- Finally, Swedish aid agencies may be feeling constrained by post-Rome, Paris and Accra donor coordination arrangements. These arrangements emerged in the early 2000s and make it very hard for smaller bilateral agencies to engage independently of other donors. This would not pose a major problem if Swedish agencies were seen as an authoritative voice in PFM, given the country's own reform experiences (which could result in Sweden leading collaborative engagements, not just being a party to such). Authority in this domain has generally been ceded to the bigger donors, however—

14 Reflecting on this point, reviewers of a draft noted that lessons from Sweden's own experience need a lot of adaptation when exported to developing countries. Sweden's size and history are very different to countries like Cambodia and Mozambique and even lessons about 'how and what' may not be applicable.

15 Reviewers of a draft tended to agree with this sentiment. They noted that government agencies in Sweden are actually lean and it is very difficult to engage the necessary effort and time from officials in these agencies. One commented that, "Government officials are generally very busy and have limited time outside of their core assignment. Recently retired officials…often have better paying or otherwise more attractive offers elsewhere." Many efforts to engage experienced officials seem to have been plagued with practical limitations as a result of these factors, and it may be that an approach that emphasizes leveraging own-experience is simply not pragmatic.

notably the World Bank, IMF and regional development banks—because of the resources they can muster and the way they have dominated the thought space in this area over the past decade.

Another issue to consider is that Swedish development officials may not agree with the sentiments offered in this paper. They may not agree, for instance, that government officials with reform experience in Sweden actually have an important—or at least stand-alone—role to play in developing countries. Reviewers of this paper, in draft, suggested this was indeed an important explanation. They reflected on the idea that 'tacit' experience with doing PFM reform in Sweden was not necessarily required to ensure a more realistic focus in PFM reforms in developing countries. Rather, one can be taught about the importance of country ownership, strategies of political engagement, iterative reform design, and more, and apply such lessons in doing work in client countries. Reviewers noted that these elements have always been central to Swedish development initiatives and that Swedish development experts do not necessarily need experience in Swedish reforms as a result. Indeed, some reviewers noted that experts from Sweden's internal government would probably not have the time or skill to understand the contexts in which they were working and would thus not adapt lessons.

These reviewers commented that properly trained development professionals without actual experience in Sweden's own reforms might therefore be better located to foster a contextualized and realistic approach to doing development. This is an interesting and effective argument, which warrants further research. It is also possible that these Swedish development experts could be seen as a compliment to experienced reformers from within Swedish government: the latter government officials could be used to explain how they chose their reforms, introduced these reforms, sustained the reforms, and more; the former development experts could ensure that the right questions are being asked, and experience is translated into the local contexts, and lessons are adapted to such context.

This promotes an idea that can be seen as both an emerging theory of how bilateral agencies can promote realism and a potential recommendation for donors like Sweden to consider if they aim to have this influence. Reflected in Figure 5 in this paper, the idea suggests simply that bilateral donors need more than their own reform experience to ensure comparative advantage in fostering more realism in reforms. If donors want to promote realism in development they

need to have: (i) some comparative advantage in lessons about the practicalities of doing reform (and a way of gathering and communicating these lessons); (ii) context-sensitive development practitioners to ready the context for these lessons and translate the lessons to context, and (iii) robust relationships with government counterparts who open opportunities for the transfer of lessons.

This comment points to the importance of a nuanced view of Swedish influence in the PFM realm. One could criticize the presentation of the narratives and findings in this paper as too simplified and perhaps overly conclusive because they do not fully reflect the culture of the development profession in Sweden, for instance. Further, it is possible to break the idea of 'PFM influence' down into more specific categories than this study has done, and then to calibrate Swedish influence more specifically (beyond the binary presentation in Figure 1). This would be a job for evaluation experts in Sweden who might focus on Swedish influence in particular PFM areas (like auditing or accounting) and in different forms (written work or facilitation of collaborative engagements, for instance). This could take the form of a detailed study into the influence of Sweden's long-standing support of the Eastern and Southern African Association of Accountants Generals (ESAAG), for instance. This support is noted in the current study but there is no way to establish who learned what through such engagements, or if this was an effective way in which Swedish lessons were transferred (perhaps even indirectly).

Beyond this, there is an internal facilitation role for Swedish aid agencies interested in exploring their comparative advantage in this area. There is immense value in bringing Sweden's own reform personalities together to discuss their reform experiences across the PFM space. This could be a way in which to capture some tacit lessons about issues that reformers in developing countries struggle with (like how to build coalitions for far reaching budget reform, or how to manage relationships between audit agencies and parliament and the executive, or what to focus on when choosing a macro-forecasting model, or how to create incentives needed to attract and keep high quality staff). The Collaborative African Budget Reform Initiative (CABRI) has been doing work like this, producing short video interviews with reform personalities (like Trevor Manuel, South Africa's former Minister of Finance). Materials like this could be used in the field and could be put together to show the value of Sweden's story. A reviewer of the early draft noted that this kind of activity has

been part of the Swedish aid approach in other areas of engagement. He notes that Sweden held workshops in Vietnam in the 1990s where experts shared experience from Swedish welfare reform. In reflecting on this example, the reviewer notes that Swedish aid providers could "organize a seminar on the topic of what is Sweden's comparative advantage in PFM reform, i.e. where has Sweden succeeded well in its own reforms and why. At the same or a later seminar, we could discuss how and where [Swedish development agencies] could use its experience more effectively."

This idea targets the apparent lack of 'lore' about Sweden's own PFM experience. This lore offers real value to Swedish development experts, even if one accepts that it needs to be complemented and used by contextually-sensitive, relational development professionals. Similar development professionals from countries like Australia and New Zealand have been able to leverage their own countries' reform stories to promote and guide initiatives in developing countries—and to influence global PFM reform ideas—and it seems like a lost opportunity that Swedish development practitioners do so in limited fashion.

Beyond the idea promoted above to bring experienced Swedish reformers together, this challenge could be addressed by creating a repository of oral and written records about the country's own reform experience. Singapore's Economic Development Board has done this, offering a web-based collection of taped interviews, letters, decision notes and more to anyone interested in learning about establishing a centralized industrial policy agency. A first step towards this would be to start gathering documents abut these reforms and interviewing those who had involvement. A second step could be to start using these resources in training development professionals, equipping them with accurate knowledge about their own country's reforms. This would be a way of leveraging whatever comparative advantage might arise from Sweden's own reform experience and will contribute to efforts to inject realism into the PFM domain in development.

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