

PULSAR  FINCOP & EDUCOP



PEFA



PFM in a changing world

December 3, 2024

Vienna, Austria

www.pefa.org

#PEFA

The PEFA program

- PEFA: **P**ublic **E**xpenditure and **F**inancial **A**ccountability
- Partnership program
 - Since 2001
- Provides a standard methodology or framework for assessing PFM



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of Finance



The PEFA Framework



EVIDENCE

PFM performance at a specific point in time

IMPACT

Assesses how PFM impacts on key budget outcomes

PFM REFORM

Foundation for analyzing and improving PFM

PEFA does not assess government policies.

PEFA PFM performance assessment – the key numbers



3 OUTCOMES

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

7 PILLARS



31 INDICATORS

94 DIMENSIONS

How are PFM systems in the World?

799 PEFA assessments in 155 countries



COUNTRIES WITH PEFA ASSESSMENTS

- COUNTRIES WITH NATIONAL AND SUB-NATIONAL PEFA ASSESSMENTS
- COUNTRIES WITH NATIONAL PEFA ASSESSMENTS
- COUNTRIES WITH ONLY SUB-NATIONAL PEFA ASSESSMENTS
- COUNTRIES WITH NO PEFA ASSESSMENTS

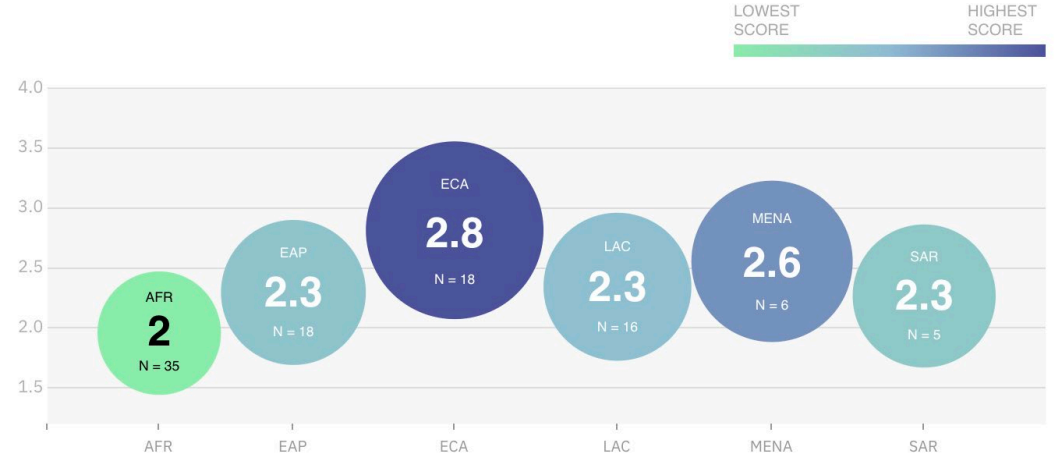
Global PFM Score 'C'i.e., Basic Level of Performance'
&
Huge Scope for improvements

346 PEFA at a local level

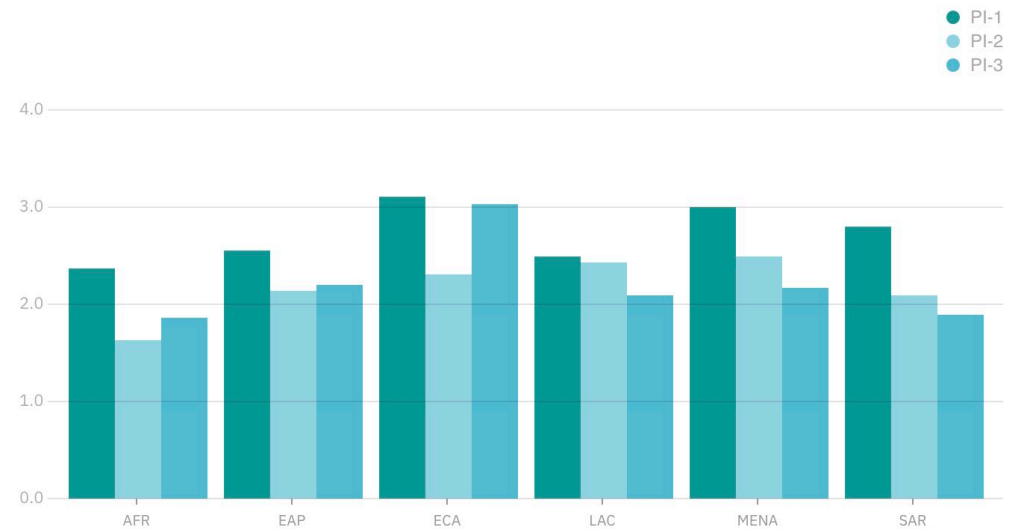
Budget Reliability

Aggregate more in reasonable range than composition

BUDGET RELIABILITY -- REGIONAL AVERAGE (PEFA 2016)



BUDGET RELIABILITY -- REGIONAL BREAKDOWN (PEFA 2016)





FISCAL TRANSPARENCY

- Information exists in several cases but to public – a gap
- More than half of the countries incurred significant expenditure outside government financial statements

MANAGEMENT OF ASSETS AND LIABILITIES

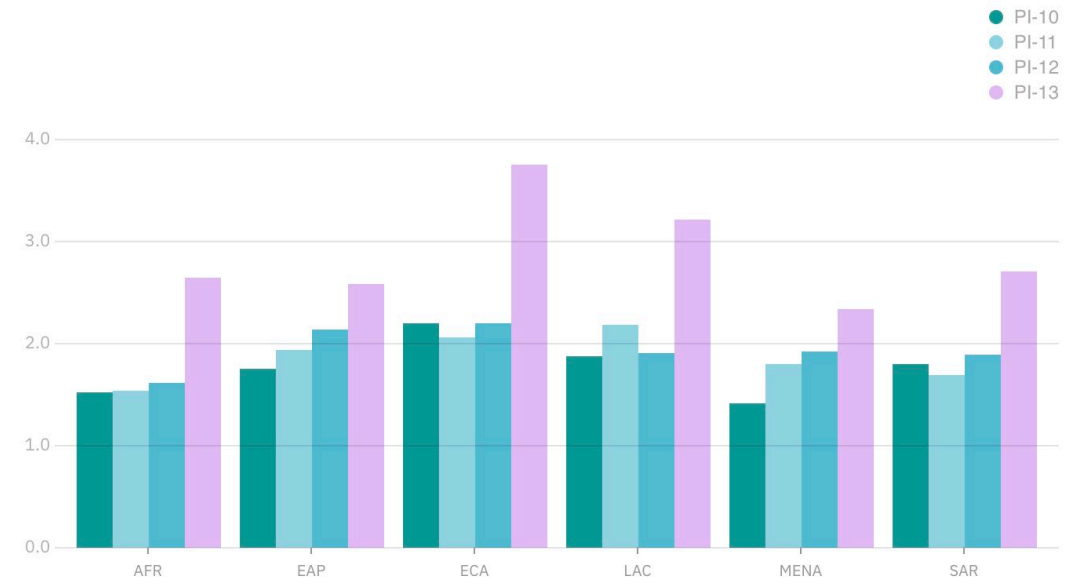
Huge opportunities to generate greater value through improved PIM and PAM

Good news that Debt management process improving (although questions about debt sustainability remain)

MANAGEMENT OF ASSETS AND LIABILITIES -- REGIONAL AVERAGE (PEFA 2016)



MANAGEMENT OF ASSETS AND LIABILITIES -- REGIONAL BREAKDOWN (PEFA 2016)





BUDGET PLANNING

- Budget documentation improved very significantly
- In over 80% of countries, budgets do not align sufficiently with medium-term plans.



BUDGET EXECUTION

- Revenue arrears and expenditure arrears an area of concern
- Non-competitive public procurement methods still significant percentage in many countries



ACCOUNTING & REPORTING

Over three-quarters of countries fail to submit financial reports for external audit within three months of the financial year's end.



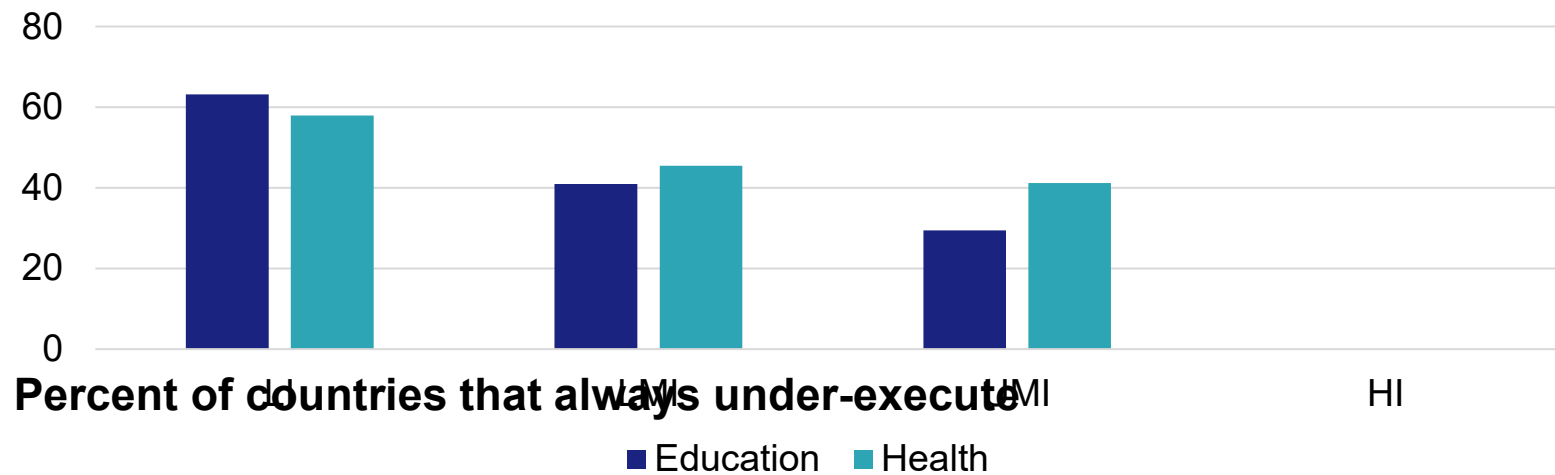
EXTERNAL AUDIT & SCRUTINY

Aspects of external audit improving despite concerns over independence

Legislature action on audit reports lags

Are Health and Education budgets credible?

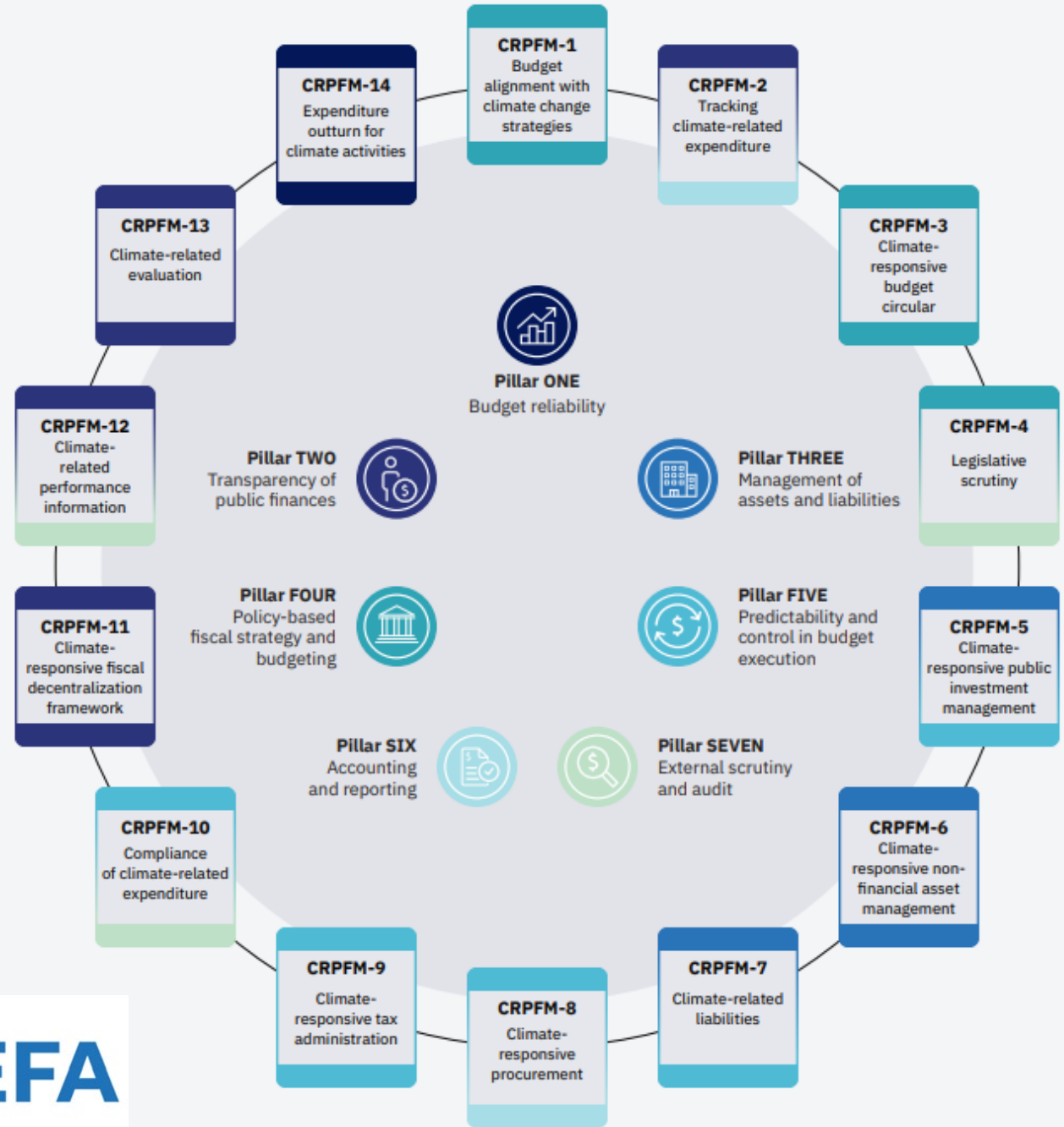
No, Education and health lags behind



PEFA Climate

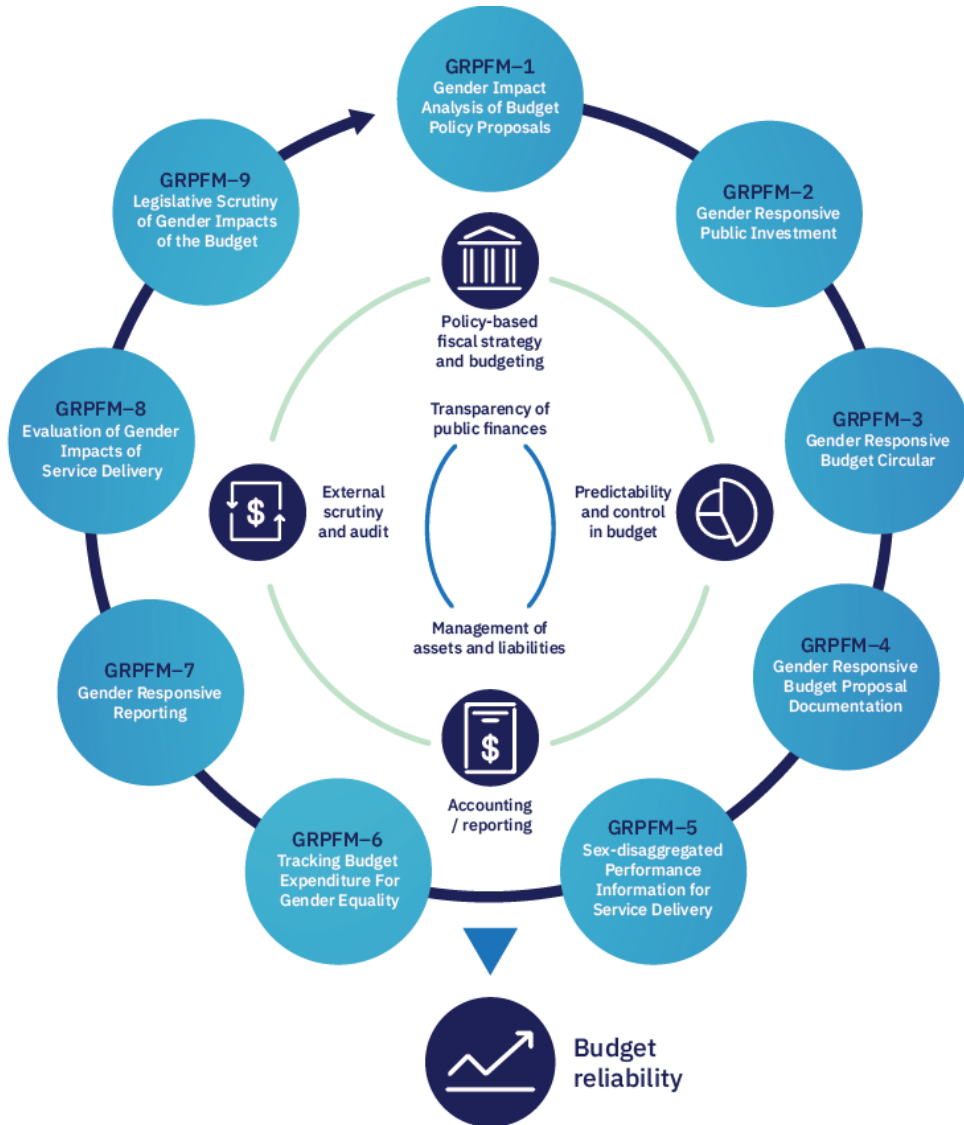


Supplementary Framework
for Assessing Climate Responsive
Public Financial Management



PEFA Gender

PEFA GRPFM - degree to which a country's public financial management system addresses the government's goals with regard to acknowledging **different needs of men and women**, and different subgroups of these categories and promoting gender equality.



Learn more about PEFA

www.pefa.org



Send us an email: services@pefa.org