



PEFA assessment cycle overview

10 steps for planning, managing, and using PEFA

How to use this guidance

Experience gained from more than 500 PEFA assessments demonstrates clearly that a well-planned and systematic process is crucial to efficient and timely completion of a comprehensive, evidence-based PEFA.

This guide explains the basic phases and steps in a standard PEFA assessment process. It provides a chronological checklist of what to do and when to do it. Tips are provided on where to get further information and the important matters to consider in each step. It is aimed at all users who are involved, or expecting to be involved, in a PEFA assessment.

The diagram *PEFA in 10 steps* provides a visual overview of the entire PEFA cycle. It provides an indicative timeframe for the four phases of planning, field work, reporting and PFM reform action.

The companion table *10 steps for planning, implementing, and using PEFA* expands on the diagram. For each step it identifies the key tasks, highlights the main issues, identifies who should be responsible and the indicative timeframe. The table also provides advice on where to get PEFA Secretariat guidance needed for each step or task.

The timeline included in the table measures the time period using as focal point the date that fieldwork (F) commences. The reason that the field work is the focal point for the timeline is that it is usually the most resources intensive part of the PEFA process and needs to be performed efficiently for both the assessment and the people who will be consulted during the fieldwork. The period before fieldwork (F-x) covers all of the planning and preparatory activities. The period after the fieldwork (F+x) relate to what happens with the information once it has been collected, including preparation of the PEFA report, and the next steps after the report has been completed. The timeline for a PEFA assessment depends on country circumstances, but most assessments take about 10 months from the initial dialogue on the need for a PEFA assessment (Step 1) to the final report and publication (Step 8).

More detailed information on the 10 Steps can be found in Volume 1 of the PEFA Handbook: *Planning, managing and using PEFA*.



10 steps for planning, managing and using PEFA

	Steps	Key Tasks	Main Issues	Responsibility	Indicative Timeline	PEFA Secretariat Support	
P L A N N I N G	1	Dialogue on the need for a PEFA assessment	1.1 Initiate a dialogue on the need for a PEFA assessment	<ul style="list-style-type: none"> Discussions should focus on: <ul style="list-style-type: none"> the purpose, scope, and coverage type of assessment timing resources and proposed funding source May be part of broader public administration reform dialogue May be internal discussion within government or between government and international organizations and civil society 	Government, Development Partners	F-6	<ul style="list-style-type: none"> PEFA Handbook Volume 1: <i>PEFA Assessment Process</i>; Additional guidance and assistance as required.
			1.2 Establish an Oversight Team (OT) ⁱ ,	<ul style="list-style-type: none"> The OT's role is to govern the process and oversee the PEFA assessment The OT should include all main stakeholders; OT members identify and agree: <ul style="list-style-type: none"> key responsibilities approach to assessment 	Government, Development Partners	F-6	
			1.3 Identify resource requirements and funding source	<ul style="list-style-type: none"> Requirements will depend on the scope of the assessment Need to identify expertise required Calculate staffing and consultancy costs Estimate other costs including travel, translation, administrative support etc. 	Government, Development Partners	F-6	
			1.4 Appoint the assessment manager (AM)	<ul style="list-style-type: none"> AM is responsible for day to day management of assessment process 	OT	F-5	
			1.5 Appoint a government liaison officer for the assessment.	<ul style="list-style-type: none"> Government appoints a liaison officer who is the focal point of, or main contact for, the assessment team, whether it is a self-assessment or external assessment 	Government	F-5	
	2	Develop the Concept	2.1 Prepare draft of CN/ToR	<ul style="list-style-type: none"> CN/ToR specifies: 	AM; Government,	F-4	<ul style="list-style-type: none"> CN/TOR guidelines and template in

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	Note/Terms of Reference (CN/TOR)		<ul style="list-style-type: none"> ○ Objectivesⁱⁱ, scopeⁱⁱⁱ and coverage of the assessment ○ Size^{iv} of the assessment team (number), its composition (staff, international and local consultants) and required expertise (minimum requirements in terms of skills, local knowledge), training requirements, budget, sourcing, and timetable^v ○ Approach and methodology ○ Management and oversight ○ QA arrangements ● Government approval of the CN/ToR (see 2.3) is important for ensuring government's commitment and ownership 	Development partners		PEFA Handbook Volume 1: <i>PEFA Assessment Process</i>
		2.2 Peer review	<ul style="list-style-type: none"> ● The Concept Note (CN) is shared with the government if they are not already part of the assessment team ● Four peer-reviewers should be requested to review the CN/TOR and the report^{vi} (see PEFA CHECK requirements), including Government representatives and the PEFA Secretariat ● Allow at least 2 weeks for review. ● This is an essential step for the report to qualify for the process quality endorsement, PEFA check (explained in the PEFA Handbook) 	AM, Peer Reviewers, PEFA Secretariat	F-4	<ul style="list-style-type: none"> ● PEFA CHECK guidelines and templates included in PEFA Handbook Volume 1, Annex 1.8
		2.3 Finalize CN/ToR.	<ul style="list-style-type: none"> ● Revise CN/TOR to address peer-reviewers comments ● OT, then government, approve final CN/ToR ● Submit approved CN/ToR to PEFA Secretariat 	AM, OT, Government	F-3	<ul style="list-style-type: none"> ● CN/TOR guidelines in PEFA Handbook Volume 1: <i>PEFA Assessment Process</i>
3	Prepare for the assessment	3.1 Mobilize the assessment team (AT) ^{vii} .	<ul style="list-style-type: none"> ● AM will identify, assemble and mobilize the AT ● The assessment team leader (TL) leads the assessment work and coordinates the assessment AT 	AM, assessment TL and as appropriate government or	F-2	<ul style="list-style-type: none"> ● PEFA Handbook Volume 1: <i>PEFA Assessment Process</i>

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B	4	Launch and introductory training.		<ul style="list-style-type: none"> AM and assessment team leader (TL) will clarify roles and responsibilities of team members, how the team will function, communicate and coordinate within and outside the team 	development partner		
			3.2 Identify data requirements and data sources ^{viii}	<ul style="list-style-type: none"> Identify data requirements and sources for indicator set and PEFA report; <ul style="list-style-type: none"> Reviewing published/unpublished data prior to the field work can save significant time and resources AM issues an initial data request to relevant officials 	AM, AT Government representatives	F-1	<ul style="list-style-type: none"> PEFA Handbook Volume 1 <i>PEFA Assessment Process</i> includes data request to host country. PEFA Volume 2: <i>PEFA Assessment Fieldguide</i> includes guidance on data requirements, calculations and data sources.
			3.3 Prepare field work schedule/agenda.	<ul style="list-style-type: none"> Announce planned field visit and agree agenda and meeting schedule with host country and organizations. Issue letter confirming arrangements Prepare data bases and templates for retention and storage of information required/collected 	AM in consultation with government officials and development partners AT	F-1	<ul style="list-style-type: none"> PEFA Volume 1: <i>PEFA Assessment Process</i> includes template and draft letter for mission schedule
			3.4 Specify reporting requirements	<ul style="list-style-type: none"> Includes periodic briefings, briefing notes to the OT, at end of fieldwork, discussion of final report with OT (and senior government officials) 	OT Lead agency	F-1	
			4.1 High level briefing to senior officials.	<ul style="list-style-type: none"> Senior government officials and members of the OT may prefer a separate briefing on key aspects of PEFA and the assessment. The AT may provide this briefing at the start of the fieldwork 	AT, Senior government officials		
F			4.2 Introductory 'launch' training	<ul style="list-style-type: none"> The launch informs stakeholders including government officials, members of the OT and development partners, of the purpose, scope and 	AT, Government officials,	F	<ul style="list-style-type: none"> PEFA Secretariat 'model' training workshop material
W							

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O R K			<p>assessment methodology and relevant features of the PEFA framework</p> <ul style="list-style-type: none"> • A formal launch provides the opportunity to explain PEFA and how the assessment will be performed. It is important that people responsible for providing data and others involved in the assessment know what is required and why • Length of training can vary from 1 to 2 days 	development partners		included in PEFA Handbook Volume 1
	5	Data collection and analysis	<p>5.1 In-country data collection</p> <ul style="list-style-type: none"> • Data collection begins in Step 3, and continues with the in-country field work • Assessors should ensure there is sufficient data to address all aspects of scoring requirements, calculations and required data tables • Data will be captured from documents and interviews with key stakeholders including members of the OT, other government officials, development partners and civil society organizations 	AM AT	F	<ul style="list-style-type: none"> • PEFA Handbook Volume 2 – <i>The PEFA Assessment Fieldguide</i> specifies data requirement, calculations and data sources.
			<p>5.2 Data analysis and initial scoring</p> <ul style="list-style-type: none"> • As data is collected assessors begin the process of analyzing data and, based on this evidence, scoring of indicators and dimensions • It is also important to validate and cross-reference information received 			<ul style="list-style-type: none"> • PEFA Handbook Volume 2 – <i>The PEFA Assessment Fieldguide</i> includes additional definitions, interpretation and measurement guidance
			<p>5.3 Field mission exit presentation (initial findings and data gaps)</p> <ul style="list-style-type: none"> • Sometimes the AT makes a presentation to the OT and senior government officials and development partners at the conclusion of the field work to: <ul style="list-style-type: none"> ○ Present initial scores and findings ○ Identify any outstanding data requirements 	AT, OT, Senior government officials		<ul style="list-style-type: none"> • PEFA Handbook Volume 1 includes draft outline of a PEFA field work exit presentation.

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6	Draft assessment report preparation	6.1 Prepare draft PEFA report.	<ul style="list-style-type: none"> Following the field work, the AT commences preparation of draft the PEFA report and scores for dimensions and indicators, including the narrative content contained in Chapters 3 and 4 The data analysis is combined into a draft report, using the prescribed PEFA format outlined in the PEFA 2016 Framework document and the PEFA Handbook. More detailed analysis of the implications of results for pillars, high level outcomes and internal control elements usually takes place after basic scoring and narrative explanations are well advanced 	AT	F+2	<ul style="list-style-type: none"> PEFA Handbook Volume 3: <i>The PEFA Report</i> sets out the detailed structure of the PEFA report, guidelines and report template.
7	Review, validation, and refinement	7.1 Submit draft PEFA report for peer review	<ul style="list-style-type: none"> The draft PEFA report is shared with at least four peer reviewers for comments <ul style="list-style-type: none"> Reviewers should include representatives of the government assessed, the PEFA Secretariat and at least two PFM independent institutions At least three weeks should be allowed for peer reviewers to provide comments 	AM, Peer reviewers (including government and PEFA secretariat)	F+2	<ul style="list-style-type: none"> PEFA Handbook Volume 1: <i>The PEFA Assessment Process</i> includes a peer-review standard checklist.
		7.2 Response to peer review (peer review comments matrix)	<ul style="list-style-type: none"> Draft report is refined in response to comments and a separate matrix of peer review comments and assessment team response is prepared Following the initial review some assessments have a “validation” workshop at this point where the government and other stakeholders provide comments to the draft report 	Peer-reviewers	F+3	<ul style="list-style-type: none"> PEFA Handbook Volume 1: <i>The PEFA Assessment Process</i> includes a template for a peer review comments matrix.
		7.3 Revised draft submitted to peer reviewers for follow-up review	<ul style="list-style-type: none"> Submit revised draft assessment report and separate matrix of comments to peer-reviewers <ul style="list-style-type: none"> Allow at least 2 weeks for a follow-up review 			

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8	Final report and publication	8.1 Presentation of final draft PEFA report to Government.	<ul style="list-style-type: none"> Once the refinements have been made to the draft report, the latter is finalized and provided to the government for acceptance A briefing is usually arranged with the OT, senior government officials and development partners This may involve a workshop for a wider audience 	AM, AT, Government, development partners	F+4	<ul style="list-style-type: none"> PEFA Handbook Volume 3: <i>The PEFA Report</i> which includes template and guidelines.
		8.2 Submit final report to PEFA Secretariat (PEFA Check)	<ul style="list-style-type: none"> AM initiates request for the PEFA check Subject to meeting requirements the PEFA Secretariat issues the PEFA Check 	PEFA Secretariat	F+4	<ul style="list-style-type: none"> PEFA Handbook Volume 1: <i>The PEFA Assessment Process</i>, sets out the PEFA Check guidelines
		8.3 Government approves the final report	<ul style="list-style-type: none"> Government approves final report 	Government	F+4	
		8.4 Publication of the final report.	<ul style="list-style-type: none"> Acceptance of the final report is usually followed by public release and often a dissemination event involving interested organizations and officials If authorized by government, the PEFA Secretariat will publish the report on its website <ul style="list-style-type: none"> Authorization can be done by an e-mail The final report is usually published on a government website and on the PEFA website in quick succession 	Government, PEFA Secretariat, development partners (where relevant)	F+4	<ul style="list-style-type: none"> PEFA Secretariat will upload the PEFA report on its website following government approval to publish.
D P F M R E F O R	9 Reform dialogue	9.1 Appoint a technical team (TT) to prepare reform plan and/or PFM action plan.	<ul style="list-style-type: none"> TT is appointed by the government Its role is to facilitate dialogue and prepare a PFM reform strategy and/or action plan Government considers a range of factors in deciding priorities including other relevant information (such as other diagnostics, political, economic and environmental factors) Draft reform plan should identify required actions, capacity development needs and costs 	Government and/or development partners	Country specific	<ul style="list-style-type: none"> PEFA Handbook Volume 1 – <i>The PEFA Assessment Process</i>
		9.2 Undertake consultations within	<ul style="list-style-type: none"> The dialogue should involve consultations with senior government officials, development partners and other key stakeholders 	TT		

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M A C T I O N		government and with other stakeholders.	<ul style="list-style-type: none"> The dialogue should: <ul style="list-style-type: none"> discuss the PEFA report findings as well as other relevant information including other diagnostics and current reform initiatives and focus on the need for a comprehensive and integrated strategy and reform program, and how such a reform program agenda could be financed and implemented 				
		9.3 Prepare draft PFM reform strategy or PFM action plan	<ul style="list-style-type: none"> Following the dialogue the TT will prepare a draft PFM reform strategy, action plan or similar document for submission to the government for approval 	TT		<ul style="list-style-type: none"> PEFA Handbook Volume 1 – <i>The PEFA Assessment Process</i> 	
		9.4 Review and approve final PFM reform plan or action plan.	<ul style="list-style-type: none"> Following consideration and any amendments, the government should approve the PFM reform action plan. At this time the government should also identify its priorities as well as a mechanism for monitoring implementation (see Step 10) 	Government			
	10	Monitoring and follow-up	10.1 Monitor PFM reform progress over time using PEFA.	<ul style="list-style-type: none"> The government (through the MoF or other central agency) can use PEFA indicators and dimensions to measure PFM reform progress over time The government should appoint someone to be responsible for monitoring implementation of the action plan and reporting back 	Government - MOF		Country specific
			10.2 Review and refine actions	<ul style="list-style-type: none"> Regular reports to the head of the TT should be prepared by those responsible for implementing reforms (in accordance with the action plan). The head of the TT (or other responsible officer) should prepare regular updates (e.g. quarterly or half-yearly) for the government. Develop proposed follow-up activities including subsequent PEFA assessments 	Reform plan action officers; TT		

ⁱ OT members would be drawn from the leading government entity in the assessment (e.g. MOF, NAO), other government agencies involved, non-government stakeholders such as the Audit General office, Parliament, etc. and development partners

ⁱⁱ The objectives for the assessment should reference the application of the 31 indicators and the structure of the PEFA report as described in the PEFA 2016 [framework document](#). The reasons for not using a specific indicator should be clearly explained (see page 7, PEFA 2016 document, insert link). To be considered a PEFA assessment, the report needs to include at least two-thirds of the indicators. Partial use of the PEFA framework is discouraged although it is appropriate to use particular indicators or dimensions in the government internal monitoring and evaluation system. In the case of a successive assessment the requirement to measure and document performance changes over time should be clearly stated and explained in the CN (see PEFA 2016, Annex 1, page 107). The CN should specify that the team must explain all factors that impact a change in rating, indicator by indicator; identify the performance change and ensure that readers can track the change from the previous assessment.

ⁱⁱⁱ The levels of government to be assessed should be clearly defined on the basis of the structure of general government, for example, central government, subnational government, sample of subnational governments, etc..

^{iv} The size of the AT, person days and average costs depend on the scope and nature of the assessment, and the size of a country. Precise resource requirements will vary from country to country. There is no “standard budget”.

^v A PEFA assessment should be planned and carried out within as short time as possible otherwise, it loses relevance, however, the timetable should contain flexibility to accommodate unforeseeable complications and provide time to fill information gaps after the initial comments are received from the reviewers.

^{vii} It is recommended that the assessment team leader is an experienced PFM practitioner and ideally has received training in the relevant PEFA methodology and has previous PEFA assessment experience.

^{viii} In establishing information requirements it is important that definitions are clear, for example, SNG is distinguished from de-concentrated central government entities; domestic arrears, extra-budgetary funds, and classification of parastatals. The use of correct definitions facilitates tracking performance changes over time. Guidance on information requirements can be obtained from the PEFA Handbook.