Public Investment Management Assessment (PIMA) - International Monetary Fund

Objective and features

1. Objective

PIMA aims to help IMF member countries strengthen the efficiency and effectiveness of their public investment.

2. Institutional coverage

National governments (only one or two PIMAs have been conducted for subnational governments).

3. Technical coverage

The dimensions covered by the framework are:

1. public investment management;
2. macro fiscal frameworks; and
3. public procurement and management of fixed assets.

4. Application method

Custodian.

Methodology

5. Methodology

The PIMA framework examines 15 key practices (termed "institutions") and three enabling factors (termed "crosscutting issues") supporting infrastructure governance, which shape decision-making at three key stages of the public investment cycle: (i) planning for sustainable level of public investment, (ii) allocation to the right sectors and the right projects, and (iii) implementation to deliver productive and durable assets. The 15 institutions are assessed from the perspective of institutional design, effectiveness, and reform priority:

- Design (de jure): Are formal institutional requirements in place?
- Effectiveness (de facto): Are institutions performing adequately?
- Reform priority: What should a country's reform priorities be across the various public investment institutions?

The first two (Design and Effectiveness) are graded. Each institution is analyzed along three dimensions that reflect its key features, resulting in a total of 45 dimensions. Three possible scores are assigned to each dimension (1: not met, 2: partially met, 3: fully met), and their average within an institution produces a score for that institution. Following the assessment of the 15 institutions, a set of recommendations is drafted for the government to consider. Recommendations are presented as a sequenced reform action plan with clear priorities, specific timelines, and key actors.

6. Benchmarking system

A summary heatmap assigns a score to each institution, gives a comprehensive picture of the institutional design and effectiveness of a country's public investment management institutions, and provides the basis for a prioritized set of recommendations and a sequenced action plan. Countries are graded on a color code for each indicator - green for high, yellow for medium, and red for low.

7. Linkage to PEFA framework

PIMA covers aspects related to the following PEFA performance indicators: public investment management (PI-11), public asset management (PI-12), medium-term perspective in expenditure budgeting (PI-16), and procurement (PI-24).

8. Complementarity with PEFA framework

The tool enables additional scrutiny by providing additional indicators to assess public investment management in PEFA Pillar III and procurement in Pillar V.

Development and use

9. Development and coordination

The PIMA framework was first introduced in the 2015 Board Paper, "Making Public Investment More Efficient," as part of the IMF's Infrastructure Policy Support Initiative (IPSI), recognizing that strong infrastructure governance is critical for public investment to spur economic growth. The World Bank was also consulted during its development. The framework was published in 2015 and updated in 2018. The update aimed to highlight some critical governance aspects more prominently including maintenance, procurement, independent review of projects, and enabling factors. The update has benefited from extensive stakeholder feedback, including from IMF teams, WB staff, and country authorities.

PIMA was modeled after WB's Diagnostic Framework for Assessing Public Investment Management (B13).

PIMAs are carried out by the IMF in collaboration with other partners. Most PIMA assessments to date have been carried out in collaboration with the World Bank, Inter-American Development Bank (IADB), and Asian Development Bank (ADB).

10. Assessment management

The assessment is carried out in four stages: assessment initiation, pre-assessment, in-country assessment, and post-assessment. The assessment is undertaken at the request of an IMF member country. The IMF sends an evaluation team including staff from other partner organizations such as the World Bank, IADB, and ADB to complete a two-week in-country assessment. IMF staff uses the PIMA methodology to assess the strengths and weaknesses of public investment management practices of a country based on the discussion with the country's officials and on the documents and data provided. At the end of a two-week in-country assessment, a draft report is prepared and submitted to the authorities and IMF headquarters for review of accuracy and quality.

Custodian quality assurance procedures apply, with validation from the government.

11. Uses by the government and members of the PFM community

PIMA is IMF's key tool for assessing infrastructure governance over the full public investment cycle and for supporting economic institution building in this area. Governments and development partners use PIMA for follow-up capacity building to strengthen infrastructure governance.

12. Sequencing with other tools

Considering that PIMA is a policy-related tool addressing the governance aspect of public investment whereas the PPP Fiscal Risk Assessment Model (B14) is a project- or program-related tool, when used in conjunction, the two tools can provide support for evidence-based decision-making to enhance fiscal governance.

13. PFM capacity building

PIMA includes recommendations for the government on how it could improve areas that receive a low ranking. Authorities can adopt an action plan to improve public investment management based on the PIMA recommendations and request related technical assistance from the IMF and other development partners.

There are follow-up capacity development activities that are conducted by IMF staff and other organizations (e.g., WB, regional development banks). Regional and country workshops are also conducted to train government officials on good practices in infrastructure governance and to share international experience among peers.

14. Tracking of changes and frequency of assessments

Periodic assessment of progress in strengthening public investment management is usually a component of any technical assistance from the IMF. A broader assessment could involve updating the PIMA after a few years. Assessments are completed upon request from IMF member countries.

15. Resource requirements

The cost depends on the country where the assessment is carried out. The evaluation involves a mission from the IMF Fiscal Affairs Department visiting the country being assessed. The length of visit is about two weeks. Past evaluations comprised about four to five staff.

Transparency

16. Access to methodology

Methodology is *available*. The IMF has a dedicated website on infrastructure governance including PIMA. The IMF has published a booklet that outlines the indicators used in the evaluation.

There is an internal PIMA Field Guide for PIMA teams and reviewers. The IMF is planning to publish a PIMA handbook that provides detailed PIMA methodological guidance and good country practices in infrastructure governance.

17. Access to assessment results

Published PIMA reports are available on the IMF infrastructure governance website. The reports can be accessed here.

The IMF encourages publication of PIMA reports for wider dissemination and transparency and has published all the PIMA reports that country governments have agreed to disclose.