Checklist for terms of reference for undertaking a PEFA assessment and preparing a PFM Performance Report

This document seeks to outline the areas that terms of reference (TOR) for undertaking a PEFA assessment and preparing a PFM Performance Report would need to address, whilst noting that it will be necessary to tailor the content and structure of the terms of reference to the country circumstances. It is expected that the TOR would be discussed by the donor group and the government.

1. Background and context

Should cover issues such as:

- broader development context;
- history of engagement on PFM agenda;
- status of government's PFM reform agenda;
- relevant prior diagnostics;
- the current process of engagement, analysis, support and monitoring that is taking place on PFM between government and donors and the link to relevant donor operations (such as budget support);
- the role of the planned assessment, how it fits within the overall engagement and how it contributes to harmonized and rationalized PFM work.

2. Purpose of the assessment

A concise statement of the purpose of the assessment, within the context described above, and how it is to be used in the dialogue regarding PFM.

3. Involvement of stakeholders in the assessment

Identification of how relevant stakeholders are to be involved in the assessment, reflecting the requirement that it must be coordinated amongst donors. This would include:

- identification of lead agency(s) and team members;
- Involvement of government in the assessment, including nature of the assessment, identification of any government liaison official or government team members;
- Involvement of the wider donor group;
- Identification of any other stakeholders that may be involved (e.g. the Supreme Audit Institution, Parliament, civil society);
- Use and funding of consultants in undertaking the assessment ;
- Organizational arrangements for participation and involvement, including a possible pre-mission workshop for government and donor officials for briefing, team-building and detailed planning of the work; and a possible restitution workshop for discussion of findings and their implications for PFM reforms.

4. Methodology for undertaking the assessment

- Description of the coordination of the assessment with any relevant, related PFM work, and to relevant donor operations.
- Reference to the use of the PEFA PFM Performance Measurement Framework and the requirement to apply the Framework guidance contained in the Framework's annexes 1 and 2. Reference to any additions that have been agreed.

- Any need to track progress from a previous PEFA based assessment or from a HIPC Expenditure Tracking assessment (which could imply additional work in order to explain in detail the changes in performance over time in relation to indicator ratings).
- Sources of information for the scoring of the indicators (including relevant prior diagnostics) and means for collecting information and evidence. Reference to the need for the assessment team to highlight information gaps (rather than to attempt to give a score where data is substantively incomplete).
- Arrangements for meetings and interviews, and for workshops to initiate the work and to discuss results.
- Arrangements for external validation, if appropriate.

5. Reporting

Identification of:
- to whom the draft report(s) should be submitted;
- to whom it should be circulated for comment;
- how comments are to be processed and followed up;
- arrangements for distribution/publication of the final report.

6. Consultation and follow up to the assessment

Identification of
- how the report will be discussed and used in the engagement on the PFM agenda,
- any follow up that may be expected to the completion of the assessment,
- frequency in undertaking the assessment in future.

7. Implementation schedule, timetable and deliverables

Drawing from the previous sections, specification of:
- individual steps or stages in implementing the assessment,
- outputs to be produced in connection with each stage of the assessment and the timetable for these,
- number and duration of field missions
- timing and purpose of any workshops prior to, during and after the field work.

8. Team composition and Inputs
- Identification of the staff and consultants' inputs required in the team conducting the assessment, covering the skills required to cover the range of PFM issues and how local knowledge will be utilized (to be linked closely to the features of the TOR above as well as country specific features such as the ease with which data may be obtained and the field mission logistics).
- Specification of expected period of the field mission(s) and staff time involved as well as time set aside for home office inputs before and/or after field missions.
- Internal team management arrangements, particularly where a team is composed of members who are not under a unified contractual arrangement.