Public Financial Management

Technical Assistance in Fiscal Year 2016

METAC's work in PFM focused on bringing PFM systems of member countries closer to international practices and standards, and building capacities. During FY16, METAC was active in five member countries, making tangible contributions towards strengthening PFM capacity and processes and supporting the METAC countries in improving their budget processes and harmonizing their legal and reporting frameworks. In FY16, METAC was heavily engaged in Iraq (new Fiscal Management Law), and Sudan (treasury single account (TSA), and medium-term fiscal framework (MTFF)).

Egypt

A Fiscal Affairs Department, IMF (FAD) mission took note of the many challenges facing the authorities in extending the program and performance budgeting (PPB) pilot program and recommended that the authorities should move cautiously with these pilot activities and in close coordination with others, in some cases more urgent, changes to the PFM system is needed. These views were endorsed by a more recent World Bank mission in February 2015 which also focused on the necessary sequencing of a broadly-based PFM reform strategy, including the development of PPB. In line with these recommendations, METAC delivered a four-day workshop on PPB and provided recommendations on taking the PPB forward.

METAC long-term resident advisor participated in an FAD led mission that focused on strengthening fiscal risk management and budget planning. The mission made an assessment of potential sources of fiscal risks and provided recommendations on how the ministry of finance (MoF) can build capacity to better monitor, manage, and disclose these risks. The mission also provided recommendations on how the MoF can take steps toward a more unified and comprehensive medium-term budget framework (MTBF) that better links budget planning with the macro-fiscal framework.

Iraq

METAC, jointly with the IMF Middle East and Central Asia Department (MCD) fielded a mission to review overall progress made in the implementation of PFM reforms, discuss TA needs in the PFM area, and prepare the grounds for the next FAD mission. The mission focused on cash management system in place; status of the TSA implementation in light of the draft PFM law; status of the law; and the progress achieved following the March 2015 mission on Government Financial Statistics.

METAC long-term resident advisor participated in the FAD led mission which included staff from the World Bank. The mission took place concurrently with the MCD negotiation mission for the staff-monitored program (SMP). The mission provided guidance on the steps to (a) review the latest draft of the financial management law, (b) discuss the design of and steps required to implement commitment controls and strengthen cash management, and (c) assess the practicality of the government's plans to implement program based budgeting.

METAC long-term resident advisor joined a follow-up FAD led mission that provided assistance to the authorities to meet the SMP structural benchmark related to the financial management law.

Jordan

METAC conducted a mission which focused on developing benchmarks for the new Fund arrangement under an extended fund facility (EFF) which was discussed with the authorities. Proposed benchmarks focused on improving fiscal management and comprised of the following two areas: (i) approving a concept note, to produce the final accounts for the central government in line with international public sector accounting standards (IPSAS); and (ii) classifying the trust accounts by purpose and use, and consolidating them into the fiscal tables published in the government finance bulletin. METAC reviewed the 2014 final accounts of the central government budget, and undertook a gap analysis and highlighted the major deviations from IPSAS. METAC also assisted the authorities in classifying the trust accounts by purpose and use, and provided recommendations on how to consolidate the trust accounts into the fiscal tables.