

Guide for Integrating Gender Equality and Social Inclusion (GESI) and a distributional lens into PFRC-Supported Interventions

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1. Introduction

PFM and revenue reforms are often concerned with improving the effectiveness, efficiency and capability of government systems. But their success should not be judged on technical improvements alone. The way governments raise, allocate, manage and spend public resources has consequences for people, businesses and communities. Reforms can affect who benefits from public spending, who bears the costs of taxation or fiscal adjustment, who can access or comply with government systems, and how risks and opportunities are distributed.

While reforms may improve overall system performance, their impacts are not always distributed equally. Without considering these distributional effects, technically sound reforms may unintentionally reinforce existing inequalities, create new barriers or produce unequal outcomes.

Integrating gender equality and social inclusion (GESI) into PFM and revenue interventions helps ensure that reforms are not only technically sound but also **effective, equitable and sustainable**. Applying a GESI and distributional lens helps intervention teams understand how the costs, benefits, opportunities and risks of a reform may affect different groups. It can also identify barriers and unintended consequences that might otherwise be overlooked.

This guide provides practical guidance for suppliers, delivery teams and individual experts on how to integrate a GESI and distributional lens into PFRC-supported public financial management (PFM) and revenue interventions. It applies to both short- and long-term interventions, regardless of how the support is contracted or delivered.

The guide should be read alongside the Terms of Reference (ToR) for each assignment. The ToR sets out the specific GESI requirements and deliverables, while this guide explains how GESI and distributional considerations can be integrated into technical work to strengthen the quality, impact and sustainability of PFRC-supported interventions.

This guidance focuses on the application of GESI within the technical scope of public financial management and revenue interventions supported by PFRC. Broader organisational commitments—such as inclusive recruitment, supplier diversity, safeguarding and equitable business practices—are addressed separately in the [PFRC Social Value Guide](#).

2. Overall Approach

Experience from implementing PFM and revenue reforms globally has shown that the distributional impacts of technical reforms are not always systematically considered. GESI and distributional analysis have often focused primarily on historically disadvantaged groups, such as women, people with disabilities and other socially excluded populations. While these groups continue to require particular attention, PFRC applies a broader distributional approach to GESI that examines how reforms affect different population groups across the wider society, recognising that reforms may create both intended and unintended impacts depending on the context. This means asking, from the outset: **Who is affected by the problem, in what ways, and why? Who is likely to benefit from different reform options? Who may bear costs or face additional burdens? Who may have difficulty accessing or participating in the system? Could different options reinforce or reduce existing inequalities?**

These questions should inform the analysis of the problem statement, the evidence gathered, the risks considered, the options developed, and the recommendations made. In this way, GESI is considered as part of the **core technical analysis and delivery of reform**, rather than as a separate workstream or compliance requirement.

Although the PFRC differentiates between short-term interventions, typically up to six months and narrower in scope, and long-term interventions, which are longer than six months and typically broader in scope, a fundamental principle underpinning PFRC's GESI approach is the same: to **do no harm**. In PFRC interventions, **do no harm** means that no actions should be taken and no recommendations made without an examination, acknowledgement, and proposed mitigation of the ways that actions may create or deepen existing vulnerabilities. This principle serves as a baseline across **both short- and long-term interventions**, regardless of how the support is contracted or delivered and the level of GESI integration in the intervention.

Please note that it is not always required or feasible to frame GESI analysis explicitly in 'GESI' terms. The language used will depend on the political and institutional context, as well as the preferences of clients and counterparts and the nature of the intervention and its deliverables. Distributional questions may therefore be expressed through the vocabulary of public finance and reform analysis—for example, tax incidence, compliance costs, base erosion, behavioural heterogeneity, targeting accuracy, fiscal risk or reform reversal risk. **What matters is not the terminology used, but that the underlying analysis is informed by a GESI and distributional lens.** In other words, the framing may vary to reflect the political and institutional context, while the substance of the analysis should continue to consider how reforms may affect different people, households, businesses or other actors, including whether they may reinforce or reduce existing inequalities. This allows GESI considerations to be meaningfully integrated into reform analysis without requiring them always to be labelled or presented explicitly as 'GESI'.

PFRC therefore suggests **a proportionate approach to GESI integration**, with the level of analysis tailored to the relevance and potential distributional impacts of the reform, the ToR and client requirements, partner government priorities, potential risks or unintended consequences, and the resources and timeframe available.

Where there is **a tension between these factors**, teams should not treat political feasibility, client demand, timeframe or available resources as reasons to disregard significant distributional risks. **Rather, even when counterparts or circumstances do not necessarily facilitate GESI integration, it is still necessary to consider these risks and flag the potential consequence of ignoring them.** In such cases, the appropriate response may be instead to focus available effort on identifying the most material distributional risks and unintended consequences, testing key assumptions, and ensuring these are reflected in the advice and, where possible, in the sequencing, mitigation, or design of the reform.

Please refer to the **GESI Integration Framework for PFRC Interventions** below for detail on this approach.

GESI INTEGRATION FRAMEWORK FOR PFRC INTERVENTIONS

PFRC-supported interventions should adopt a fit-for-purpose GESI integration approach in both short-term and long-term interventions.

DETERMINING THE LEVEL OF GESI INTEGRATION

The expected level of GESI integration will be determined jointly by PFRC and the **intervention team** during intervention design based on:



INTERVENTIONS WILL BE CLASSIFIED AS:

	HIGH INTEGRATION High relevance/impact	MODERATE INTEGRATION Selected workstream relevance/impact	LOW INTEGRATION Limited relevance/impact
WHEN TO APPLY	Where PFM reforms are expected to have significant distributional impacts across different groups, strong government interest, or clear opportunities to influence outcomes and promote more equitable access to public resources and services.	Where GESI relevance exists in selected workstreams.	Where technical entry points are limited or political appetite is weak.
REQUIREMENTS	- Full GESI analysis. - GESI workstream activities. - Dedicated indicators. - Explicit integration in PEA, diagnostics, MEL and reporting.	- Targeted analytical questions. - Selected indicators. - Focused integration in relevant technical outputs.	- Do-no-harm assessment - Identification of exclusion risks. - Monitoring of unintended consequences.
EXAMPLES OF OUTPUTS	- Comprehensive diagnostics including distributional impact analysis across different groups. - GESI action plan and workplan. - Dedicated MEL framework with indicators. - GESI-responsive reporting and learning.	- Targeted analysis and assessment. - Selected indicators relevant to key risks or opportunities. - Integrated recommendations in relevant technical outputs.	- Risk screening and mapping. - Basic monitoring of impacts. - Safeguard and mitigation measures as appropriate.

All PFRC interventions should apply a fit-for-purpose GESI approach. The level of integration is determined during intervention design based on reform relevance, stakeholder demand, political feasibility, available resources, timeframe, and potential exclusion risks.

Figure 1: PFRC GESI Integration Framework Classification

One thing is clear, GESI should be integrated into the technical work itself—not treated as a separate workstream or compliance exercise. The GESI and distributional lens should inform the questions teams ask, the evidence they use, the risks they identify, the reform options they develop and the recommendations they make.

3. What is often expected in short-term interventions?

Short-term interventions, such as diagnostic studies, assessments, policy advice, fiduciary risk assessments, debt management support and technical system reviews, are often focused on providing specific technical advice or analysis within a limited timeframe and opportunities for extensive stakeholder engagement, additional research or implementation support may be limited. However, these assignments frequently inform important government decisions and the design of future reforms and should therefore not be taken to mean that GESI is not relevant or that only minimal consideration is required.

Delivery teams should therefore still aim to apply a proportionate GESI and distributional lens to their analysis by considering whether proposed reforms, policies, systems or recommendations may affect different population groups differently, identify any material risks of exclusion or unintended consequences, and reflect these considerations in their technical advice (examples included in [Annex 2](#)). Where evidence is limited, they should acknowledge important evidence gaps and, where appropriate, recommend areas for further analysis or consideration during subsequent stages of reform.

As relevant to the assignment, short-term teams should:

- **Assess material distributional impacts:** consider whether the issue, proposed reform or recommendation could result in different benefits, costs, burdens, barriers or opportunities, and whether these differences are significant for the reform.
- **Identify risks and unintended consequences:** consider whether the proposed reform could create or reinforce exclusion, introduce additional barriers, shift costs or risks, or otherwise produce unintended effects that could undermine reform objectives.
- **Use available GESI/distributional impact evidence:** draw on relevant existing evidence and, where useful and feasible, disaggregated data to test assumptions and understand potential impacts. Where important evidence is unavailable, clearly identify the resulting gaps and uncertainties.
- **Engage relevant stakeholders** where useful and feasible: seek perspectives that can help test assumptions, interpret evidence and understand how the proposed reform may operate in practice, within the scope and timeframe of the assignment.
- **Integrate findings into the technical analysis:** ensure that material GESI and distributional considerations are reflected in assessments, options analysis and other technical outputs, rather than presented as a separate GESI exercise.
- **Use the analysis to refine technical recommendations:** where material distributional effects are identified, consider what they mean for the design, feasibility, sequencing, implementation or mitigation of the proposed reform, and adjust or qualify recommendations accordingly.
- **Identify issues requiring further consideration:** where the assignment cannot undertake deeper analysis, clearly set out any material evidence gaps, risks or unresolved distributional issues that should be examined during subsequent stages of reform design or implementation.

4. What is often expected in long-term interventions?

Long-term interventions typically involve sustained support to policy reform, institutional strengthening, and capacity development, and typically last more than 6 months, providing greater opportunities to integrate GESI throughout reform design and implementation. The same principles that apply to short-term interventions continue to apply, but teams should be able to **follow the analysis through into implementation, monitoring, learning and institutional change**.

Depending on the agreed level of GESI integration, suppliers should:

- **Apply a distributional lens** throughout technical analysis, reform design and implementation.
- **Generate and use evidence**, including disaggregated data where appropriate to inform reform options, sequencing and adaptation.
- **Integrate GESI** considerations into relevant workplans, technical products, tools, systems and policy advice.
- **Engage stakeholders** and government counterparts to test findings and build understanding and ownership.
- **Identify, monitor and respond** to emerging GESI and distributional risks.
- **Use distributional analysis** to inform reform options, sequencing, implementation and adaptation.
- **Strengthen the government's capability** to consider distributional impacts in routine fiscal decision-making.
- **Integrate relevant GESI considerations** into monitoring, reporting, and learning.

These are not separate GESI tasks. They should strengthen the quality and usefulness of the technical advice being provided.

5. Support from the PFRC GESI Lead

The PFRC GESI Lead will provide support to both short- and long-term intervention teams to help ensure that GESI and distributional considerations are integrated appropriately and proportionately. Following the intervention kick-off meeting, a GESI briefing session will be scheduled to discuss the intervention's agreed level of integration, identify where a GESI and distributional lens is most relevant to the technical work, and clarify expectations for implementation, monitoring and reporting. The PFRC GESI Lead may also participate in relevant technical meetings to provide advice on emerging issues and review key deliverables when useful.

For long-term interventions, GESI advisers within supplier teams are encouraged to engage with the PFRC GESI Lead as needed throughout implementation. For short-term interventions, support can be targeted to the scope and timeframe of the assignment, for example through advice on analytical questions, evidence, risks or key outputs.

Annex 1. Integrating GESI and a distributional lens across the Technical Assistance lifecycle

This annex provides practical guidance on how suppliers and implementation teams should apply GESI as a distributional lens throughout the lifecycle of interventions, including during bidding/design, implementation, monitoring and reporting.

1.1 GESI in bidding phase for long-term interventions

Bidders should demonstrate how GESI and distributional considerations will be integrated into the delivery of technical assistance and reflected across relevant workstreams. Proposals should show how the findings from the problem analysis and reform design stages will inform ongoing technical support, prioritisation of activities, stakeholder engagement, capacity building, and the development of tools, systems, processes and policy recommendations.

Rather than being treated as a standalone or compliance-driven activity, GESI and distributional considerations need to be embedded within the intervention's core technical work. Bidders should demonstrate how these considerations will inform decision-making throughout implementation, including the identification of emerging risks, opportunities and trade-offs, and how evidence will be used to refine approaches and improve reform effectiveness and impact, in alignment with their monitoring and learning approach.

Bidders need to demonstrate that they have considered how the existing PFM or revenue system affects different groups. This should include, where relevant, consideration of who benefits from current fiscal arrangements, who bears costs or burdens, who faces barriers in accessing or engaging with systems, and whether existing data is sufficient to understand differential impacts. Where significant inequalities or exclusion risks are identified, bidders should indicate whether deeper analysis is required.

The table below provides illustrative examples of how this lens may be applied across different PFRC functional areas:

PFRC Workstream / Deliverable		Examples of applying a GESI and Distributional Lens
Budget Strategy Papers, Fiscal Strategy and MTEF Support		Assessing how proposed revenue and expenditure measures may affect different groups; identifying distributional implications of fiscal adjustment options; and informing decisions on spending priorities, subsidy reforms or fiscal consolidation measures.
Budget Preparation and Budget Reform	Circulars, Budget	Supporting the integration of distributional considerations into budget guidance, expenditure planning processes and budget submissions; strengthening the use of evidence on how spending decisions affect different groups.
Public Expenditure Reviews and Spending Reviews		Analysing who benefits from public expenditure and whether spending patterns align with policy objectives; identifying groups that may be underserved or disproportionately affected by spending reductions.
Revenue Mobilisation and Taxpayer Base Expansion		Assessing how taxpayer registration, compliance and enforcement strategies affect different taxpayer groups; considering barriers to formalisation; and analysing the distributional impacts of proposed tax policy or administration reforms.
Customs Modernisation and Trade Facilitation		Assessing how border procedures, digital customs systems, inspections and compliance requirements affect different trader groups, including small-scale and cross-border traders; identifying opportunities to improve accessibility and compliance.
Tax Administration Reform		Using taxpayer segmentation and disaggregated data to understand compliance patterns; reviewing taxpayer services and communication approaches; and

Fiduciary Risk Assessments	ensuring reforms do not unintentionally increase compliance burdens for particular groups. Assessing whether weaknesses in budgeting, expenditure controls, procurement, transfer systems or accountability mechanisms create disproportionate risks for particular groups or undermine equitable access to public resources.
Institutional Strengthening and Capacity Development	Building the capability of ministries of finance, revenue authorities, customs administrations and oversight institutions to assess distributional impacts and integrate such analysis into routine fiscal decision-making.

Table 1 Examples of Applying a GESI and Distributional Lens in Intervention Workstreams

1.1.1. GESI evaluation criterion

GESI forms part of the bid evaluation criteria; bidders are therefore assessed on the extent to which GESI and distributional considerations have been meaningfully integrated into the proposed technical approach. This includes the quality of the problem analysis, the extent to which distributional impacts have informed the design of reforms, the appropriateness of proposed measures to manage risks and maximise positive outcomes, and the adequacy of the proposed expertise and resources to deliver the required level of GESI integration.

The Managing Supplier's GESI Lead may participate in the assessment of GESI responses. Evaluation will be proportionate to the nature of the intervention and the specific GESI requirements set out in the Terms of Reference.

Short-term interventions do not normally go through the same competitive bidding process. However, the same principles should be applied during **intervention design and scoping**. The intervention design should consider whether the proposed support is likely to have material GESI or distributional implications and, where relevant, ensure that these are reflected in the scope, technical approach and expected outputs. This should inform the selection of expertise and the level of analysis required, proportionate to the nature and timeframe of the assignment.

1.2 The inception phase

The inception phase is crucial for ensuring that GESI and distributional considerations are embedded within the design and delivery of the intervention. During this phase, suppliers should consider how proposed reforms may affect different groups and use these insights to inform the intervention's technical approach, work planning, risk management and learning framework, proportionate to the intervention's agreed level of GESI integration as explained in the above GESI Integration Framework (Figure 1).

This process should begin with the Political Economy Analysis (PEA) in which distributional and GESI lenses are embedded. A GESI-informed PEA will help suppliers understand how power, incentives, institutions and social norms shape reform priorities, implementation and outcomes. In particular, it should identify who benefits from existing arrangements, who may be affected by proposed reforms, and what political, institutional or social factors may influence reform implementation. These insights should then inform the design of the intervention, including the Theory of Change and logframe, stakeholder engagement, reform sequencing, risk management and the selection of technical approaches.

The findings from the GESI and distributional lens-enriched PEA should be reflected throughout the Approach Paper and embedded within relevant workstreams. Rather than being treated as a standalone activity, GESI should form part of the technical methodology used to analyse reform challenges, assess reform options and design intervention activities. Where relevant, the

workplan should reflect how a GESI and distributional lens will be applied within intervention workstreams.

The intervention budget should also reflect the level of ambition in terms of allocating resources commensurate with the agreed level of GESI integration, while the Risk Register should identify and monitor any material GESI-related or distributional risks associated with the intervention.

Short-term interventions may not have a formal inception phase, PEA, Theory of Change or Approach Paper. However, at the outset of the assignment, teams should identify the **most relevant distributional questions associated with the technical issue or reform** and consider how these will be addressed within the available time and evidence. Where relevant, this should include identifying potential distributional impacts and risks, key evidence or evidence gaps, and any stakeholder perspectives needed to inform the analysis. These considerations should be integrated into the technical methodology rather than treated as a separate GESI exercise.

1.3 Delivery Phase- MEL and reporting

In line with the [PFRRC MS MEL Guide](#), GESI and distributional considerations should be integrated into an intervention's Theory of Change (ToC), logframe, monitoring arrangements and learning processes.

For long-term interventions, suppliers should demonstrate how a GESI and distributional lens has informed the intervention logic, implementation approach and expected outcomes. The level of integration should be proportionate to the intervention's objectives, risks and potential distributional impacts.

MEL Component	Examples of GESI and Distributional Integration
Theory of Change	Reflects how distributional considerations influence reform design, implementation and outcomes. GESI may be included as a dedicated outcome area, change pathway, assumption or risk depending on the intervention.
Outcomes	Measures changes in PFM systems, policies, processes or organisational performance and considers whether reforms are benefiting, affecting or excluding different groups.
Outputs	Tracks delivery of technical assistance products, tools, systems, guidance, analyses, capacity development activities or institutional reforms that incorporate GESI and distributional considerations.
Indicators	Includes quantitative and qualitative indicators where relevant, with disaggregation by key characteristics where feasible and useful.
Learning and Adaptation	Uses evidence to assess whether reforms are achieving intended outcomes, identify unintended consequences, and inform adjustments to implementation approaches.

Table 2 Illustrative examples of GESI integration in MEL frameworks

Examples of indicators may include:

- reforms, policies, systems or tools that incorporate distributional analysis;
- evidence products that assess impacts on different groups;
- government capacity to consider distributional impacts in fiscal decision-making;

- stakeholder perceptions of accessibility, fairness, transparency or accountability; and
- examples where distributional analysis informed reform decisions or implementation adjustments.

A longer list of illustrative indicators is provided in [Annex 3](#) and will be included in the updated version of the [PFRC MS MEL Guide](#).

Short-term interventions will not normally require a Theory of Change (ToC), logframe, or separate GESI monitoring framework or indicators. Given their shorter duration and focused scope, the emphasis should be on using GESI and distributional analysis to strengthen the technical work and capturing the learning that emerges from it.

MEL should therefore be integrated into the assignment rather than treated as an additional process. As the work progresses, teams should test initial assumptions against available evidence and consider whether emerging GESI or distributional findings have implications for the technical analysis, risks, options or recommendations.

1.4 Reporting on the application of a GESI and distributional lens

GESI reporting should not be seen as tracking impacts on groups; PFRC's interest is indeed broader and more strategic: *"Did applying a GESI and distributional lens lead to better PFM and revenue reforms?"*

Monthly, quarterly and annual reporting should focus on **the value added to the technical intervention**, rather than reporting GESI activities undertaken. Where material issues are identified, teams should be able to answer three questions: **What did the analysis identify? How did it influence or nuance the technical advice? What, if anything, should be monitored or investigated further?**

Weak reporting: "GESI considerations were incorporated into the taxpayer registration strategy."

Strong reporting: "Analysis of taxpayer registration data identified lower registration rates among women-owned micro-enterprises. This informed revisions to the taxpayer registration strategy, including simplified registration procedures and targeted outreach, reducing barriers to registration and supporting revenue mobilisation objectives."

Monthly Dashboards

Monthly reporting should be concise and limited to material developments where the application of a GESI and distributional lens has influenced a workstream.

Where there are no material developments, suppliers should provide a brief explanation. This may include noting that no significant GESI or distributional issues arose during the reporting period, or that the nature of the activities undertaken did not require further application of the GESI and distributional lens.

Quarterly and Annual Reports

Quarterly and annual reports should provide a more reflective assessment of how applying a GESI and distributional lens has influenced intervention delivery and outcomes.

Reporting should focus on:

- key GESI/distributional insights generated through the workstream/s;
- how those insights influenced technical decisions, intervention choices or implementation approaches;
- whether this improved intervention effectiveness, sustainability, feasibility, legitimacy or uptake;
- risks, unintended consequences or implementation challenges that were identified and addressed; and
- GESI/distributional lens lessons that should inform the delivery of future interventions.

The annual report in particular should synthesise learning across workstreams rather than describe activities undertaken.

As a minimum, suppliers should answer the following questions:

1. What insight emerged from applying a GESI and distributional lens?
2. How did this influence technical decisions, reform design or implementation?
3. What value did this add to the intervention?

Where relevant, findings should be supported by quantitative or qualitative evidence, including disaggregated data where available. Case studies are encouraged where they demonstrate how applying a GESI and distributional lens contributed to stronger reform outcomes or improved risk management.

Reporting should be proportionate to the intervention's agreed level of GESI integration. The objective is not to maximise reporting, but to capture material insights and demonstrate how applying a GESI and distributional lens has contributed to better PFM and revenue reform outcomes.

Annex 2. Illustrated supplement: practical examples of interventions applying GESI and distributional lens

A proportionate GESI and distributional lens should help the team **see something relevant to the reform that might otherwise have been missed and use that insight to improve the technical advice**. Depending on the assignment, this may mean identifying an unintended consequence, recognising a trade-off between efficiency and implementation, understanding incentives or barriers more clearly, refining or qualifying a recommendation, proposing mitigation or sequencing, or identifying an issue that needs to be monitored or analysed further.

1. Short-term PFM and Revenue Interventions

The examples below illustrate how applying a proportionate GESI and distributional lens can **strengthen the technical analysis and recommendations of short-term PFM and revenue interventions**.

1.1. Example 1: Revenue mobilisation and coffee export facilitation

The assignment: A short-term PFRC intervention supported a revenue authority to strengthen revenue mobilisation and address fraud in an important agricultural export sector. The technical work examined export procedures, compliance, fraud risks and administrative bottlenecks, with recommendations focused on stronger controls, digitalisation, simplification and institutional coordination.

What applying a GESI and distributional lens can add: A narrow technical assessment focused initially on whether proposed measures improve administrative efficiency, strengthen enforcement and increase formal revenue collection. Applying a distributional lens broadened the analysis by asking **how the existing system and proposed changes affect incentives and costs across the value chain**, and whether these effects matter for the success of the revenue reform.

For example, the underlying analysis showed that fraud and informal trade were associated not only with weaknesses in enforcement, but also with economic incentives such as price differentials, currency constraints and payment delays. It also identified the importance of the coffee sector for rural livelihoods and noted that persistent constraints could affect producer decisions and ultimately formal export volumes.

What this can achieve: The lens helped the team recognise that **stronger enforcement alone may not address the underlying incentives driving informal activity**. Recommendations on controls and fraud mitigation were therefore considered alongside measures to **reduce administrative bottlenecks, transaction costs and delays, while making formal export channels more efficient and accessible**. This resulted in more balanced technical advice that addressed not only revenue protection and compliance risks, but also the practical conditions that support sustained compliance and a stronger formal tax base.

Where the short-term assignment like this one cannot establish how effects are transmitted through the value chain—for example, to producers—the team can identify this as an evidence gap and recommend further analysis or monitoring rather than assuming the effect.

1.2. Example 2: Digitalisation of VAT — options review

The assignment: A short-term intervention was asked to assess options for digitalising elements of VAT administration and recommend an approach based on revenue potential, administrative efficiency, compliance and implementation feasibility.

What applying a GESI and distributional lens can add: In addition to assessing the technical merits of each option, the intervention considered **how the costs and practical requirements of different options may be distributed across the taxpayer base**. For example, examining whether different taxpayer segments face materially different transition costs, administrative burdens, access constraints or reliance on intermediaries.

What this can achieve: The analysis showed that the option offering the greatest administrative efficiency for the revenue authority also created compliance or transition costs for parts of the taxpayer base. This did not automatically mean rejecting that option. Rather, it allowed the team to **identify the trade-off and improve the design**—for example, through sequencing, phased implementation, simplified processes, transitional arrangements or assisted channels.

The GESI and distributional lens strengthened the options appraisal by ensuring that **implementation feasibility and taxpayer response are considered alongside administrative efficiency**. This can support uptake and compliance and reduce the risk that digitalisation inadvertently pushes some economic activity away from formal into informal systems.

1.3. Example 3: Customs reform to strengthen revenue mobilisation

The assignment: A short-term intervention reviewed customs procedures and controls to identify opportunities to **increase revenue collection, reduce revenue leakage and improve compliance**, while maintaining efficient movement of legitimate trade.

What applying a GESI and distributional lens can add: Alongside assessing revenue risks, valuation, enforcement and administrative efficiency, the intervention considered **how proposed customs measures may affect different types of traders and their incentives to comply**. For example, changes to documentation, inspections, digital processes or enforcement that may create different time, cash-flow or compliance costs across trader segments. The analysis helped identify whether these effects could unintentionally discourage formal trade, increase incentives for avoidance or informal activity, or otherwise undermine the intended revenue gains.

What this can achieve: The findings helped the team develop **more effective and targeted capacity building**, and combined work on stronger control processes or enforcement measures with simplified procedures, improved information, better-targeted risk management or reduced administrative bottlenecks where these are important to maintaining compliance. This helped ensure that efforts to increase customs revenue do not inadvertently create additional barriers that weaken formal participation or encourage non-compliance.

Applying the lens therefore strengthened the revenue analysis by considering not only **where revenue is being lost and how controls can be strengthened, but also how proposed measures may affect taxpayer behaviour and the sustainability of the formal revenue base.**

2. Long-term PFM and Revenue Interventions

The examples below illustrate how a GESI and distributional lens can **strengthen long-term PFM and revenue interventions**. These too are intended as starting points rather than prescriptive checklists.

As with short-term interventions, the immediate purpose of integrating GESI is to use distributional analysis to improve technical decisions. The additional opportunity in a long-term intervention is to **follow those decisions through implementation**: test assumptions against evidence, monitor material effects, adapt the reform where necessary, and—where there is government demand and institutional feasibility—embed useful analytical approaches into existing government systems and processes.

The objective is not to institutionalise “GESI activities” for their own sake. It is to strengthen the government's ability to understand how fiscal reforms operate in practice and use that evidence to make **more effective, equitable and sustainable PFM and revenue decisions**.

2.1. Example 1: Tax policy, administration and taxpayer communication

The intervention: A long-term tax reform programme to support improvements to tax policy, legislation, administration, compliance and taxpayer services, to increase revenue mobilisation and strengthen the effectiveness of the tax system.

What applying a GESI and distributional lens can add: The programme examined how the existing tax system and proposed reforms distribute tax liabilities, compliance costs, administrative burdens and access to taxpayer services across the tax base. Rather than assuming in advance which taxpayers were to be disadvantaged by reforms, using tax administration data, taxpayer segmentation, compliance evidence and additional GESI and distributional qualitative research, the programme identified **where material differences could occur and what is driving them**. For example, the programme identified particular filing requirements, thresholds, digital processes and administrative practices which create substantially different compliance costs across taxpayer segments. It also examined whether compliance and audit approaches generate unintended effects and recommended adjustments in communication and taxpayer services to ensure that they are reaching the taxpayers for whom they are intended.

Because the intervention was long-term, these findings were incorporated into the design and testing of reforms, and their effects monitored as implementation progresses.

What this can achieve: Distributional analysis helped government develop tax reforms that are not only technically and administratively sound, but also **more likely to achieve sustained compliance and revenue outcomes**. Outcomes of the intervention informed changes to filing procedures, thresholds, taxpayer services, compliance strategies, digital systems or communication approaches.

2.2. Example 2: Domestic resource mobilisation and informal sector formalisation

The intervention: A long-term intervention supporting government in domestic resource mobilisation to broaden the tax base, improving compliance and increasing participation in the formal tax system.

What applying a GESI and distributional lens can add: A conventional approach focused primarily on identifying untaxed economic activity and bringing additional taxpayers into the system was not sufficient. Efforts to broaden the tax base would potentially face **public resistance and pushback if the costs and implications of formalisation were not understood and addressed**. Applying a GESI and distributional lens broadened the analysis by asking **why different economic actors remain outside the formal system, what costs, barriers and incentives they face, how different approaches to formalisation may affect them, and what this means for the acceptability and sustainability of the reform**. Analysis examined differences in business size and activity, profitability, registration and compliance costs, interactions with tax authorities, access to information, or the benefits and costs associated with formal status. This helped distinguish between deliberate non-compliance and situations where the structure or administration of the tax system itself creates significant barriers to formalisation.

What this can achieve: The findings supported **more effective tax-base expansion strategy recommendations**. Rather than relying primarily on registration and enforcement, it was suggested that government may combine appropriate enforcement with simplified regimes, proportionate registration and filing requirements, improved taxpayer services, sequencing or other measures that address material barriers to formalisation.

Because the programme operated over a longer period, it monitored whether formalisation measures actually resulted in sustained registration and compliance, learned from taxpayer behaviour and adjusted the approach accordingly. This helped strengthen the tax base without creating administrative burdens that inadvertently fall on taxpayers, encouraging both individuals and businesses to remain or return to informality.

2.3. Example 3: Public investment management and project appraisal

The intervention: A long-term public investment management reform programme supported government to strengthen the appraisal, selection, budgeting and monitoring of capital investment projects.

What applying a GESI and distributional lens can add: Traditional project appraisal considers economic and financial returns, costs, feasibility and value for money. Applying a GESI and distributional lens strengthened this assessment by also considering **how the benefits, costs and risks of proposed investments are distributed, and whether these differences are material to investment decisions**. For example, two infrastructure projects may generate similar aggregate economic returns but have significantly different implications for access to services, geographic connectivity, affordability, displacement or economic opportunities. These considerations were assessed **alongside, rather than instead of, economic, financial and technical criteria**.

The programme then worked on supporting government to determine distributional impact, what evidence should be considered, and how it should inform project appraisal and selection.

What this can achieve: Rather than establishing a separate GESI appraisal process, proportionate distributional analysis was embedded within existing work on project appraisal guidance, templates, business cases and review processes. This aimed to support government in designing processes and developing knowledge around better-informed investment decisions, enabling decision-makers to consider not only aggregate economic and financial returns but also material differences in who benefits, who bears the costs and how these effects may influence the overall value and sustainability of an investment.

Monitoring is ongoing to test whether the expected benefits and costs identified at appraisal are materialising during implementation.

2.4. Example 4: Budget preparation and management

The intervention: A long-term programme supported a Ministry of Finance to strengthen budget strategy, preparation, allocation and management processes.

What applying a GESI and distributional lens can add: The programme strengthened the evidence available to government on **the distributional impact of their public expenditure, winners and losers of their fiscal decisions, and on how different budget options may affect reform and policy objectives.**

At the strategic level, this involved incorporating relevant distributional analysis into consideration of expenditure, revenue or fiscal adjustment options. During budget preparation, support to budget departments and MoF in developing guidance to ministries encouraging/mandating consideration of material distributional effects where these are relevant to spending proposals, rather than requiring a generic GESI assessment for every budget submission. The programme helped identify where existing data or budget processes make it difficult to understand the distribution of spending and whether better use of administrative, expenditure or other evidence could strengthen decision-making.

What this can achieve: Distributional evidence become an additional input into **budget prioritisation and trade-offs**, alongside affordability, fiscal sustainability, efficiency and policy effectiveness. For example, where expenditure reductions are being considered, analysis was used to show that two options with similar fiscal savings have significantly different effects on service access or impose different costs elsewhere in the public sector or economy. This can influence the choice, design or sequencing of the savings measure.

Over the longer term, where there is government demand and institutional feasibility, relevant analysis can be integrated into existing budget guidance, expenditure review processes and decision-making rather than becoming a parallel GESI budgeting process.

2.5. Example 5: Digitalisation of tax administration

The intervention: A multi-year programme supported a revenue authority to digitalise registration, filing, payment, invoicing and other taxpayer services to improve administrative efficiency, compliance and revenue performance.

What applying a GESI and distributional lens can add: The programme analysed how different elements of digitalisation affect **compliance costs, access to services and taxpayer behaviour across relevant taxpayer segments**. During design, this helped identify where digital requirements may create significant transition costs or barriers. In the future, during the roll-out of the tax reform implementation, administrative data and taxpayer feedback can be used to test whether those anticipated effects are actually occurring. For example, the initial distributional and GESI impact analysis can be used to examine whether changes in filing completion, errors, payment behaviour, use of intermediaries or requests for assistance differ materially across taxpayer segments following introduction of a new system.

What this can achieve: Rather than treating digitalisation as a one-off technical system change, the intervention aimed to create frameworks that enabled **adaptation of reform actions in response to evidence**. This might involve revising processes, improving taxpayer support, changing sequencing or transition arrangements, or simplifying particular requirements.

Over time, this can contribute to digital tax administration that delivers administrative efficiencies **without creating avoidable compliance barriers that undermine uptake, formalisation or revenue performance**.

Annex 3. Expanded List of Examples of GESI/Distributional Outcome and Output Indicators

Below is an illustrative menu of indicators for integrating gender equality and social inclusion (GESI) and a distributional lens into technical assistance on public financial management (PFM) and revenue. Indicators should be selected according to the intervention's theory of change, fiscal instrument, material distributional risks, country context, data availability and what the TA can reasonably influence.

Disaggregation note: Use context-relevant dimensions rather than applying the same categories mechanically. These may include sex/gender, income or consumption group, age, disability, geography, household type, employment/formality status, business size/type, sector and other relevant characteristics.

Table A1: Outcome Indicators (Expanded List)

Indicator	Type	Disaggregation	Means of Verification
Number/proportion of relevant PFM, revenue or audit systems that institutionalise GESI and/or distributional considerations	Quantitative	N/A; underlying data disaggregated where relevant	System documentation; administrative data; procedures
Percentage of relevant fiscal reforms subject to ex ante or ex post GESI and/or distributional impact assessment	Quantitative	By reform/instrument; underlying analysis by relevant population groups	Assessment reports; policy files
Proportion of relevant budget and revenue decision-making processes that use disaggregated and/or distributional evidence	Quantitative	Gender, income/consumption group, age, disability, geography and other context-relevant characteristics	Budget documentation; tax-policy papers; M&E reports
Number/proportion of relevant fiscal policies, procedures or guidelines revised to embed GESI and/or distributional considerations	Quantitative	By PFM/revenue function	Policy documents; revision logs
Extent to which GESI and distributional analysis is routinely embedded and used across relevant PFM and revenue policy cycles	Qualitative	By function/stage	Policy/process reviews; interviews; evidence of application
Evidence of improved accessibility, administrative fairness and reduced barriers or compliance burdens in fiscal systems for affected groups	Qual/Quant	Gender, disability, income, geography, taxpayer/household type as relevant	Administrative/user data; surveys; complaints; focus groups
Changes in the incidence and distribution of fiscal costs and benefits across relevant population or economic groups	Quantitative	Income/consumption decile or quintile, gender, household type, geography, disability, business size/type as relevant	Fiscal incidence/distributional analysis; modelling; household/admin data
Extent to which affected and underrepresented groups meaningfully participate in and influence fiscal reform processes	Qual/Quant	Context-relevant groups	Consultation records; participant data; decision/response logs
Changes in perceptions of accessibility, transparency, fairness and responsiveness of relevant fiscal institutions/processes	Qual/Quant	Gender, age, disability, income, geography as feasible	Citizen/taxpayer surveys; feedback mechanisms

Indicator	Type	Disaggregation	Means of Verification
Proportion of relevant oversight/audit products that assess GESI or distributional implications and generate actionable findings	Quantitative	By audit/oversight area	Audit reports; parliamentary/oversight records; follow-up records
Extent to which fiscal transparency products are accessible and respond to the information needs of diverse user groups	Qualitative	Disability, language, literacy/access needs where relevant	Document/accessibility reviews; user testing; feedback
Evidence that institutions independently and routinely apply GESI and distributional analysis in fiscal policy, administration and decision-making	Qualitative	By institution/function	Institutional assessments; process reviews; interviews; examples of decisions
Extent to which decision-makers use distributional evidence when selecting, modifying or sequencing fiscal reform options	Qualitative	By fiscal instrument/reform; relevant affected groups	Decision records; policy submissions; interviews; analytical annexes
Evidence that identified adverse distributional effects are mitigated through reform design, compensation, targeting, sequencing or complementary measures, as appropriate	Qual/Quant	Relevant affected groups	Policy/reform documents; distributional assessments; implementation records

Table A2: Output Indicators - Systems, Evidence and Engagement

Indicator	Type	Disaggregation	Means of Verification
Number of PFM/revenue tools, systems or procedures updated to integrate GESI and/or distributional considerations	Quantitative	By fiscal function	SOPs; specifications; documentation
Number/proportion of relevant fiscal analytical products incorporating GESI and/or distributional analysis	Quantitative	By fiscal instrument; analysis by relevant groups	Analytical reports; QA/review records
Number/proportion of relevant fiscal datasets containing variables needed for GESI and distributional analysis	Quantitative	Gender, income/consumption, age, disability, geography, household/business characteristics as relevant	Data inventories; metadata; system logs
Number/proportion of relevant fiscal reform processes using inclusive and accessible consultation mechanisms	Quantitative	Participant groups relevant to reform	Attendance/participation records; consultation reports
Number/proportion of key fiscal communication products made available in appropriate accessible formats and channels	Quantitative	Language; disability/accessibility requirements as relevant	Published materials; accessibility checks; dissemination records
Percentage of substantive recommendations from affected/underrepresented groups receiving a documented response and/or reflected in reform design	Quantitative	Participant/stakeholder group	Consultation matrices; response logs; policy drafts
Number of relevant PFM/revenue guidance notes, manuals or templates updated to require or guide GESI/distributional analysis	Quantitative	By fiscal function	Guidance; templates; version histories
Number of institutional processes updated to systematically incorporate GESI and/or distributional considerations	Quantitative	By process/function	Official procedures; administrative records
Number/proportion of relevant tax, expenditure or fiscal reform options subject to distributional/incidence analysis before recommendations are finalised	Quantitative	By fiscal instrument; relevant affected groups	Analytical reports; option papers; TA deliverables

Indicator	Type	Disaggregation	Means of Verification
Number of TA recommendations modified as a result of GESI/distributional analysis or stakeholder evidence	Quantitative	By PFM/revenue area; affected group where relevant	Draft/final comparison; review notes; decision logs

Table A3: Output Indicators - Capacity, Institutionalisation and Adoption

Indicator	Type	Disaggregation	Means of Verification
Number/proportion of relevant counterpart staff completing training/coaching on applying GESI and distributional analysis to their fiscal functions	Quantitative	Gender, role/seniority, institution/function	Training/coaching records
Percentage of participants demonstrating improved capability to apply GESI/distributional concepts and methods to relevant PFM/revenue tasks	Quantitative	Gender, role/seniority, function	Pre/post assessments; practical exercises
Evidence that trained/coached staff apply GESI or distributional methods in actual fiscal analysis, systems or decision-making	Qualitative	By institution/function	Work products; manager assessments; observation
Evidence of sustained changes in counterpart practices resulting in routine consideration of GESI/distributional implications	Qualitative	By institution/function	Process reviews; observations; performance assessments
Number and quality of mechanisms established to engage organisations representing affected or underrepresented groups in relevant fiscal reforms	Qual/Quant	Stakeholder/group type	Agreements; consultation records; evidence of engagement/influence
Number/proportion of relevant fiscal policy papers or reform proposals containing distributional analysis and discussing implications for affected groups	Quantitative	Income/consumption group, gender, geography, household/business type as relevant	Policy papers; analytical annexes; review records
Number/proportion of relevant monitoring systems able to track differentiated and distributional results	Quantitative	Relevant population/economic characteristics	M&E frameworks; system documentation
Evidence of improved completeness, accuracy, interoperability and usability of data required for GESI/distributional analysis	Qual/Quant	By variable/data source	Data-quality assessments; audits
Number/proportion of relevant TA activities that explicitly address material GESI or distributional issues identified in diagnostics/design	Quantitative	By PFM/revenue area	TA plans; mission reports; deliverables
Number of pilots testing GESI/distributionally responsive approaches, with results documented for potential adaptation or scale-up	Quantitative	By intervention/population where relevant	Pilot reports; evaluations
Extent to which institutions adopt and routinely use TA-supported GESI/distributional tools, methods or processes	Qual/Quant	By institution/function	Usage records; completed analyses; institutional documents