THE SECTOR

Effective public financial management (PFM) — when performed with accountability to civil society — is the bedrock of economic growth and political stability. This is true at the national level and when devolved to provinces or municipalities. Donors invest in PFM programming and its related areas of good governance, anti-corruption, and decentralization to build the capacities of the public sector *and* civil society to plan, monitor, and demand accountability across the PFM lifecycle and on the journey to self-reliance.

Across these contexts, Counterpart provides key interventions that improve the quality, sustainability, and social inclusion of PFM interventions by improving the capability of civil society to engage and advocate for their constituencies. We enable citizen engagement and advocacy for accountable government, ensuring that public funds are spent as budgeted, there is transparency from budget development to disbursement, and that citizens have a say in PFM policy and practice. Our staff and programs serve as a neutral party that builds capacities, coalitions, and commitment to improved and inclusive public finance, nationally and locally.

COUNTERPART'S CAPABILITIES

We engage in PFM work directly with government actors and frequently through civil society organizations and the constituencies that they represent, combining different interventions depending on the needs profile. Effective public sector–civil society collaboration in planning and monitoring PFM often does not occur organically, instead requires strategic activities that establish trust and mutually beneficial collaborations among the many stakeholders involved. Our staff and global network of consultants and local partners provide the following services which foster sustainable, transparent, and inclusive PFM:

- **Assessment & Analysis:** Field-based, with some combination of inclusive political economy, power mapping, gender inclusion, and CSO landscape.

- **Organizational Capacity & Performance (OCP):** Across our global portfolio, we have developed, evaluated, and refined OCP activities and tools that enhance CSOs' foundational role in PFM. We train, mentor, and provide equipment and access to larger CSO networks, covering governance and leadership, advocacy and results, and operations and financial sustainability.

- **Public Sector-Civil Society Collaboration and Financing Self-Reliance:** We facilitate consultative processes among government, private sector, and civil society actors, resulting in greater transparency, accountability, and effectiveness in the use of state revenues mobilized from extractive industries.

GLOBAL EXPERIENCE AND LOCAL IMPACT

PUBLIC EXPENDITURE OVERSIGHT AND ACCOUNTABILITY

- **Promoting Advocacy and Rights** in **Bangladesh** (USAID, $7M, 2018-23) strengthens the enabling environment for CSOs to advance good governance and citizen participation in Bangladesh, including monitoring and raising awareness of PFM-related policy issues. The program also improves civil society-government platforms for dialogue through networking and advocacy and learning/research and events, as well as rapid strategy Window of Opportunity grants.

- **Supporting the Efforts of Partners** in **Malawi** (USAID, $16M, 2014-19) strengthens a more effective and vibrant civil society to provide sustained impact, be accountable to constituencies, and contribute to national development through training, capacity building, and connecting civil society specialists with Parliament staff to improve budget analysis, transparent fiscal reporting, and evidence-based policy making.

- **Fostering Accountability and Transparency** in **Zambia** (USAID, $6M, 2014-20) engages in many governance areas including effective natural resources management, working to increase public engagement

with the Extractive Industries Transparency Initiative (EITI) by facilitating CSO coalition engagements with mining companies and leading public information campaigns.

- **Parceria Cívica para Boa Governação** in **Mozambique** (USAID, $12M, 2016-20) partners with local CSOs to improve accountable and effective democratic governance in the key sectors of education, health, biodiversity, climate change, and natural resource management. Activities include facilitating EITI engagement between CSOs and mining companies and building CSOs' capacities to monitor the government's spending on education and health per fiscal commitments.

PFM IN DECENTRALIZATION AND LOCAL GOVERNANCE

- In the **Honduras** *Impactos* **Program** (USAID, $15M, 2011-17), Counterpart worked in 67 municipalities to build communities' capacity to work collaboratively with municipal authorities, the private sector, civic organizations, and *patronatos* (local councils) to deepen transparency and accountability of public institutions.

- As part of Counterpart-implemented **Participación Cívica** project in **Guatemala** (USAID, $18M, 2015-20), the Comptroller General of Accounts (CGC) identified its need to procure a server unit to support technological infrastructure needs for data collection of municipal information through an accountability mechanism developed by a previous Counterpart CSO grantee. The CGC signed institutional agreements with multiple public agencies to collect municipal data and designed a corresponding website for data aggregation.

CIVIC ENGAGEMENT AND ADVOCACY

- **Niger Participatory, Responsive Governance – Principal Activity** (USAID, $18M, 2016-21) improves public-civic dialogue and increases government responsiveness to citizen needs. It encourages local solutions, including decentralized decision-making and increased accountability through monitoring. Among the program outcomes: multi-stakeholder contribution to elements of reform implementation for targeted citizen priorities and increased capacity of key actors to promote collective action. Activities have included project facilitated consultative budget formulation in the education and health sectors.

- USAID's flagship **Afghanistan Civic Engagement Program** ($79M, 2013-19) enhances CSO engagement with the government, increases CSO and the media's expertise in democracy and governance, and expands civic engagement.

- **Azerbaijan Civil Society Project** (USAID, $8.1M, 2005-11) worked with the government to institutionalize a public financing mechanism for CSOs by establishing the NGO Council, which Counterpart trained in strategic planning, legal frameworks, and institutional development. The Council awarded over $7M to 430 Azerbaijani NGOs within its first year of operation. Counterpart also helped institutionalize transparent budget management systems in 42 municipalities.

FOR MORE INFORMATION

To learn more about how we foster inclusive, accountable, and sustainable PFM, email **PFM.HQ@counterpart.org**. Please explore Counterpart's *Inclusive Social Accountability Framework* and its proven approaches and tools here: **counterpart.org/inclusive-social-accountability.**

IN THE NEWS

EFFECTIVE ADVOCACY LEADS TO PUBLIC RESOURCES BEING USED FOR THE PUBLIC GOOD

In Morocco, Parliament amends finance bill to expand funding opportunities for local CSOs

January 2019 - The Civil Society Strengthening Program, implemented by Counterpart and funded by USAID, continues to improve the situation for CSOs in Morocco. As a result of successful advocacy efforts led by Counterpart's local CSO partners, an amendment to the 2019 Fiscal Bill was passed in Parliament, creating a first-of-its kind initiative allowing companies to direct a percentage of their income tax-free to Moroccan CSOs, allowing greater financial sustainability and national self-reliance for CSOs nationwide. The Forum Ezzahra for Moroccan Women, White Dove Association for the Rights of Persons with Disabilities, and Moroccan Volunteer Network were three of the many Counterpart partners that led advocacy and coalition-building efforts. Counterpart co-created tailored assistance programs with each CSO to strategically advance their advocacy and engagement capabilities.