

PUBLIC FINANCIAL MANAGEMENT

Building Robust Public Financial System



A robust public financial management system

is the cornerstone for any government, particularly in developing and transitional economies. Today, public institutions are under immense pressure to modernise and increase transparency to provide better outcomes for citizens. Transparent and equitable public finances provide a platform for governments to deliver a strong enabling environment for business and effective public services. Our specialised team works in all aspects of the PFM cycle to enhance its efficiency right from planning to resource allocation and spending. We ensure adequacy, appropriateness, efficiency, effectiveness, and equity in our progress.

We work with governments (national, state, provincial, and counties), bilateral & multilateral organisations, and international & non-governmental organisations (INGOs) for developing efficient systems to ensure accountability in the management of limited public resources. We provide technical assistance on medium-term expenditure reviews, budgeting, financial monitoring, feasibility studies, and maintenance of financial records, thus strengthening public finances.

Thematic Focus



Economic Planning



Revenue Mobilisation



Medium-Term Expenditure Framework (MTEF), Budget and Expenditure Tracking/ Review Studies and Tools



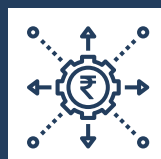
Designing and Implementing Innovative Financing Mechanisms



Performance and Results Based Budgeting



Public Procurement Reforms



Fiscal Decentralisation



Internal and External Audits

MAKING A DIFFERENCE WITH OUR WORK



United Nations Capital Development Fund (UNCDF) II Final Evaluation of Local Climate Adaptive Living Facility (LoCAL) in 14 countries across Asia, Africa and Asia-Pacific; Deep dives in Bhutan, Tanzania, Niger and Tuvalu | 2022

UNCDF designed Local Climate Adaptive Living Facility (LoCAL) in 2011 to build climate-resilient communities and promote local economies. This included establishing a standard, internationally recognised country-based mechanism to channelise climate finance for local government authorities in developing countries, particularly the Least Developed Countries.

We have been assigned by UNCDF to conduct the final evaluation of the LoCAL Global Portfolio. The evaluation will be done at three levels:

- Macro-Level (Portfolio and Global Level)
- Meso-Level (National Level)
- Local-Level (Local Government Institutions & beneficiaries) against the OECD-DAC evaluation criteria.

As part of the evaluation, we will:

- Assist UNCDF and its development partners to meet their accountability and learning objectives.
- Support capacity development of UNCDF's partner LDC governments in the areas of climate finance and climate adaptation.
- Support ongoing attempts by LoCAL and its funders to capture good practice and lessons to date.
- Inform updating of UNCDF global strategies for Local Development Finance. A theory-based evaluation approach with contribution analysis (assessment against rubrics and strength of evidence) with mixed methods data collection will be used to collect evidence from various sources.

In addition to the portfolio evaluation, we will also be undertaking in-country deep dives in four countries namely, Bhutan, Niger, Tanzania and Tuvalu.

UNCDF II Long Term Agreement (LTA) to implement evaluations under UNCDF's Evaluation Plan (2020-2023)


The United Nations Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 47 Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth through the deployment of Official Development Assistance (ODA) to unlock public and private finance from the public and private sectors.

We, as one of the LTA holders, are supporting UNCDF's attempts in strengthening the practice of evaluation both within UNCDF and across the UN system. This is being done by adopting innovative approaches, methods, and techniques to its evaluation work in line with evolving best practice internationally.

DFID II Ethiopia Portfolio Assurance Programme, Phase 2 (EPAP 2), Ethiopia (2018-2021)

Building upon the lessons from the 9-month pilot (EPAP 1), EPAP 2 aimed at maximising the effectiveness and efficiency of DFID Ethiopia's programme portfolio by identifying and addressing risks in supply chain. The programme looked at capacity building for DFID & its implementation partners including Government of Ethiopia, multilateral agencies and INGO's to mitigate risks and ensure Value for Money (VfM). It delved into governance and financial management; monitoring & evaluation systems; VfM measures; safeguarding mechanisms etc. while building the capacity of DFID Ethiopia staff, including partner organisations, in effectively managing the programme risk.

Under the programme, we were engaged in reviewing the governance and financial management of partner organisations, strengthening monitoring & evaluation systems, providing flexible, targeted technical advice and contributing to building capability of DFID Ethiopia staff, including, partner organisations, downstream partners and government departments. The assessment resulted in improved control design and operating efficiency of implementing partners and DFID Ethiopia by minimising the exposure of DFID funds to critical, high fraud and corruption risks thereby ensuring that it reaches the intended beneficiaries. In addition, we also helped address governance and system flaws within the partner organisations and streamlined fund flow to the beneficiaries.



UNDP II Institutional and Financial Capacity Assessment (IFCA) of 11 Cities under NUPRP Project, Bangladesh (2018-2020)

National Urban Poverty Reduction Programme (NUPRP) is a six-year programme that targets sustainable improvements in livelihoods and living conditions of the urban poor across towns and cities in Bangladesh.

We conducted comprehensive institutional and financial capacity assessment (IFCA) for 11 cities/towns in Bangladesh. The underlying aim was to strengthen the capacity of municipality/city corporation for pro-poor and climate sensitive urban development. Based on learnings from the assessment, we provided inputs for strengthening the framework of Urban Local Bodies (ULBs) on financial management capacity and reforms.

UNICEF II LTA for Provision of High Quality Technical Expertise to UNICEF in the Area of Public Finance for Children (PF4C) for Service Area 2 (2018-2020)

Public Finance for Children (PF4C) framework aims to improve the use of domestic resources for services of importance to children. The overarching goal of the PF4C is to contribute to realisation of children's rights by supporting the best possible use of public budgets. In over 100 countries, UNICEF takes a hands-on approach to help governments make budget decisions that lead to adequate investment for improved budget equity, efficiency, effectiveness and transparency.

We were engaged by UNICEF under Long Term Agreement (LTA) for working across two service areas – (i) Budget to influence, plan, allocate, decide and improve financial flows to service delivery and spending performance for service area 2 and (ii) Empower citizens including children to participate in national and sub-national budgeting process for service area 3.

DFID II Mid Term Review (MTR) of Partnership to Engage, Reform and Learn (PERL) Programme, Nigeria (2019)

PERL supported the governments of Nigeria (at Federal, State and Local Government level) to reform core governance processes and ensured that the improvements lead to an improved delivery of public goods and services. The programme worked at the federal/national level; in Kaduna, Kano and Jigawa states as partner states; in regional hubs in the south-east and south west facilitating the sharing of good practices between states; and in the north east, supporting government and non-government partners in Borno and Yobe states with the coordination of recovery efforts. Reaching over 70% of local government areas in over 35 states, the programme influenced an increase in the state's health budget allocation from 7.5% to 11.57%; a reduction in average turnaround time for processing and delivering drug orders; and a 20% increase in uptake of health services at night, in partnership with the DFID SOLAR Nigeria Project thus benefitting over 2 million Nigerians.

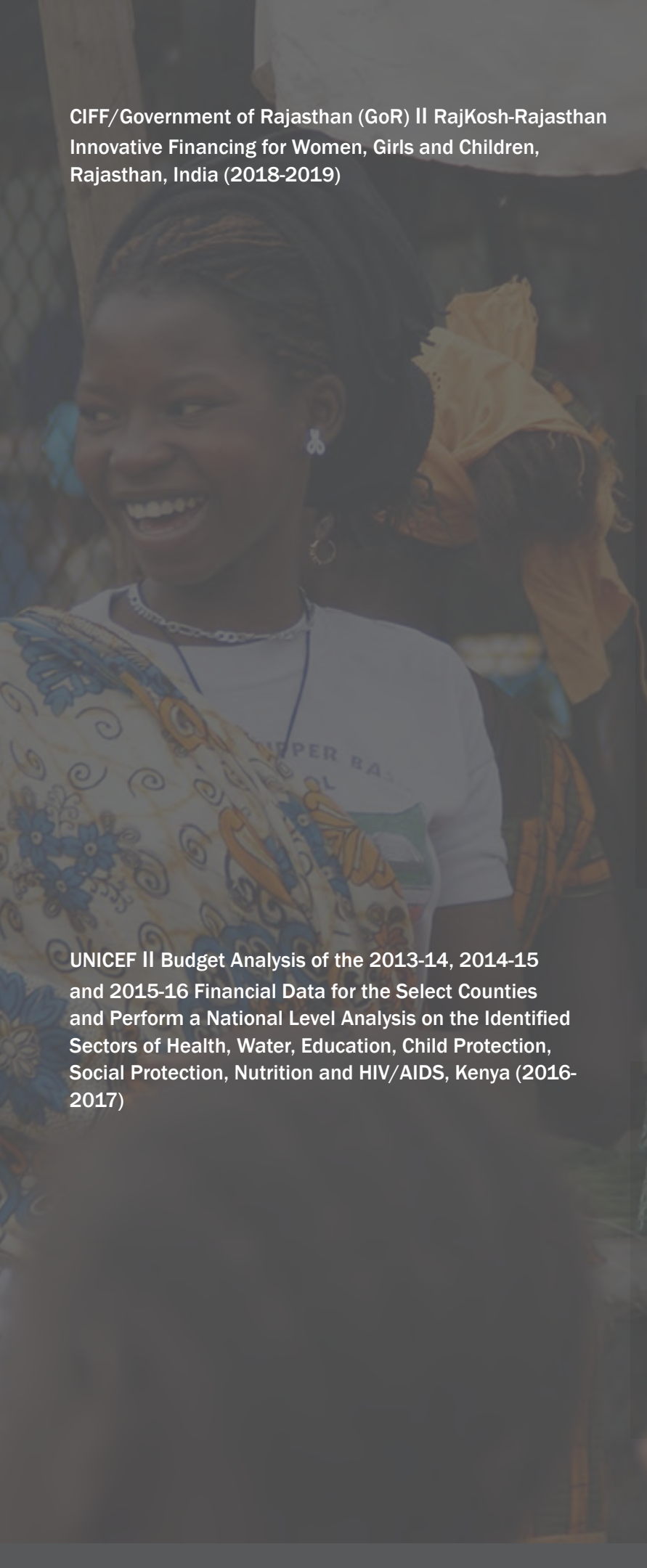
We conducted mid-term and annual review to provide an independent assessment of (a) how the programme had progressed against the original goals set out in the business case, and (b) the achievements, results and learning from implementing the PDIA approach, and how PERL moved from lots of small bets to a smaller number of bigger bets and areas of reform based on evidence of impact. The assignment aimed at determining the areas requiring improvement, assessing opportunity for improving performance and advising DFID Nigeria for future programming models which support programme complementarity across the entire fourth generation portfolio.



FCDO (formerly DFID) II Evaluation and Analysis for Tax Transformation (EATT), Ethiopia (2019-2024)

Under Ethiopia Tax Systems Transformation Programme (TSTP), DFID and Government of Ethiopia (GoE) established a Tax Transformation Office (TTO) in the Ethiopian Customs and Revenue Authority (ERCA). This unit is designed to drive the institutional transformation of ERCA and implement tax policy reforms aimed at responsible and equitable increase of tax revenues in Ethiopia.

We are assessing the performance of TSTP for the Government of Ethiopia to help them support various reform initiatives namely, taxpayers' database management, tax policy shifts, capacity building and IT infrastructure development. The assessment focusses on economic benefit analysis and distributional impacts of tax reforms in Ethiopia including, welfare gains through potential effects on GDP and employment.



**CIFF/Government of Rajasthan (GoR) II RajKosh-Rajasthan
Innovative Financing for Women, Girls and Children,
Rajasthan, India (2018-2019)**

**UNICEF II Budget Analysis of the 2013-14, 2014-15
and 2015-16 Financial Data for the Select Counties
and Perform a National Level Analysis on the Identified
Sectors of Health, Water, Education, Child Protection,
Social Protection, Nutrition and HIV/AIDS, Kenya (2016-
2017)**

With a vision to making the Government of Rajasthan financially resilient for the development of women, girls and children, including nutrition; CIFF helped set up an innovative financing mechanism for generating additional resources to finance programmes through 'RajKosh'. It aimed to mitigate the strain on financial resources by reducing the fiscal deficit, raising additional resources from public and private sector, and improving the effectiveness of government spending.

We worked with CIFF and Government of Rajasthan to raise financial resources critical for continuity and impact of ongoing investment in nutrition. Specifically, we provided technical assistance with an aim to:

- Improve operating efficiency and effectiveness of spending through a 'scheme rationalisation' exercise to analyse the flow of resources in various schemes.
- Assist the Department of Women and Child Development (DWCD), Government of Rajasthan in setting up and operationalising a Special Purpose Vehicle (SPV) to mobilise and manage funds.
- Raise financial resources – at least US\$ 8 million by the end of the investment period.

UNICEF supported Kenya's resolve to strengthen the social protection system by transitioning to a decentralised delivery of social protection programmes.

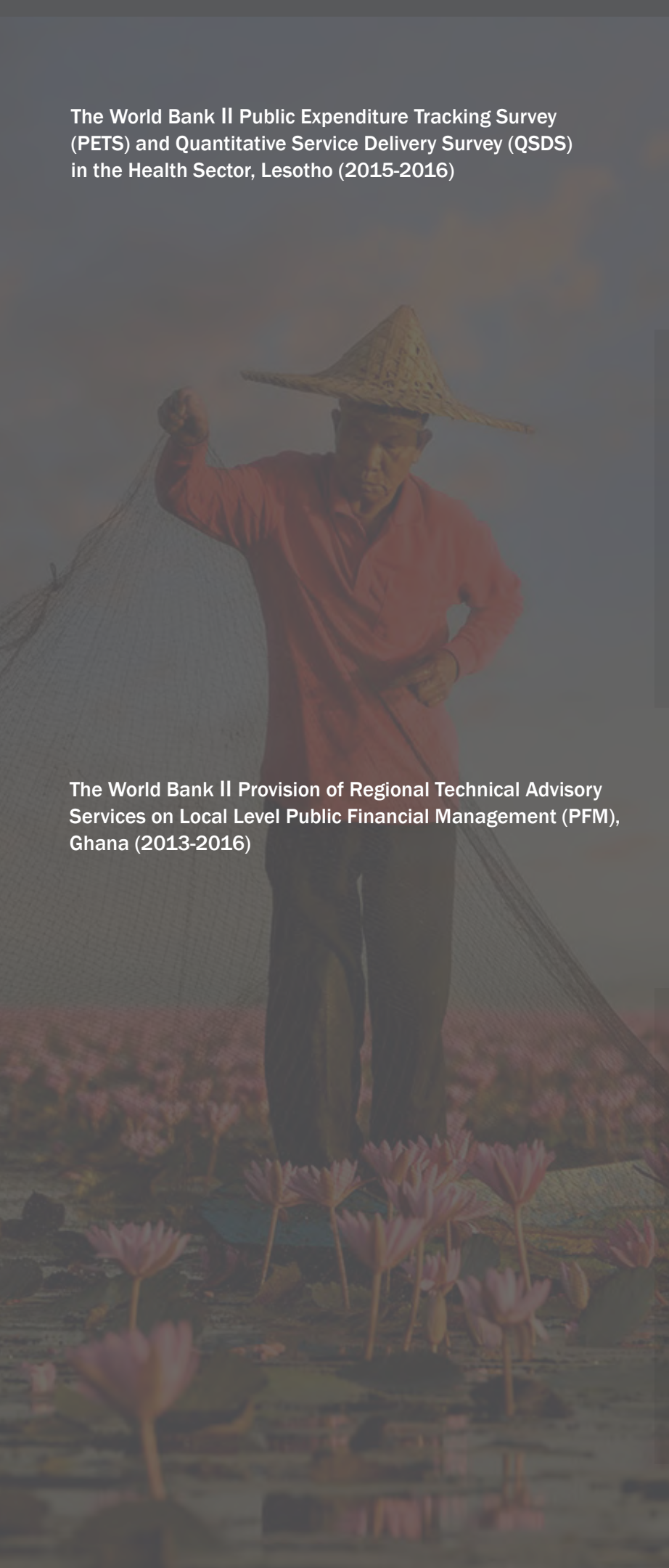
To assess fund allocation post decentralisation, we conducted budget analysis of the financial data for the select 11 counties and performed a national level analysis on the identified sectors of health, water, education, child protection, social protection, nutrition and HIV/AIDS. The budget analysis included a study of trends in gross sector allocations over the identified periods, trends in per capita sector allocation, trends in key service indicators like enrollment levels and gross expenditure and budget absorption trends. In addition, we formulated budget briefs for each county and per sector for the national level analysis.



UNICEF II Ministry of Economy & Finance (MEF) Programme Budget Capacity Assessment, Cambodia (2018-2019)

Focused on upgrading Cambodia's public financial management system to match international standards, the Royal Government of Cambodia launched the Public Financial Management Reform Programme (PFMRP) to improve: (i) budget credibility (ii) financial accountability (iii) budget policy linkages (iv) performance accountability.

We conducted a thorough capacity assessment of key line ministries for formulation and execution of programme budget and developed a comprehensive plan for the Ministry of Economy and Finance (MEF), Royal Government of Cambodia. This included a detailed review of existing regulations, reports & training materials and proposing appropriate amendments for execution of the capacity development plan.



The World Bank II Public Expenditure Tracking Survey (PETS) and Quantitative Service Delivery Survey (QSDS) in the Health Sector, Lesotho (2015-2016)

The Government of Lesotho aimed at improving the efficiency and effectiveness of its various programmes in the health sector, particularly with regards to HIV/AIDS crisis, TB, Maternal & Infant Mortality outcomes. It also looked at prioritising fund allocation for intended beneficiaries keeping in mind effective prevention and mitigation.

We conducted the Public Expenditure Tracking Survey (PETS) and Quantitative Service Delivery Survey (QSDS) for the Government of Lesotho to analyse trends in health expenditure versus identified health priorities of the Government of Lesotho. The assessment helped identify inefficiencies & leakages at different levels, challenges and bottlenecks in resource allocation & assessment of service delivery in selected health facilities. Based on the study assessed, feasibility of scaling up performance-based financing (PBF), especially in maternal & newborn health, within the existing fiscal was also done.

The World Bank II Provision of Regional Technical Advisory Services on Local Level Public Financial Management (PFM), Ghana (2013-2016)

Local Level Public Financial Management (PFM) project aimed to enhance fiscal discipline, strategic allocation of resources and service delivery efficiency for improved infrastructure and services in urban assemblies of Ghana, through strengthened systems & procedures and targeted capacity building.

We supported 10 local governments in Ghana for implementing and institutionalising best PFM practices at the local government and municipal level through strategic, technical and capacity building support in the five core PFM areas namely:

- Budgeting Reforms
- Financial Reporting & Auditing
- Revenue Enhancement & Management
- Asset Management
- Transparency & Accountability

The support was provided through three windows of Generic Training, Regional Technical Advisory Teams (RTATs) and Capacity Support Fund.



The World Bank II Sub-National Public Expenditure Review (PER) in Health, Ethiopia (2019-2020)

The primary objective of the Sub-National Public Expenditure Review (PER) is to analyse recent fiscal developments in Ethiopia within the context of investments in health sector for achieving universal health coverage through provision of promotive, preventive, curative, and rehabilitative health services.

As part of study, we: analysed the trends, levels and composition of health spending at regional and Woreda level, both on and off-budget resources; assessed the efficiency of health spending, including allocative efficiency and technical efficiency on issues related to budget execution, financial management information systems in the health sector and productivity of health services at regional, Woreda and health facility level; assessed equity of public and external resources, including resource allocation patterns of block-grants and external funding at regional and Woreda level; provided recommendations to improve domestic resource mobilisation as well as equity and efficiency of public and external expenditures; recommended ways to improve financial management systems and budget execution at the lower level administration. The study also focused on equity aspects, including gender equity.

Founded in 1998, IPE Global is one of the largest South-Asia based development & social sector advisory organisations working across Asia, Africa, and Europe. Headquartered in New Delhi, India with 6 international offices in Cambodia, Ethiopia, Germany, Kenya, Philippines, and United Kingdom, IPE Global has successfully undertaken over 1200 assignments with bilateral & multilateral agencies, governments, and private sector in over 120 countries for partners like USAID, FCDO, World Bank, ADB, JICA, WHO, NITI Aayog, UN agencies, EU etc. and impacted 600 million+ lives globally. The Group offers a range of integrated, innovative, and high-quality consulting services across several sectors and practices like Health, Nutrition, Education & Skills Development, Climate, Urban, Tourism, Social & Economic Empowerment, and Monitoring & Evaluation among others.



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