



WHY IS PFM IMPORTANT FOR A SECTOR PROGRAMME?

A sound PFM system is a prerequisite for making it possible to actually implement the policies formulated in the sector programme (which is true whether or not donors contribute to the sector programme)



WHAT IS PUBLIC FINANCE MANAGEMENT?

Public Finance Management includes **all phases of the budget cycle**, including the preparation of the budget, execution of the budget, accounting and reporting, payment and cash flow, internal control and audit, procurement, monitoring of budget execution and external audit.

Planning and PFM must be integrated to become operational but Planning falls normally outside the definition of PFM



PURPOSE OF PFM

- Aggregate fiscal discipline – revenues and expenditures consistent with macro-economic goals
- Allocative efficiency – allocating among competing areas in pursuit of policy objectives
- Operational efficiency – use resources to obtain maximum value for money
- Which purpose links to the SWAp?



BEHIVE!

- Anything missing in PFM to be able to work with a SWAp in Albania today?
- If so, what is missing?
- What could be done?
- Priorities?

