

EU Results Framework Indicator Methodology Note

1. Indicator name
Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency
2. Associated EU Results Framework statement and primary SDG
SDG 17 - Partnerships for the goals EU RF statement - Strengthened domestic and other revenue mobilisation, public expenditure management and increased efficiency and effectiveness of public expenditure in partner countries
3. Technical Definition
Domestic revenue mobilisation (DRM) refers to the generation of government revenue from domestic resources, from tax or non-tax sources (royalties, licenses, levies or other income). Public finance management (PFM) comprises the full budget cycle including revenue administration, budget preparation, budget execution with cash management, procurement systems, internal controls and internal audit, accounting and reporting, external audit and scrutiny. Strengthening budget transparency can include EU support to public availability of accessible, timely, comprehensive, and sound budgetary information. Interventions using all aid modalities may be considered for this indicator, e.g. budget support or non budget support interventions with technical assistance specific aimed at improving DRM, PFM and/or budget transparency.
4. Rationale (including policy priorities and links to this indicator)
Inclusive and sustainable growth requires a stable economic framework and sound management of public finances. Both are also critical for the optimal use of development assistance, notably in the context of budget support contracts. The European Commission supports assessments and reforms of both macroeconomic and public finance management in partner countries. The New European Consensus on Development ¹ states that "enhancing domestic resource mobilisation is key to all governments' efforts to achieve inclusive growth, poverty eradication and sustainable development." The 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) includes specific commitments in SDG 17 on strengthening domestic resource mobilisation (SDG 17.1) and aspects of the public financial management, e.g. sustainable long term debt management (SDG 17.4). Domestic revenue mobilisation, public financial management and budget transparency will also be key for other SDG targets, e.g. on effective, accountable and transparent institutions (SDG 16.6), on reducing illicit financial and arms flows, strengthen the recovery and return of stolen assets and

¹ https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en

combat all forms of organized crime (SDG 16.4), economic growth (SDG 8.1), etc.
5. Level of disaggregation and other reporting requirements
Please report on all relevant types of support provided – PFM, DRM or budget transparency.
6. Data Sources (including issues on different definitions by source and level of availability of the data)
EU intervention monitoring and reporting systems: annual and final reports from implementing organisations (e.g. governments, international organisations, non-state actors, etc.), ROM reviews and evaluations.
7. Data calculation (including any assumptions made)
<p>Budget support interventions can be assumed to include support on PFM and budget transparency to partner countries.</p> <p>The EU can support a country to address several aspects of revenue mobilisation, public financial management and budget transparency. In addition, EU can support a country to address, for example, public financial management at the national and sub-national levels. However, to avoid double counting for this indicator, a single country can only be counted once in these instances even if the support were to different state institutions or by different interventions.</p> <p>If an intervention is supported via a multi-country region then the separate countries supported should be counted for this indicator taking care of the double counting issues mentioned above.</p> <p>Please report the area of support provided, e.g. DRM, PFM or budget transparency.</p>
8. Worked examples
<p>In country A, the EU is supporting the establishment of a well-functioning procurement system to support public finance management. In addition, country A is also supported to increase revenue collection from non-tax sources via a multi-country, regional intervention through a multi-donor trust fund.</p> <p>In country B, the EU is supporting the government to make publicly available comprehensive and accessible information about the national budget.</p> <p>The total number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency in this case is 2. For country A, the types of EU support reported are PFM and DRM. For country B, the type of EU support reported is budget transparency.</p>
9. Is it used by another organisation or in the framework of international initiatives, conventions, etc? If so, which?
<p>Other organisations have related indicators, for example:</p> <p>World Bank Group: Countries with strengthened public management systems</p> <p>African Development Bank: Countries with improved transparency, accountability in public sector</p>

UNDP: Number of countries that adopt and implement with UNDP assistance, upon request, constitutional, statutory and/or policy guarantees for public access to information
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10. Other issues

Improvements in these areas are vital and should be closely monitored at the intervention level.
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