

Role of Public Financial Management in Sustainable Development Goals (SDGs)

Second meeting of the Working Group on SDGs and Key Sustainable Development Indicators 30 March 2021

Srinivas Gurazada

Head, PEFA Secretariat













NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

OUR PARTNERS

Schweizerische Eidgenossenschaft Confedération suisse Confederazione Svizzera Confederazione sizea

Rederal Department of Economic Allain, Education and Research EAER State Secretariat for Economic Affairs SECC

The PEFA Framework

Budget Transparency reliability of public finances Management of assets and liabilities Policy-based fiscal 888 e strategy and budgeting Predictability and control in budget execution Accounting and reporting External scrutiny

and audit

Provides a thorough, consistent and evidence-based analysis of PFM performance at a specific point in time

IMPACT

Assesses how PFM impacts on key budget outcomes: fiscal discipline, efficient resource allocation, efficient service delivery

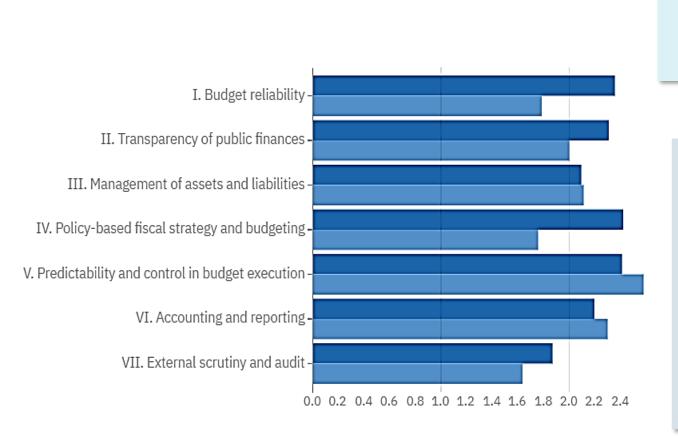
PFM REFORM

Establishes the foundation for analyzing and improving PFM

PEFA does not assess government policies.



At the national level, countries on average perform well at policy-based fiscal strategy and budgeting, but experience shortcomings in external scrutiny and audit



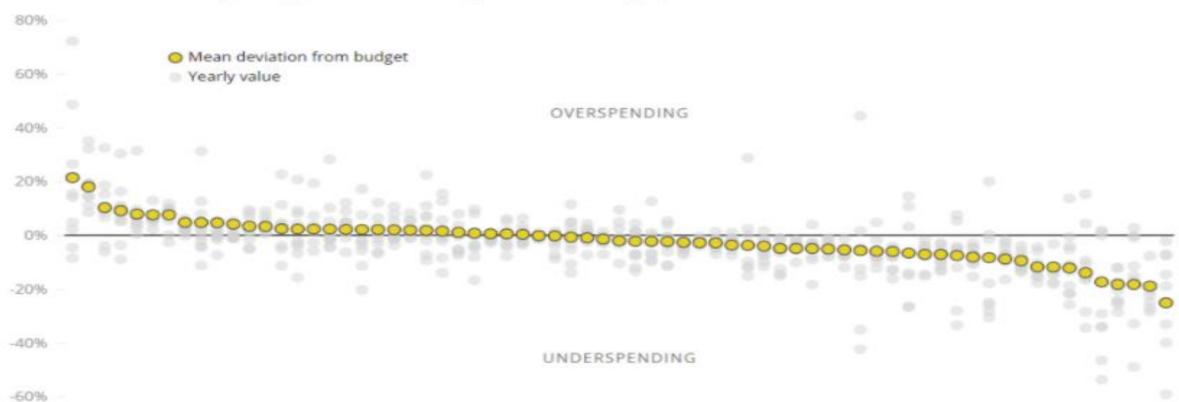
AVERAGE PERFORMANCE BY AREAS OF PFM

Global PFM score: 2.3 out of 4

PEFA pillars & SDGs

Pillar 1: Budget reliabilityPillar IV: Policy based fiscal strategy& budgetingPillar 7: External scrutiny & Audit

SDG 16.6 Effective inclusive & transparent institutions



Difference between original approved and actual government budget, 2005-19

World Bank's Atlas of Sustainable Development Goals https://datatopics.worldbank.org/sdgatlas/

Key challenges to SDGs in context of COVID19: Role of SAIs

- Risk of low priority over SDGs
- Challenges to allocative efficiency during budget processes
- Off-budget transactions
- Difficulty in distinctly identifying COVID19 related expenses
- Environment of enhanced risks of fraud and corruption





OUR PARTNERS

EXPLORE THE GLOBAL REPORT www.pefa.org

https://www.pefa.org/global-report-2020/?current=/home









NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Confederazione Svizzera Confederazione svizze Swiss Confederazion Redoral Department of Economic Affairs, Education and Research EVER





THE GOVERNMENT OF THE GRAND-DUCHY OF LUXEMBOURI Ministry of Finance