

Public Financial Management (PFM) Governance Valuation Brief

Situation

- Governments reform and modernize Public Financial Management (PFM) over time in concert with good governance objectives and country context changes
- Standard international public finance assessments are available to help chart reform roadmaps including:
 - Public Expenditure and Financial Accountability (PEFA) with additional methods for climate and gender responsiveness
 - Debt Management Performance Assessment (DeMPA)
 - Methodology for Assessing Procurement Systems (MAPS)
 - Public Investment Management Assessment (PIMA)
 - Tax Administration Diagnostic Assessment Tool (TADAT)

Complication

Governments often experience difficulties leveraging these assessments to drive country-specific reform:

- assessments are considered non-prescriptive
- consultants hired to build Public Financial Management Reform Plans tend to leverage experiences rather than using objective methods
- recommendations are often driven by donor priorities and orthodox thinking, rather than unique country contexts
- delays are experienced through the procurement, hiring, analysis, and reporting period

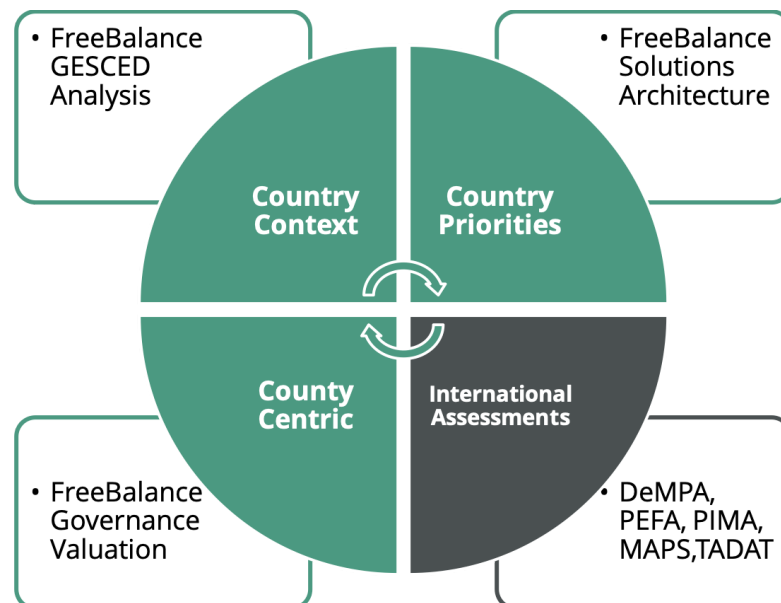
Question

- What if governments could leverage more prescriptive tools using country-specific information beyond assessments?

Solution

FreeBalance has developed [reusable templates](#) to help governments to craft country-specific reform plans through:

- **Country Context:** Articulates country context mathematically using over 200 data points, adjusted by in-country experience, using the FreeBalance GESCED (Governance, Economics, Social, Cultural, Environmental, Digital) tool
- **Country Priorities:** Aligns country, donor (when applicable), stakeholder, and technology contexts, using the FreeBalance Solutions Architecture approach
- **International Assessments:** Calibrates assessments by country priorities and public finance situation using the FreeBalance Public Financial Management Component Map
- **Country Centric:** Creates a medium-term reform plan with priorities driven by country context and biggest possible international assessment improvement using the FreeBalance Governance Valuation tool



Governments have leveraged these tools to develop PFM reform plans, evaluate consultant plans, and drive donor funding

Appendix: Supporting Material

FreeBalance blog entries

- [The Value of a Government FMIS Solutions Architecture](#)
- [The FreeBalance Approach to PFM Reform](#)