

# Country comparisons

## Asian Development Bank Workshop

October 2014

PEFA Secretariat

*The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.*

## Country Comparisons

The PEFA Framework was developed to measure progress **over time** in **one** country – **not** for Country Comparisons

- ‘Summary assessment’ to provide nuanced overview of strengths & weaknesses as basis for reform prioritization
- No method given for arriving at one measure for ‘overall performance level’
- No attempts to create global performance list

## Country Comparisons

Country Comparison is an emerging issue due to demand from:

- Governments – to know how they perform compared to their peers
- Researchers – to identify global or regional PFM strengths and weaknesses; & country examples of strong performance in select areas
- Donors – for considering technical assistance to PFM & for aid allocations

## Country data and how to use it

Comparison of two countries must be done very **cautiously**:

- Resembles comparison of assessments over time in one country but more complex
- Technical definitions may be different
- Need to carefully read each report to understand performance differences behind the scores
- Consider country context, ensure comparison of like with like

Comparing scores alone can be **misleading**

## Comparing groups of countries

With increasing number of countries to compare, aggregation **may** be desirable: requires three decisions:

- Conversion from ordinal to numerical scale
- Weighting of indicators (generally & by country)
- Weighting of countries (for country cluster analysis)

## Comparing groups of countries

No scientifically correct or superior basis for deciding conversion and weights exists

- Each user takes those decision on individual opinion
- PEFA Program will not endorse any particular method

In case aggregation is desired:

- Be transparent on aggregation methods used
- Discuss reasons for choice
- Sensitivity analysis to illustrate impact on findings

## Country data and how to use it

- Scoring statistics can be made available by the PEFA Secretariat
- For countries where the reports are not publicly available: Ratings provided anonymously (organized by region or by country income level)
- Better not include in Performance Report – keep in a separate non-public document

**Thank you for your attention**