



# Ghana

## 2006 PEFA Performance Report

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ECONOMIC POLICY AND  
DEBT DEPARTMENT

Sound Economics for Growth and Poverty Reduction

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# Outline

- Introduction
- PEFA - Do's and Don'ts
  - Working with Government
  - Working with Donors
  - Working across Networks

# Introduction

- PEFA – framework to report on a set of 31 high level indicators, which measures performance of PFM systems, processes and institutions
- Ghana PEFA Performance Report:
  - Collaborative approach - engaged the Government in dialogue, generated strong ownership of results and additional reform momentum
  - Donor harmonization – transparency of the assessment and involvement of Multi-Donor Budget Support (MDBS) donors enables it to function as “shared information pool”

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# PEFA – Do's and Don'ts

- ❑ Working with Government
- ❑ Working with Donors
- ❑ Working across Networks

# Working with Government

- PEFA - more than rating countries
  - It's part of Strengthened Approach to PFM reforms involving: (i) country-led reform strategy, (ii) coordinated donor support program, and (iii) shared information pool. PEFA - tool for meeting (iii).
  - Focus on PFM systems, not budget policy
  - Benefits from triangulation of information with Parliament, NGOs, professional entities, etc.
  - Evidence-based assessment, not a negotiation

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- How to conduct PEFA assessment?
    - (i) external assessment - likely to generate antibodies, particularly if perceived to be linked to continuation of GBS
    - (ii) self assessment – if insufficiently guided, might lead to unduly rosy ratings
    - (iii) collaborative assessment – in Ghana joint evaluation on the level of existing performance. Areas in which opinions diverged recorded in the PEFA Performance Report.
  
  - PEFA : valuable to assist Govt to identify “quick wins” and led to agreement on joint multiyear analytical work

# Working with Donors

- Focus on “big picture”
  - Scoring needs to be understood in the proper context (e.g PEFA sets standards more demanding than HIPC-AAP).
  - PEFA – not intended to be used as a scorecard for conditionalities. Focus on shared information pool to measure impact of reform program.
  - Being inclusive pays off - GH PEFA conducted as part of Bank-led annual external review of PFM involving MDBS partners.

# Working across Networks

- Plan carefully the exercise
  - Work closely with multisectoral team (DC + field based)
  - Sum up preliminary findings before completing field work
  - Ensure timely completion and disclosure of report
- Present PEFA Performance Report as a separate report (e.g. Annex), when part of broader Bank analytical work. Facilitates its use as “shared information pool” by other donors
- Be responsive to PEFA Secretariat’s quality reviews

**THANK YOU**