



Public Financial Management

Promoting solutions for financial self-reliance that improve government capacity for effective, transparent and accountable public financial management

Tetra Tech has supported country partners around the world on the path to financing self-reliance by building the financial management capacity of governments and improving financial coordination and communication processes between central and local government.

Our work integrates two inter-related priorities into Public Financial Management (PFM) assistance: 1) engaging citizens in strengthening institutions and systems to ensure that they can hold governments accountable, and 2) integrating audit technology solutions and reporting capabilities to the government's institutions to transparently perform their financial management responsibilities.

Calling on decades of experience, we build the capacity of government partners to accurately develop annual budgets, improve budget allocation and overall budget preparation, implement performance-based budgeting, and strengthen property tax administration. We have launched tax awareness campaigns, improved internal audit and control systems, and used ICT tools to improve municipality financial management. In addition, we have built financial self-reliance through increased local revenue mobilization, more consistent data-driven and predictable transfers from central government, enhanced capital investments, and greater private sector investment. Tetra Tech strengthens participatory budget-making by linking it to citizens' concrete needs, feasible projects, legal obligations and building local governance capacity.



Public Financial Planning

Our projects support central and local governments in Financial Management and Control and Internal Audit system assessments to identify their strengths, weaknesses and improve their internal financial systems.



Domestic Resource Mobilization

We address systemic weaknesses in local tax collection, strengthen financial management, and ensure the transparent, accountable, and sustainable use of local financial resources.



Inclusive Planning and Civic Participation

We support improved local public service delivery through more inclusive and participatory planning processes.



Fiscal Policy and Management

We support fiscal decentralization efforts by helping governments craft legislation and provide timely, accurate financial information to support evidence-based decision-making. Areas of focus include: policies for unconditional grants to local governments, laws on local government self-financing, and public-private dialogue on fiscal policy reform.



Transparent Budgeting and Accounting

We build local government's capacity to better understand and manage the complex process of budgeting, administrative tax appeals at the local level, and help them to establish local tax appeals structures that improve their internal systems and functions.

Project Focus on PFM

Albania Planning and Local Governance Project (PLGP)

From 2012-2020, PLGP provided technical assistance and training to the Government of Albania and Albanian local government institutions with special attention to addressing systemic weaknesses in local tax collection, financial management, and the use of local financial resources. PLGP assistance and systems for local tax collection, coupled with action plans, tax awareness programs, and training of local officials in PFM, resulted in partner municipalities tax collection improvements by 10-30 percent annually and saw an average of 47 percent increase (or \$15 million) in Own-Source Revenues (OSRs) from 2012 to 2019.

PLGP provided key support to the Ministry of Finance and Economy in drafting the Formula for the Allocation of Unconditional Grants to Local Governments, constituting more than 50 percent of the budgets for more than 70 percent of LGU s. PLGP provided expertise and support in the drafting and approval of Albania's first comprehensive Law on Local Self-Government Finance (LGFL). As a result of the LGFL, local government revenues from the Unconditional Grant increased by \$63 million (or 57 percent) from 2012 to 2020. Compared to 2012, local government revenues from intergovernmental transfers have increased by \$66.3 million, or 62 percent. Finally, PLGP provided annual support to the Ministry of Finance and Economy to develop annual fiscal packages affecting local government taxes.

\$81.3 million (59%)

in local government grants and revenues through PLGP support for improved policies and strengthened capacities for local finances (over the life of the project, 2012-2020), including:

\$66.3 million

in grant monies transferred from the Ministry of Finance & Economy to all local governments in Albania through the PLGP-supported LGFL

\$15 million

in new monies generated through PLGP's efforts to build the human and ICT capacities for own-source revenue administration in partner municipalities

Afghanistan Initiative to Strengthen Local Administrations (ISLA)

ISLA enables the Government of the Islamic Republic of Afghanistan (GIROA) to improve provincial governance in fiscal budget development, annual planning, and enhancing delivery of public services. ISLA is strengthening subnational systems for planning in financial management and fiscal budgeting through participatory methods. ISLA improved the Ministry of Finance and Ministry of Economy Planning and Budgeting Department capacity both at the central and provincial levels by developing 12 need-assessed learning modules and training over 6,000 senior and mid-career officials across 16 provinces and central ministries. ISLA has helped improve center-province coordination to ensure that community-driven development projects are not only included, financed and implemented but monitored until their completion, thus bridging the trust-deficit between people and the government.

Mali Sub-National Governance Project (SNGP)

In Mali, SNGP focuses on advancing the decentralization process and creating financial self-reliance at the regional level by helping to institutionalize effective financial and asset management procedures. There are three key components of the project: strengthening national and regional PFM systems; improving coordination and communication between national and sub-national governments and civil society; and improving government audit capacity to meet international standards for monitoring public spending and service delivery at national and sub-national levels. SNGP has worked closely with regional governments to help them identify and mobilize local domestic resources to make up for national government revenue shortfalls.