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Public Governance: Public Finance Management

The aim of financial management in the public sector is to manage limited resources to ensure economy and efficiency in the delivery of outputs required to achieve desirable outcomes that will serve the needs of the community. A sound public financial management system allows governments to make best use of its resources to improve quality of life in the society.

Strong and effective Public Financial Management (PFM) is a vital component for a good governance. A PFM strategy underpins fiscal and macro stability, guide the allocation of public resources to national priorities, support the efficient delivery of services for poverty reduction and economic development, and make possible the transparency and scrutiny of public funds.

Transtec supports public sector stakeholders in improving the linkage of policy priorities to budget planning, ensuring delivery of a credible budget delivering predictable resources, improved internal control and integration of accountability and review processes for both financial and performance management to hold public service actors to account. We assist countries to strengthen public financial management by providing specific expertise in all components of revenue (tax system, revenue mobilization...) and public expenditure (budget procedure, financial management and accounting, audit, PEFA...) for both central and sector Ministries.

Transtec is also implicated in the local governance. Decentralisation is currently being pursued in over 80% of developing countries worldwide. The case for decentralisation is argued on both political grounds – as strengthening democracy, accountability and participation by bringing government ‘closer’ to its citizens – and economic grounds, enhancing the efficiency and effectiveness of public service provision.

Some examples on Transtec practice in PFM are presented below:

ECOWAS: Support to the institutional reform of Ecowas Commission (PFMR result 1). The purpose of the project is to strengthen the capacities of the ECOWAS Commission to allow compliance of its procedures with international standards on accounting, audit, internal control and procurement – EU 2016-2019 – 3,339,400 EUR

Mozambique: Public Financial Management Technical Advisory Services to the Ministry of Health (MoH) and Provincial Directorates of Health. The objective of the Danish support is to contribute towards the effective implementation of the PFM Improvement Plan and strengthen PFM in the sector at national and provincial level by strengthening of national structures for PFM in the Ministry of Health, Directorate of Administration and Finance (MISAU) through the implementation of all elements of the PFM improvement plan. The programme is also focus on strengthening of the

provincial structures for PFM in the Provincial Health Directorates (DPS) in the areas of need outlined in the PFM improvement plan; propose and implement the required systems and structures for decentralized (district and facility level) planning, budgeting and accounting in pilot districts as innovation with focus on results – DANIDA 2013-2017 – 4,421,875 EUR

Mozambique: Technical Assistance for the Public Finance Management Sector Policy Support Programme for Mozambique. The overall objective of the Sector Policy Support Programme (SPSP) is to support Mozambique in strengthening the Public Financial Management (PFM) throughout Government, in order to improve the effectiveness and efficiency in revenue collection and in planning and execution of policies and budget, as well as to increase transparency and accountability. The specific purpose of the Technical Assistance component of the PFM SPSP is to support the PFM policy development capacity of the Government of Mozambique; and to support the management capacity within the key institutions supported by the EU PFM SPSP – EU 2012-2016 – 1,273,980 EUR

Togo: Technical Assistance to the implementation of the Togo Institutional Support Programme. The objective of the Togo Institutional Support Programme (ISP) was to improve the performance and transparency of public sector governance at political, economic and financial levels through institutional capacity building. The programme was organised around three main components: i) Economic decision-making and public finance management support by providing support in national economic development cooperation decision-making and in budget elaboration and control, ii) Regional integration and economic partnership support, iii) Strengthening democracy and respect for basic Human Rights – EU 2008-2012 – 2,640,000 EUR

Benin: Implementation of the Public Finance Management. The objective of the Public Finance component Good Governance, PFM and Statistics Joint Support programme is to improve the overall conditions and practices governing the implementation of public finance management systems. It aims at i) strengthening the securing and increase of domestic incomes, ii) strengthening the modernization and sustainability of the public expenditure chain, iii) reporting to the State's Accountant's accounts quality management, iv) implementing and monitoring the execution of the Public Finance Management Action Plan – EU 2012 – 2014 – 2,700,000 EUR

Nigeria: Support to Reforming Institutions Programme (SRIP) in 6 States phase II. The project was designed to assist the authorities and citizens in the focal states to adopt a more transparent and effective means of managing public expenditure. SRIP supported reforms in participating states and local governments towards improved fiscal, public financial management (PFM), oversight function on legislative budgets and payroll management systems, including public procurement, multi-year budgeting and fiscal planning, tax administration, capacity development, monitoring and evaluation – EU 2008-2012 – 14,000,000 EUR

Comoros: Technical support to the implementation of a computerised management system at the General Directorate for Taxation of the Union of Comoros. The objective of this assignment was to provide technical assistance to the Union of Comoros authorities within the framework of its reform of the country's fiscal Management system and the National Tax Office (DGI). It constituted one of the activities of the Revenue Mobilization Capacity building component of the African Development Bank funded Institutional Capacity Building (ICB) Project – AfDB 2011-2012 – 400,000 EUR

Nigeria: Support to Reforming Institutions Programme (SRIP) in 6 States. The objective of the programme was to support the reforms of governance and of public finance management in the six focal states. The project assisted the authorities and citizens in those States to render the budgeting process a more transparent and effective means of managing public expenditure. The programme aimed to improve both the capacities of State Authorities to plan, present and implement policy-driven budgets and the ability of civil society to access information, make inputs and monitor the implementation of the budget – EU 2005-2008 – 10,200,000 EUR

Guatemala: Decentralisation and Municipal Strengthening. The global objective of this programme was to contribute to the development of decentralisation, democratic processes and State governance, in particular to organize, reinforce and modernize the decision-making procedures and the functioning of the Institutions, to support the decentralised territorial management – EU 2004-2008 - 2,422,200 EUR