

# The Assessment Process

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- Upstream stakeholder coordination
- Scope of assessment: Concept Note/TOR
- Resources requirements & mobilization
- Quality Assurance arrangements
- Disclosure of final reports

## Stages in a Typical Process

0. Agree to undertake PEFA assessment
  1. Agree purpose, scope and stakeholder roles
  2. Prepare TOR
  3. Mobilize assessment team
  4. Introduction workshop for stakeholders
  5. Review of existing information
  6. Inception Report
  7. Main field work
  8. 1<sup>st</sup> Draft Report
  9. Quality Review
  10. Supplementary field work
  11. Draft Final Report
  12. Presentation seminar
  13. Final report

# Stakeholders

## Government

- Self-assessment (with external IA validation)
- Joint assessment (joint team)
- Collaboration with IA-led assessment
- Determined by interest & capacity
- Expectations: how will performance compare to others? No specific benchmark set C+ may be the middle of scale but not median score from assessments so far (median = C)

**International Agency:** collaboration often partial (work goes well where a PFM or budget support group already firmly established, but...)

## Other Stakeholders

- Supreme Audit Institution
- The Legislature
- Civil Society & Private Sector Organizations

## Government's role

In all cases, Government has to:

- Provide information / assist with data collection
- Participate in workshops

Reasons for Government involvement:

- Contribute to fair assessment results
- Overview of PFM performance (identifies strengths & weaknesses; areas for in-depth analysis)
- Be involved in discussion on implications of results
- Use as monitoring tool, measuring impact of reforms
- Facilitate IA harmonization & reduce transaction costs

## Assessment Reference Group

Government, IAs & other stakeholders should create a Reference Group (RG), essential to agree internally & with government:

- To ensure needs & issues of all parties addressed
- To lead to a consensus regarding the finding

### Coordination of work

- Scope of the assessment
- Concept Note & TOR
- Resources requirements & mobilization
- Quality assurance arrangements
- Disclosure of final reports (& potential use of report)

# Checklist for assessment ToR

- Background & context
- Purpose of the assessment
- Involvement of stakeholders in assessment
- Methodology for undertaking assessment
- Reporting
- Consultation & follow up to the assessment
- Implementation schedule & deliverables
- Team composition & Inputs

# Key definitions: Reaching agreement

## Why define?

- Many comments on drafts caused by different perceptions of what is assessed: clarity on: Scope; Transparency; Sharing of findings & results; consistency across PIs & over time

## Identify coverage per dimension (*Guidance*)

## Which definitions?

- Central government (GFS?); AGAs; P Enterprises
- Expenditure Arrears
- Sub-National governments vs. *Deconcentrated*
- Extra-budgetary activity

# Resources

No standard answer - each country different: depends on: scope; extent of recent related work; size of country & government; government participation; ease of information access; language

## Personnel

- For assessment preparation, management & implementation
- Government, donor agencies, consultants

## Financial

- IA budgets
- External inputs, consultants, Workshops

## Who contributes what ?

- Government will decide on personnel it can contribute
- Each IA to decide personnel resources/budgets it can make available
- External resources may be provided by one agency or shared among several
- Maintain Flexibility
  - Allocate substantial resources for follow-up work
  - Resource backup if output is unsatisfactory & needs further work/additional expertise

# Composition & Management of Team

- Multi-skilled team: covering **full range** of indicators: Planning & Budgeting, Accounting & Auditing, Procurement & Tax administration
- PEFA experienced team member: (Leader?) International & local consultants
- Assessment process needs coordination of activity & methodological consistency
- Costs & resource use:
  - Average USD 126,000 (range \$50,000-\$280,000)
  - Average 92 professional labor days (30-275)
  - Volume linked to size of country

# Requirements for Quality Report

- Adherence to PEFA methodology
- Data/Information must be adequate & correct
- Quality of Summary Assessment: Strengths, weaknesses & implications for achieving budgetary outcomes
- Structure, logic & language, to clearly convey key messages
- Timeliness & availability

# Quality Assurance – Why bother?

A **good** report: accurately reflects country situation, meets “Objectives of the Framework” & can satisfy its intended use

A **poor** report

- Lack of stakeholder agreement on country situation
- Fails to capture strengths & weaknesses in PFM system
- Not sufficiently specific to permit tracking of progress over time

# PEFA Secretariat quality review

- On request, free of charge, quick feedback (10 days)
- For Concept Notes/TOR & Assessment Reports
- Appraises adequacy of background info (sections 1, 2 & 4) & application of performance indicators (section 3)
- Review of each indicator: correctly interpreted, sufficient evidence, scoring method correctly applied?
- Considers whether summary assessment brings out clear message consistent with indicator analysis & background
- Follow-up review – evaluates response to initial review

# PEFA CHECK

Enhanced Quality Assurance Mechanism for  
PEFA Assessments



## PEFA CHECK: what & why?

- Verification that “good practices” in the preparation & implementation of an assessment have been followed, based on 6 criteria = “Process quality endorsement”
- As more and more PEFA assessments are prepared & Stakeholders rely on them: PEFA CHECK seeks to:
  - Increase trust of users in the quality of reports
  - Enforce good practices & creates incentives to adhere to them



## PEFA CHECK: how?

1. Quality review: at least 4 independent PFM institutions (Govt, lead agency, Secretariat, others)

### *Concept Note*

2. Review of draft/final draft
3. Illustrate how comments have been addressed

### *Report*

4. Review of draft/final draft
5. Illustrate how comments have been addressed
6. Disclose QA arrangements in the report



## Report disclosure

- A 'common information pool' means general access to final reports – many potential users
- Public access, usually by posting on a website if allowed by Government
- When informed, PEFA Secretariat will include on website

# Summary

- Ensure that quality assurance system has been captured into the process from on-set
- Ensure that the terms of reference capture all issues pertinent to producing quality report
- Establish what PEFA Secretariat can do to assist in producing a quality report

**Thank you for your attention**