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**Opening remarks at the ICGFM Winter Conference, December 7, 2015**

Good afternoon.

It is my great pleasure to welcome you, and thank you for participating in this Winter Conference of the International Consortium on Governmental Financial Management on *Transforming Development Finance: PFM's Role in Meeting Sustainable Development Goals*.

The international community is in the midst of developing a new framework to promote sustainable development to end poverty, protect the planet, and ensure prosperity for all. In this endeavor, everyone needs to do their part: governments, the private sector, civil society, and international financial institutions, including the IMF.

We in the Fiscal Affairs Department of the IMF are delighted to host this ICGFM conference. Over the next three days, we will be hearing a variety of perspectives on how public financial management institutions can play a key role in advancing the sustainable development agenda.

Sustainable development relies on sound macroeconomic and development policies, a supportive climate for private investment, and good governance. In my remarks, I would like to briefly talk about my department's work in three areas that are critical to ensure effective use of public resources to achieve sustainable development goals.

*The first area I would like to highlight is public investment.* Public investment plays an important role as countries pursue their development agenda. This is realized through the provision of both social and economic infrastructure. However, the economic and social impact of investment critically depends on its efficiency. A recent study prepared by the IMF Fiscal Affairs Department finds that the average country loses one-third of the potential benefits from public investment because of inefficiencies in the way they are managed. Indeed, improvements in public investment management practices can help countries close up to two-thirds of this efficiency gap.

For this reason, the IMF together with the World Bank have developed a new Public Investment Management Assessment, or PIMA for short. PIMA is designed to help countries identify their strengths and weaknesses in planning, allocation, and implementation of public investments. We will be piloting this new assessment over the next 12 months. We hope that it will help countries prioritize institutional reforms so as to get a bigger bang for their public investment buck.

*The second area that I would like to underscore is accountability.* It is important to ensure that legislatures, citizens, and markets have the information they need to hold governments accountable for the use public resources. The IMF's new Fiscal Transparency Code sets out up-

to-date standards for disclosure of information about public finances. The new Code replaces its 2007 version. Fiscal transparency allows for a better informed debate among policymakers and the public about the design and results of fiscal policy underpinning the development agenda. Fiscal transparency also helps establish accountability for its implementation. So I am glad that this year's conference will include several sessions looking at how to strengthen transparency and governance around the world. For our part, the IMF will continue to champion the cause of fiscal openness and accountability, both through the Fiscal Transparency Code and our new Fiscal Transparency Evaluations, which have now been conducted in 15 countries.

*The third area that I would like to emphasize is the need to support fragile states.* If we are to achieve the sustainable development goals, the public finance community must do more to help those living in fragile states. Half of those living on less than \$1.25 per day live in fragile states. Building state capacity is critical to improving the living standards of the most vulnerable citizens of the global community. Building capacity to mobilize and efficiently manage public resources is imperative. In the coming year, FAD will be preparing a paper on the lessons from experience in building fiscal management capacity in fragile states. We are therefore very much looking forward to hearing at this conference about how colleagues in Liberia, Somalia, and Afghanistan have tackled the challenges of fiscal statecraft in their countries. We are particularly interested in hearing how they used public financial management reforms to promote political, social, and economic stability and development.

Achieving sustainable development goals requires lasting improvements in fiscal institutions across these three areas. They will promote cost effectiveness. They will also make governments accountable for the implementation of their development agenda. Success requires greater efforts by all stakeholders. Many of these stakeholders are participating in the ICGFM conference, so I am sure we will have a fruitful exchange.

Thank you again for participating in this Winter Conference. You have a full agenda with an excellent roster of speakers and panelists. I expect this will be a very productive conference.