

Country comparisons



PEFA Secretariat



PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY PROGRAM

Country comparisons

- **The PEFA Framework was developed to measure progress over time in one country – not for country comparisons**
 - ‘Summary assessment’ to provide nuanced overview of strengths and weaknesses as basis for reform prioritization
 - No method given for arriving at one measure for ‘overall performance level’
 - No attempts to create global performance list

Country comparisons

- **Country comparison is an emerging issue due to demand from:**
 - *Governments* – to know how they perform compared to their peers
 - *Researchers* – to identify global or regional PFM strengths and weaknesses; and country examples of strong performance in select areas
 - *Donors* – for considering technical assistance to PFM reform and for aid allocations

Country data and how to use it

- **Comparison of two countries must be done very cautiously:**
 - Technical definitions may be different
 - Need to carefully read each report to understand performance differences behind the scores.
 - Consider country context, ensure comparison of like with like
- **Comparing the scores alone can be misleading**

Comparing groups of countries

- **Aggregation requires three decisions**
 - Conversion from ordinal to numerical scale
 - Weighting of indicators (generally and by country)
 - Weighting of countries (for country cluster analysis)

Comparing groups of countries

- **No scientifically correct or superior basis for deciding conversion and weights exists**
 - Each user takes those decisions on individual opinion
 - PEFA program will not endorse any particular method
- **In case aggregation is desired:**
 - Be transparent on aggregation methods used
 - Discuss reasons for choice
 - Sensitivity analysis to illustrate impact on findings

Country data and how to use it

- Scoring statistics can be made available by the PEFA Secretariat
- For countries where the reports are not publicly available: Ratings provided anonymously (organized by region or by country income level)
- Better not include in Performance Report – keep in a separate non-public document

Thank you for your attention

