



GIFT General Stewards Meeting

Updates on IMF Work on Fiscal Transparency

AUGUST 2, 2022

Sailendra Pattanayak and Lorena Rivero del Paso
Public Financial Management Division
Fiscal Affairs Department

Outline

- I. Fiscal transparency during the pandemic and post-pandemic
- II. Fiscal Transparency Evaluation
- III. Other related tools
- IV. Digitalization of PFM to enhance PFM efficiency and transparency



Fiscal transparency during the pandemic and post-pandemic

Keeping the Receipts and Beyond

- **Keeping the receipts.** Transparency of COVID-19 funds devoted to the health emergency
 - Including emergency procurement and beneficial ownership
 - Publication of several guidance notes (COVID-19 Special series—2020/21)
- **Beyond Keeping the Receipts** (Fiscal Monitor Oct 2021-Strengthening the credibility of public finances ; Fiscal Monitor April 2022-Fiscal policy from pandemic to war)



FISCAL AFFAIRS

Special Series on Fiscal Policies to Respond to COVID-19

This is one of a series of notes produced by the Fiscal Affairs Department to help members address the COVID emergency. The views expressed in this paper are those of IMF staff and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Preparing Public Financial Management Systems for Emergency Response Challenges¹



FISCAL AFFAIRS

Special Series on Fiscal Policies to Respond to COVID-19

This is one of a series of notes produced by the Fiscal Affairs Department to help members address the COVID emergency. The views expressed in this paper are those of IMF staff and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Keeping the Receipts: Transparency, Accountability, and Legitimacy in Emergency Responses¹



Fiscal Transparency Evaluation

Increased interest in the Fiscal Transparency Evaluation

32 FTEs (30 published)

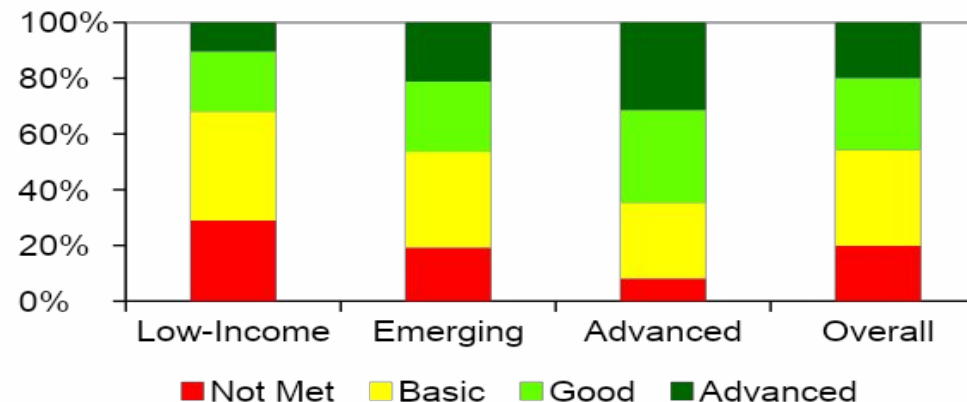
Wide range of country levels by income

- 6 advanced economies
- 17 emerging markets
- 9 lower income

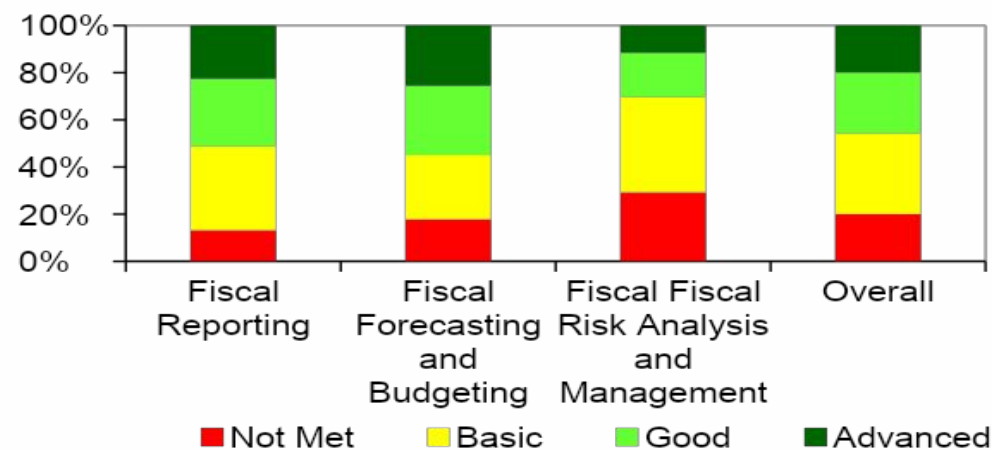
All regions

- 12 Europe
- 6 Africa
- 8 Western Hemisphere
- 2 Asia Pacific
- 4 Middle East

FTE Results by Income Level
(Percent of total scores)



FTE Results by Pillar
(Percent of total scores)





Other Related Tools

Relevant tools for better PFM and transparency (including in disclosure of fiscal risks and in PIM)

The Fiscal Affairs Department has developed new relevant tools for PFM and transparency:

Public Investments
Management
Assessment (PIMA)
and its Climate module
(and **Handbook 2022**)

State Owned
Enterprises
Health-Check Tool

Fiscal Risks
Assessment Tool
(FRAT)

Public Private
Partnerships Fiscal
Risks Assessment
Model (PFRAM)

Guarantees (both
discrete and
standardized)
Assessment Tools

IV

Digitalization of PFM

PFM Digitalization Guidelines

Each of the **11 functions of PFM** includes a disaggregated table of how the **core functional attributes**, and **levels of maturity** would look for that function.

A dedicated principle on **Dissemination of Fiscal Information and PFM Outcomes**

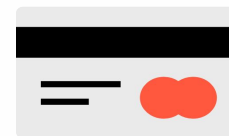
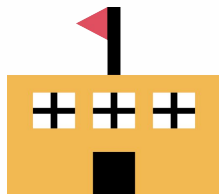
PERFORMANCE ORIENTATION OF THE BUDGET AND IMPROVED SERVICE DELIVERY			
Main objectives of the IT functionalities	Support informed decisions based on performance measures to feedback the budget process.		
Key expected features of a full-fledged digital solution	A system that generates advanced data analysis based on the performance data to achieve government objectives, including improved service delivery.		
Functions	Functional Requirements: Level of Maturity		
	Basic	Intermediate	Advanced
Achieve government objectives and improve service delivery	<p>Data Capture- Users can input data of indicators and targets manually into a system. The system is accessible through a network outside of the Ministry of Finance.</p> <p>The data includes, at least four of the following elements: i) government objectives, ii) indicators, iii) methodology of the indicator, iv) baseline, v) measurement frequency, vi) expected trajectory of the indicator (negative, positive, bands, seasonal) vii) intermediate targets (according to the measuring frequency), viii) separate elements of the algorithm for the</p>	<p>Data Capture- Users can upload data of the targets and progress in bulk from a file or another database using automated procedures. The system is operational even in low connectivity settings.</p> <p>The data includes, between five and seven of the following elements: i) government objectives, ii) indicators, iii) methodology of the indicator, iv) baseline, v) measurement frequency, vi) expected trajectory of the indicator (negative, positive, bands, seasonal) vii) intermediate targets (according to the measuring frequency), viii) separate</p>	<p>Data Capture- The system calculates indicators by accessing origin data sources (such as administrative records), when available.</p> <p>The data includes <u>all</u> of the following elements: i) government objectives, ii) indicators, iii) methodology of the indicator, iv) baseline, v) measurement frequency, vi) expected trajectory of the indicator (negative, positive, bands, seasonal) vii) intermediate targets (according to the measuring frequency), viii) separate</p>

Innovation- Costa Rica Hackathon

- Improving efficiency and transparency of Treasury Management and Payment System for Social Programs
- Main outcomes:
 - A prototype (2019) to reduce the time for a payment to reach beneficiaries from 3-5 days to just 24 hours was developed
 - All the payments will be done utilizing the Central Bank electronic payment platform
- **Implemented as a part of the IMF program Structural Benchmark (launched in 2022)**

1- Digital Innovations to Improve Treasury Management Processes

2- Adopting digital means of payments to promote financial inclusion (specially for women)



Cash Transfer Social Programs

National Treasury

Financial Entities

Final Beneficiaries

Innovation- Guatemala Open Innovation Challenge (Hackathon)

- Three selected teams:
 - **Alquimia**, an ecosystem of solutions that improves the experience of MSMEs through a virtual assistant based on artificial intelligence, with updates on the procurement and payments process with notifications in real time.
 - **Universidad del Istmo Champions**, a platform with predictions based on historical data on procurement and expenditures to improve decision-making.
 - **Urban Media**, with a smart contracts solution to automate and systematize the generation of contracts and their execution rules associated with public spending.

DESAFÍO GT:
IMPULSO a la INNOVACIÓN

Sesiones de ideación, diseño y mentoría
Del 14 al 27 de julio

1 Del 13 de junio al 7 de julio

2 28 y 29 de julio

3 29 de julio

4 29 de julio

5 Del 1 al 19 de agosto

GOBIERNO de GUATEMALA
MINISTERIO DE FINANZAS PÚBLICAS
MINISTERIO DE SALUD PÚBLICA Y ASISTENCIA SOCIAL
IMF
Organizado con ODC
Apoyado por BILL & MELINDA GATES foundation

Looking Forward to Engage with You

- **Ongoing collaboration with GIFT (recent launch of fiscal transparency online training, GIFT participation in regional seminars/workshops)**