What’s new in PEFA
About PEFA

PEFA Program
PEFA Framework
Global Use of PEFA
The PEFA Program

• **PEFA**: Public Expenditure and Financial Accountability

• PEFA partnership founded in 2001

• The PEFA program provides a standard methodology or framework for assessing PFM – first framework launched in 2005
The PEFA Framework

EVIDENCE
Provides a thorough, consistent and evidence-based analysis of PFM performance at a specific point in time

IMPACT
Assesses how PFM impacts on key budget outcomes: fiscal discipline, efficient resource allocation, efficient service delivery

PFM REFORM
Establishes the foundation for analyzing and improving in PFM
The PEFA Framework

3 OUTCOMES
Aggregate fiscal discipline, strategic allocation of resources, efficient service delivery

7 PILLARS

31 INDICATORS
Performance indicators are spread out throughout the budget cycle and further disaggregated into:

94 DIMENSIONS
PEFA used in 366 National Assessments in 148 countries

Countries with PEFA National Assessments
- 4 or more PEFA National Assessments
- 2 or 3 PEFA National Assessments
- 1 PEFA National Assessment
- No PEFA National Assessments
PEFA used in 266 Subnational Assessments in 45 Countries

Countries with PEFA SN Assessments

- 12 and more PEFA SN Assessments
- 3-11 PEFA SN Assessments
- 1-2 PEFA SN Assessments
- No PEFA SN Assessments
PFM reform trends
PFM trends mirror development priorities

• **Service delivery focus** – human capital as driver of growth
  - PFM as enabler of service delivery
  - Focus on the “handover” between cross cutting PFM systems and delivery
  - Prioritizing PFM reforms that deliver on policy objectives

• **Public investment management** – infrastructure as a driver of growth
  - Alternative financing
  - Re-introducing “the project” and “the project cycle” in budgeting and management

• **GovTech (e-Government)** – technological disruption as a driver of growth
  - IFMIS, e-procurement, HRMIS and beyond
  - Open data, feedback, transparency and dialogue
  - Cloud, AI, big data
  - Robotic process automation, internet of things, blockchains, etc. (TBD)
PFM trends mirror development priorities

• PFM and climate change – climate change as a risk to growth
  • International focus (the 2019 Helsinki Declaration, ongoing OECD working group)
  • Tax policy
  • Public Investment Management, fiscal policies, etc.

• PFM reform evergreens – macro fiscal pressures, assurance,…
  • Debt management and debt transparency
  • Transparency and disclosure
  • MTEF, PPP, Accounting standards, cash management etc.

• New ways of prioritizing and implementing PFM reforms
  • Open source, project management approaches
  • Problem Driven Iterative Approaches (PDIA)
  • Political Economy, stakeholder analysis, working with the grain
Recent Developments in PEFA
PEFA ONGOING DEVELOPMENTS
PART #1

01
• New logo & website
• Improved & interactive database
02 PEFA FORWARD LOOK REVIEW
The aim is to propose options for the future of PEFA program in terms of focus and scope, organization & funding.

03 GUIDANCE UPDATE
Light update of the PEFA Handbook:
- Vol 1 – The PEFA Assessment Process
- Vol 2 – The PEFA Fieldguide
- Vol 3 – The PEFA Report

04 PEFA & PFM IMPROVEMENT
Issuance of guidance on the PEFA PFM dialogue (Vol 4 of the PEFA Handbook).
PEFA AT THE SUBNATIONAL LEVEL

Subnational PEFA stocktaking and options
- Evaluation of SNG PEFA application
- Evaluation of SNG PFM challenges and diagnostic needs
- Adjustments & piloting

AGILE PEFA

Identify and test approaches to streamline management, data collection, report writing, and approval.

06 PEFA REPORTS

Simplification of the PEFA report structure.
Communication of results.
INTERNATIONAL COMMITMENTS

EMERGING GRB PRACTICES

‘More than 80 countries have now undertaken some form of GRB’ (Stotsky, 2016).

LEGAL FRAMEWORK

GENDER BUDGET STATEMENT

EX-ANTE & EX-POST IMPACT ASSESSMENT

GENDER DISAGGREGATED DATA

PEFA GRB FRAMEWORK

Capitalizing on the PEFA framework to collect information on gender responsive budgeting practices in countries around the world.

- Peer review
- Public consultations
- Pilot testing
- Case studies
- Training & outreach

INTERNSATIONAL COMMITMENTS
PEFA ONGOING DEVELOPMENTS

PART #5

09 RESEARCH
PROMOTING USE OF PEFA DATA

WORLD BANK—ODI PUBLICATION
Study on the relationship between PFM & governance

STOCKTAKING UPDATE
Focus on country examples

GLOBAL PEFA REPORT
Capitalizing of PEFA dataset & highlighting stories and results

RESEARCH CHALLENGE
Role of PFM in improving service delivery
PFM & Climate change
Learn more about PEFA

www.pefa.org  services@pefa.org