

PUBLIC FINANCE POLICY AND REFORM



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CHALLENGES

Governments worldwide face fiscal imbalances and risks in public financial management (PFM) systems. Public finance institutions such as ministries of finance face challenges when addressing the impacts of macro-economic policies on growth, poverty, inequality, climate change, and infrastructure finance. Mobilizing public finance effectively is crucial for inclusive development. GFA therefore strengthens PFM systems through comprehensive sector reviews as part of broader public administrative reforms (PAR) and the reinforcement of PFM structures while aligning them with international standards.

GFA CONCEPT AND SERVICES

GFA works with ministries of finance to become strategic policy makers that act as guardians of effective government spending as well as revenue generation and management. This approach focuses on strengthening fiscal discipline, increasing effectiveness in expenditures and revenue management, and ensuring further alignment towards the implementation of SDGs. GFA experts analyze and strengthen PFM processes through standard diagnostic tools such as Public Expenditure and Financial Accountability (PEFA) that further enhance budgetary processes, financial reporting, auditing, and transparency. In their work with governments, GFA addresses fiscal vulnerabilities, improves PFM functions, and fosters a “collect more - spend better” approach.

GFA's core expertise in the development and implementation of macro-fiscal frameworks sets a roadmap for fiscal sustainability and economic stability, including the integration of medium-term budget structures. In pursuit of inclusivity, GFA assists governments in mainstreaming gender- and climate-sensitive budgeting principles, ensuring that budgetary decisions consider the diverse needs and priorities of all citizens and the environment.

The advisory services of GFA encompass strengthening PFM systems and macro-fiscal policies as well as the modernization of PFM structures through an end-to-end reform. This is accomplished by developing human resources capacities and helping ministries of finance in their transition to a policy setting approach and an improved revenue administration.