



# STOCKTAKING OF PUBLIC FINANCIAL MANAGEMENT DIAGNOSTIC TOOLS



GLOBAL TRENDS AND INSIGHTS



# 2022 STOCKTAKING OF PUBLIC FINANCIAL MANAGEMENT DIAGNOSTIC TOOLS



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**REPORT**

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# ACKNOWLEDGEMENTS

This report is the fourth in a series of stocktaking of public financial management (PFM) diagnostic tools undertaken by the PEFA Secretariat following the reports from 2004, 2011, and 2018. It is the most ambitious stocktaking to date, building upon the earlier PFM tools stocktaking reports and mapping the tools across additional PFM functions and custodians to examine trends and good practices in tool development and usage.

This report is a result of contributions from PricewaterhouseCoopers, PEFA Secretariat staff, and PEFA partners,<sup>1</sup> as well as from more than 100 counterparts interviewed during the stocktaking preparation.

The report benefited from the study/stocktaking of revenue tools by the Norwegian Agency for Development Cooperation (Norad) and the review of PFM diagnostics for the health sector by the Overseas Development Institute (ODI).

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The report is prepared with careful consideration of all PFM tools as of the cutoff date. However, PEFA Secretariat does not guarantee the accuracy or completeness of the data included in this work, as the methodology involved data collection from tool custodians.

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1. The PEFA partners are the European Commission; International Monetary Fund; World Bank; and the governments of France, Luxembourg, Norway, Slovak Republic, Switzerland, and the United Kingdom.

# ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>AfDB</b>	African Development Bank
<b>AFROSAI-E</b>	African Organization of Supreme Audit Institutions – English speaking
<b>ATAF</b>	African Tax Administration Forum
<b>CEP</b>	Council on Economic Policies
<b>CFRR</b>	Centre for Financial Reporting Reform
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>CoE</b>	Council of Europe
<b>DAC</b>	Development Assistance Committee of the OECD
<b>DANIDA</b>	Danish International Development Agency – Danish Ministry of Foreign Affairs
<b>DFID</b>	United Kingdom’s Department for International Development
<b>EU</b>	European Union
<b>EC</b>	European Commission
<b>FMIS</b>	Financial Management iInformation System
<b>Gavi</b>	The Vaccine Alliance
<b>GIZ</b>	German Agency for International Cooperation
<b>IBP</b>	International Budget Partnership
<b>ICT</b>	Information and Communication Technology

<b>IADB</b>	Inter-American Development Bank
<b>IDI</b>	INTOSAI Development Initiative
<b>IIA</b>	Institute of Internal Auditors
<b>IMF</b>	International Monetary Fund
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>NGO</b>	Nongovernmental Organization
<b>Norad</b>	Norwegian Agency for Development Cooperation
<b>ODI</b>	Overseas Development Institute
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PEFA</b>	Public Expenditure and Financial Accountability
<b>PFM</b>	Public Financial Management
<b>PIM</b>	Public Investment Management
<b>PPP</b>	Public-Private Partnership
<b>SAI</b>	Supreme Audit Institution
<b>SDG</b>	Sustainable Development Goals
<b>SIGMA</b>	Support for Improvement in Governance and Management
<b>SNG</b>	Subnational Government
<b>SOE</b>	State-Owned Enterprise
<b>UNDP</b>	United Nations Development Programme
<b>USAID</b>	United States Agency for International Development
<b>WHO</b>	World Health Organization
<b>WB</b>	World Bank

# EXECUTIVE SUMMARY

## *Background*

The public financial management (PFM) landscape underwent significant changes in the past two decades. At the core of the changes are the emergence of diagnostic tools to support governments and other stakeholders in assessing the performance of PFM systems to embark on reforms. Public Expenditure and Financial Accountability (PEFA) partnership of nine development partners - the European Commission; International Monetary Fund; World Bank; and the governments of France, Luxembourg, Norway, Slovak Republic, Switzerland, and the United Kingdom - supported improved approaches toward understanding and reforming PFM systems globally. The stocktaking of the development, maintenance, and use of PFM tools is one of the initiatives of the PEFA Program. The stocktaking reports published in 2011 and 2018 provided stakeholders a wider picture of the breadth and depth of available tools and their use.

The shock and impact created by the COVID-19 pandemic further triggered the urgency of strengthening PFM systems globally. Demands in sectors like health and education for PFM systems that can support better service delivery, the need for greater emphasis on debt management, expectations for PFM systems responsive on gender and climate, calls for accelerating the use of country PFM systems to channel external funding, and the need for ensuring that PFM systems are responsive to crises have all contributed to stakeholders looking globally at options available for PFM assessments for further improvements.

PFM diagnostic tools represent an important link in the chain of strengthened approach to PFM reform. Beyond informing countries on their standing relative to underlying standards and good practice requirements in PFM, their results often shape the type and extent of PFM capacity development support received from development partners. They therefore directly affect prioritization and outcomes of PFM reforms.

This report presents the updated spectrum of PFM diagnostic tools and their use. It is intended to contribute to increased knowledge of all stakeholders (governments, custodians,<sup>2</sup> development partners, practitioners, and academia) on the available PFM diagnostic tools, as well as good practices related to tool development and use.

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2. Institutions developing, maintaining, and/or applying PFM diagnostic tools.

### *Main categories of PFM tools mapped*

All the mapped tools in this exercise are grouped into four main categories. The following table provides a snapshot of the number of tools available in each category at the end of 2019.

Category	Characteristics of the category	Available PFM tools
Group A	Tools covering broad, multiple aspects of the PFM system	13
Group B	Tools focusing on individual PFM functions, institutions, or subsystems	27
Group C	Tools used by development partners to assess fiduciary risk	10
Group D	Tools focusing on PFM performance in specific sectors or topics	14

Tools in Group A are used for overall assessments of PFM systems on the basis of their broad technical coverage that extends across multiple PFM functions. Group B tools are designed to be used when assessing performance of individual PFM functions and, as applicable, the corresponding institutions such as tax administration or supreme audit institution. Group C tools are used by custodians to assess fiduciary risk in PFM systems, that is, (1) to evaluate PFM arrangements relevant to financing operations and determine whether they provide reasonable assurance that funds will be appropriately used for purposes intended, and (2) to identify mitigation measures when significant risks are identified. Finally, Group D tools are used for assessments that cover multiple PFM functions with clear thematic focus on specific sectors such as health or climate.

### *Increase in number of tools responding to global needs*

There is a broad increase in the number of tools as the current mapping identifies 64 diagnostic tools (as of end of 2019) against 45 tools in the previous stocktaking (as of end of 2016). The increase is not entirely attributable to the development of new tools in the period. New entries in the tool mapping include 12 new tools developed between 2016 and 2019 and 18 tools developed before 2016 but not covered in the previous stocktaking. These 18 tools have been included as a result of the expanded scope of the current exercise. Finally, 11 previously mapped tools have been removed from the current mapping due to, for example, discontinued tools in favor of new tools or existing functionalities integrated into more comprehensive recent tools.

### *Emerging demand for newer tools for specific PFM functions/institutions and in specific sectors*

Global trends indicate emerging demand for tools to assess PFM performance of specific functions/institutions and in particular sectors or topics. For example, additional tools were being developed during the preparation of this report, looking mainly at specific PFM functions, institutions, or subsystems (Group B) to assess functions like revenue, internal audit, accounting and reporting, and external audit, as well as PFM in specific sectors or topics (Group D) such as tools with emphasis on climate change.

### *Primary drivers for tool development are filling the gaps in existing tools and addressing unmet demands*

Tool custodians reported that most of the recent tool developments aimed to fill a gap identified that was not addressed by existing tools, to address the unmet demand for sector-specific PFM diagnostic, to reflect the development of and adherence to international standards and codes, and to promote PFM reform action planning. In addition, around 20 percent of the tools were revised and updated methodologically to meet identified demands and reflect evolving good PFM practices in the areas covered by the tool.

### *Development partners' coordination foundations exist to build upon.*

Development partners have found different venues and means to coordinate tool development but there is further room to converge on good practices. There is evidence of extensive consultations between custodians when developing new tools and updating the existing PFM diagnostics, both in terms of contents and in terms of a methodological approach to assessment. Consultations were held among tool custodians, and existing tools have been used as reference. In other instances, development partners have discontinued the use of existing tools in favor of using new, more comprehensive ones. These initiatives show that opportunities for harmonization and consolidation of PFM tools exist and could be the norm when considering development of new tools.

### *More than half of the tools are used mainly or exclusively by custodians.*

Custodians design and implement PFM tools with different objectives in mind, resulting in a diverse set of features available to users (governments, development partners, and other interested parties). Different features of the mapped tools are designed in relation to user needs and objectives. Only a minor share of Group A and B tools are intended for specific membership of the custodian organization, and for a particular jurisdiction or geographical region. Group D tools can be used in any country. In contrast, Group C tools to assess fiduciary risk are used in countries that qualify for access to custodian resources. The majority of tools are designed to be used by the tool custodian, but a number of tools rely on self-assessment by governments or introduce options for assessments led by third parties such as external assessors engaged by governments and/or development partners.

Tools are generally developed to assess performance of the PFM system at the national level, but there are also dedicated subnational tools and tools that can be used at any level. The preferred way to capture assessment results is benchmarking with scoring (more than half of the mapped PFM tools), which provides consistent information useful for tracking performance change over time and international comparability. Databases and surveys also provide country-level ratings and promote cross-country comparison.

### *On average, countries used five tools in the period*

Countries at all income levels and across all regions use PFM diagnostic tools. Over 90 percent of countries worldwide have registered at least one single (unique) use of a tool in the period 2013–2019, as reported by tool custodians. Evidence on the number of tools used to date suggests that, on average, countries only use a limited number of tools. Adjusted for global surveys and database tools, the average number of tools used globally is five and no country has used more than 16 tools. Tool selection and sequencing are key for effective use of PFM tools for analytical work, reform design, implementation, and monitoring.

PFM diagnostics are used to inform PFM reform programs and support their implementation through post-assessment capacity development. The majority of Group A and B and half of Group D tools are designed with some form of PFM capacity development in mind, with custodians providing training on tool application, as well as support in self-assessment (where the government undertakes the assessment) and post-assessment capacity-building initiatives. Capacity development associated with Group C tools is usually aimed to strengthen country systems and mitigate fiduciary risk.

### *The way forward*

Diagnostic PFM tools remain relevant as countries continue to reform their PFM systems to address a widening range of policy implementation challenges.

To better support the principles of a strengthened approach to PFM reform, the stocktaking identified examples of good practices in tool development and tool management that suggest the following:

Custodians of PFM tools could

- follow and promote elements of good practices in tool development, and
- consider tool life cycle and secure maintenance to keep the tool relevant in the overall landscape.

Governments could

- strategically consider the range of available PFM tools and how to use them, and
- integrate PFM diagnostics in PFM reform planning and reporting cycles.

All stakeholders could benefit from increased access to information on methodologies and assessment results.

Considering their number and diversity, it is important to keep users informed of the full spectrum of available PFM diagnostic tools. Maintaining an updated mapping of PFM tools for use and reference could support stakeholders to be up to date on the tools available.

# 1

# INTRODUCTION

## 1.1 BACKGROUND AND OBJECTIVES

The 2022 PEFA stocktaking of public financial management (PFM) tools is the fourth stocktaking exercise<sup>3</sup> conducted to

- update the previous stocktaking of PFM diagnostic tools, providing a better understanding of the range of available instruments for diagnosis and support for PFM reform; and
- inform decision-making among countries and the global PFM community on the use of PFM diagnostic tools for better alignment with the principles of the strengthened approach to PFM reform.

The strengthened approach to supporting PFM reform reflects the principles that guide the international support for development. The approach is embodied in three components:

- A country-led agenda: a government-led reform program for which analytical work, reform design, implementation, and monitoring reflect country priorities and are integrated into the government's institutional structures.
- A coordinated program of support from donors and international finance institutions in relation to analytical work, reform financing, and technical support for implementation.
- A pool of shared information on public financial management: information on PFM systems and their performance which is commonly accepted by and shared among the stakeholders at country level, thus avoiding duplicative and inconsistent analytical work.

The stocktaking provides an analysis of the supply and demand side in tool development and usage<sup>4</sup> in the period 2013–2019. It looks at the recommendations from the previous stocktaking and the recommendations of other development partners' studies for optimizing tool development and usage.

By identifying good practices in tool development and usage, this report is intended to support dialogue among governments and development partners on PFM diagnostics. The report can serve as a starting point for more detailed research and analysis on selecting and using specific diagnostic tools, understanding the choices of tool sequencing, and confirming the need for further tool development. Stakeholders can use conclusions and identified good practices as further guidance in areas of tool development and usage.

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3. Following the reports from 2004, 2011, and 2018.

4. For the purpose of this report, usage is defined as confirmed application of the tool in a given country, excluding repeat assessments using the same tool.



## 1.2 METHODOLOGY

Data was collected through structured interviews with development partners, tool custodians, and governments and through secondary research. Inferences about tool features and development process are drawn based on public information domain and supplementary information made available by the counterparts.

The stocktaking revisited the tool typology and main features in the context of a broader spectrum of development partners and PFM tool custodians (institutions developing, maintaining, and applying PFM diagnostic tools) within the identified PFM functions (Section 2).

The stocktaking mapped the tools developed and available up to the end of 2019 (cutoff date) and analyzed changes since the previous mapping, which covered the tools available up to the end of 2016 (Section 3). Trends in tool development and usage were analyzed for the period 2013–2019, based on public information and self-reported data from the tool custodians<sup>5</sup> (Sections 4 and 5). Stocktaking findings are summarized in Section 6, Conclusions and the Way Forward.

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5. The analysis excludes five tools mapped in Volume II - Tax Policy Assessment Framework (TPAF) – IMF (Bo3); Tax Maturity Models – OECD (B11); Internal Audit Capability Model (IA-CM) – IIA (B25); Fiduciary Risk Assessment (FRA) – FCDO (Co4); and Guided Self-Assessment of Public Financial Management Performance (PFMP-SA) for Health Sector – USAID (Do3) - due to limited information availability. Overall, information on the total number of applications of tools that can be used for self-assessment may not be exhaustive due to the nature of the application method.

# 2.

## TYOLOGY OF PFM DIAGNOSTIC TOOLS

This report follows the interpretation of what is considered a PFM diagnostic tool from the previous stocktaking. The PFM system is defined as the sum of all the financial systems elements required for putting policy into practice to achieve the desired policy outcomes as efficiently and effectively as possible. PFM functions considered for this report are presented in Annex 5.

The stocktaking uses the tools' 17 characteristics (Annex 3) grouped in four main subjects: (1) objective and features, (2) methodology, (3) development and use, and (4) transparency. The current mapping uses a combination of criteria for grouping of tools based on common features derived from their three key characteristics: the objective of the tool, its technical coverage, and its institutional coverage.

Grouping of tools from the previous stocktaking remains largely relevant but had to be revisited under the expanded scope of the current exercise. The previous stocktaking classified PFM diagnostic tools mapped as of the end of 2016 into broad diagnostic tools covering all aspects of the PFM system (Group A); tools focusing on individual PFM elements, institutions, or subsystems (Group B); and tools used by development partners to assess fiduciary risk (Group C). Under the expanded scope of the stocktaking and based on the criteria above, the current mapping adds one more group of diagnostic tools that focus on PFM in specific sectors or topics (Group D). Adding an additional group helps maintain continuity with the previous stocktaking studies, highlights the distinctive feature of Group D tools, and enables easier tracking of evolution in the sector- and topic-specific diagnostic tools throughout future stocktaking exercises.

Tools are presented and analyzed using the following grouping of tools:

1. Group A – Tools covering broad, multiple aspects of the PFM system
2. Group B – Tools focusing on individual PFM functions, institutions, or subsystems
3. Group C – Tools used by development partners to assess fiduciary risk
4. Group D – Tools focusing on PFM performance in specific sectors or topics

## *Groups A and B*

Tools were assigned to Group A or Group B based on their technical coverage. Tools in Group A are categorized together on the basis of their broad technical coverage that extends across multiple functions in the PFM system. Group B tools are categorized together in terms of their focus on individual PFM functions, institutions, or subsystems. This group comprises tools designed to assess performance of individual institutions, such as a tax administration or supreme audit institution, considering their focus on the corresponding core PFM functions of revenue management and external audit.

## *Group C*

Fiduciary risk assessment tools are categorized in terms of their common objective, that is, their exclusive use by the custodians in assessing PFM arrangements that are relevant to their financing operations to determine whether they provide reasonable assurance that funds will be appropriately used for the purposes intended, and in identifying mitigation measures when significant related risks (fiduciary risks) are found. While their technical coverage may correspond to either Group A or Group B tools, the distinctive nature of their objective, usage, and institutional coverage establishes the case for retaining their classification as a separate group of tools.

## *Group D*

The primary objective of these tools is to provide assessments that can inform improvement in existing PFM practices that support delivery of specific sector/thematic objectives, with assessment indicators customized accordingly. While these tools cover multiple PFM functions, assessments are framed based on sector- and topic-specific PFM practices. For this purpose, the relevant technical characteristics used as the basis for categorizing were the sector-specific institutional coverage of these tools (e.g., health, climate, gender, equity budgeting, and governance in state-owned enterprises).

## *Other considerations for grouping of tools*

There are several ways to categorize PFM diagnostic tools and the typology used is not intended to serve as the sole standard way of organizing the available tools. The boundaries between the four groups are established based on informed judgments, and other tool characteristics may be more or less relevant for developing different typologies. For example, the benchmarking system characteristic distinguishes between tools that (1) use benchmarking against good practices, professional standards, or thematic principles (or risk levels in the case of fiduciary tool); and (2) compile information in database format for comparison across countries. Similarly, tools could be grouped by their application method, that is, whether they are used by the custodian only, external assessment by third parties, self-assessment, or any combination of these approaches.

## *Other materials identified during the stocktaking*

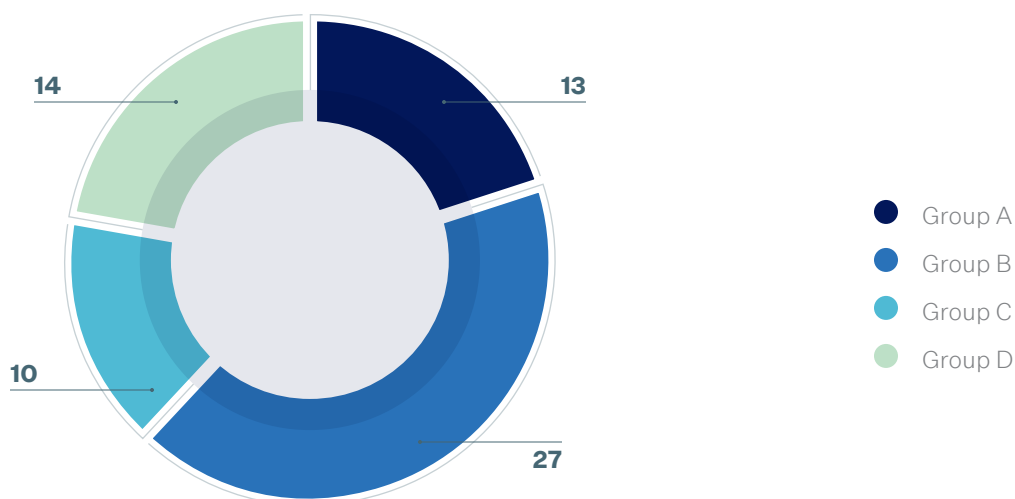
The stocktaking also identified resources that promote good PFM practices. Because they are not used to formally assess and report on PFM performance, they are not considered as PFM diagnostic tools. They are, however, considered as international references and benchmarks of good practice and are included as such in Annex 2, Special Mentions. These resources include, among others, knowledge guides to sources and standards (e.g., on fiscal transparency) and handbooks for policy makers (e.g., revenue administration). The list is neither intended as an exhaustive guidance to good practice nor as an endorsement of any specific resource, but it reflects the available materials that can be considered for inclusion in this tool mapping.

## 3.

# MAPPING AND ANALYSIS OF PFM DIAGNOSTIC TOOLS

The current mapping identifies 64 PFM diagnostic tools that were available at the end of 2019.

**FIGURE 1.** Overview of mapped tools, by group



## 3.1 OVERVIEW OF MAPPED TOOLS

For ease of reference, the mapped tools are presented in a summary table by group, followed by a brief analysis of selected tool characteristics.<sup>6</sup> Volume II: PFM Diagnostic Tool Mapping, a companion document to this report, presents detailed information on individual tools and links to source materials.

6. The full list of technical tool characteristics is presented in Annex 3.

In this stocktaking, the status of the PFM tools vis-a-vis the previous stocktaking, which mapped the tools up to the end of 2016, was categorized as follows:

- Unchanged: when the tool was mapped in the previous stocktaking
- New to mapping (pre-2016): when the tool was developed before 2016 but mapped for the first time due to expanded scope
- New to mapping (post-2016): when the tool was developed after 2016, and therefore was mapped in this exercise for the first time.

### 3.1.1 Mapping and main features of Group A tools

The 2022 Tool Mapping identified and classified 13 diagnostic tools in Group A (multiple aspects of PFM).

**TABLE 1.** Overview of Group A tools

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
A01	Public Expenditure and Financial Accountability (PEFA)	PEFA <sup>a</sup>	2005	Unchanged, (Updated 2016)
A02	Fiscal Transparency Evaluation (FTE)	IMF	2014	Unchanged, (Updated 2019)
A03	Senior Budget Official Reviews of Budgeting Systems	OECD	2001	Unchanged Renamed <sup>b</sup>
A04	International Budget Practices and Procedures Database (IBPPD)	OECD	2003	Unchanged
A05	SIGMA Principles of Public Administration (PPA)	OECD	2014	Unchanged, (Updated 2019)
A06	Open Budget Survey (OBS)	IBP	2006	Unchanged
A07	Public Expenditure Review (PER)	WB	1996	Unchanged
A08	Rapid Assessments and Action Plans to Improve Delivery in Subnational Governments (RAAP-ID)	WB	2008	Unchanged
A09	MiGestion Institutional Capacity Diagnostic	WB	2013	Unchanged
A10	Benchmarking Fiscal Decentralization (BFD)	CoE	2008	Unchanged
A11	Country Policy and Institutional Assessment (CPIA)	WB	1970s	New to mapping (pre-2016)
A12	Country Policy and Institutional Assessment (CPIA)	AfDB	2012	New to mapping (pre-2016)
A13	Public Financial Management Reporting Framework (PFMRF)	AFROSAI-E	2017	New to mapping (post-2016)

*Note:* AfDB = African Development Bank, AFROSAI-E = African Organization of Supreme Audit Institutions – English speaking, CoE = Council of Europe, IBP = International Budget Partnership, IMF = International Monetary Fund, PEFA = Public Expenditure and Financial Accountability, OECD = Organisation for Economic Co-operation and Development, WB = World Bank.

<sup>a</sup> For the purpose of this stocktaking exercise, PEFA is counted as a custodian with more than one diagnostic tool.

<sup>b</sup> Renamed from the tool “A3: Recommendations of the Council on Budgetary Governance (RCBG)” from the previous stocktaking. The recommendations provided the principles behind the country budgetary reviews undertaken by OECD.

## Main features of Group A tools

Features of the tools within Group A remain largely unchanged relative to the previous mapping.



### Institutional coverage:

Seven Group A tools are intended to assess PFM practices at the national level, three tools look primarily at PFM performance at the subnational level, and three tools can be used to assess both national and subnational levels (PEFA [A01], OECD Senior Budget Official Reviews of Budgeting Systems [A03], and WB Public Expenditure Review [A07]). One Group A tool has been applied to assess sector-specific PFM performance (WB Public Expenditure Review [A07]). None of the A tools are intended to assess the performance of any single specific entity in the PFM system.



### Application method:

For eight of 12 tools, the intended application method is for the assessments to be undertaken exclusively by the tool custodians. Only two tools are intended to be applied primarily as a self-assessment diagnostic, one by the ministries of finance (OECD International Budget Practices and Procedures Database [A04]) and another by the supreme audit institutions (AFROSAI-E Public Financial Management Reporting Framework [A13]). Three tools offer more than one application method - two of them can be applied as self-assessment/external assessment by any third party (PEFA [A01] and CoE Benchmarking Fiscal Decentralization [A10]), and one as self-assessment/assessment by the tool custodian (WB Rapid Assessments and Action Plans to Improve Delivery in Subnational Governments [A08]).



### Technical coverage:

Tools in this group cover all the PFM functions but there is evident concentration on budget preparation (13 of 13 tools) and accounting and reporting (11 of 13 tools). External audit and scrutiny (9 of 13 tools) and revenue management (8 of 13 tools) also rank high among the PFM functions assessed. The remaining functions are represented in less than three quarters of the Group A tools. Budget transparency is the most represented crosscutting PFM areas assessed by the Group A tools.



### Region- and income-specific considerations:

Not all tools are designed to be applied by all countries. For example, four tools are intended for specific jurisdictions by membership in the organization, that is, the tool custodians (WB and AfDB Country Policy and Institutional Assessment tools [A11 and A12], IMF Fiscal Transparency Evaluation [A02], and CoE Benchmarking Fiscal Decentralization [A10]). Similar restrictions do not exist in the case of PEFA (A01) and IBP Open Budget Survey (A06). Geographically, three tools are intended for specific regions and countries: OECD SIGMA Principles of Public Administration (A05), CoE Benchmarking Fiscal Decentralization (A10), and AfDB Country Policy and Institutional Assessment (A12). In terms of income, none of the tool custodians indicated that their diagnostic frameworks are intended exclusively for countries in specific income brackets.



### Scoring system:

The dominant scoring system in this group of tools is benchmarking against good PFM practices with scoring.<sup>7</sup> Three tools are calibrated to provide assessment results in the form of narrative evaluation: OECD Senior Budget Official Reviews of Budgeting Systems (A03), WB Public Expenditure Review (A07), and WB Rapid Assessments and Action Plans to Improve Delivery in Subnational Governments (A08). OECD's International Budget Practices and Procedures Database (A04) is the only tool in the database format in Group A. Cross-country comparison is possible from virtually all the Group A tools due to standardized methodology and scoring.

7. Performance against benchmarks of international good practices, international standards, or internationally adopted high level principles. (2018 Stocktaking).



**PFM capacity development:**

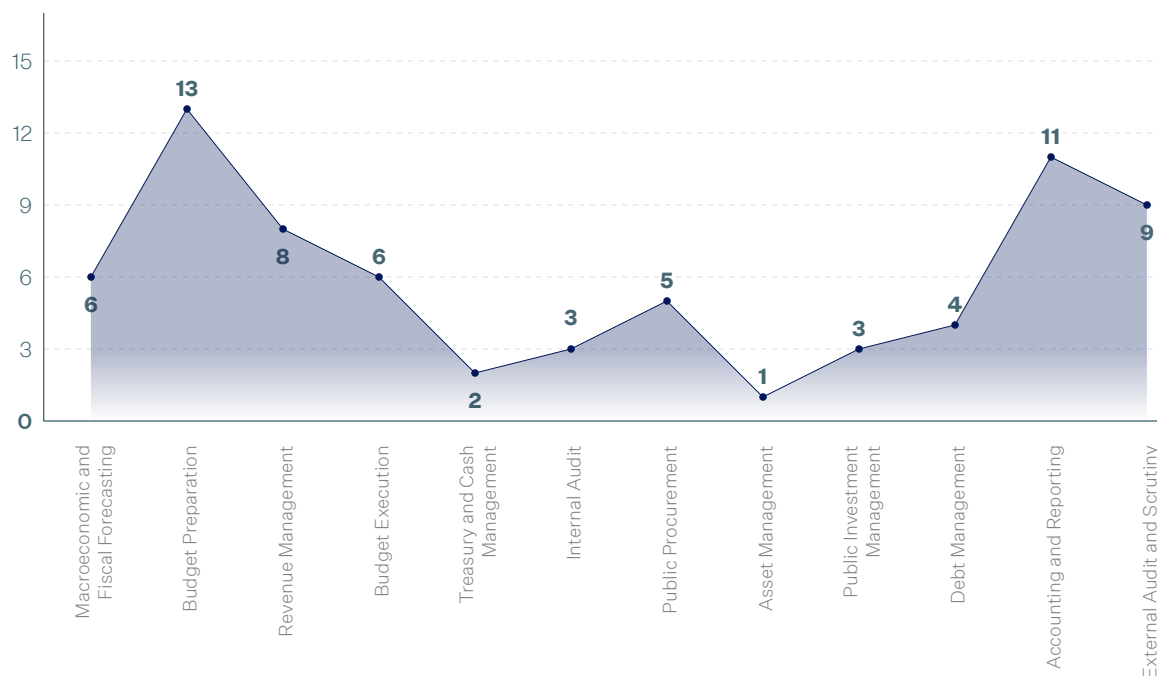
Most of the tools and assessment results are associated with some form of PFM capacity development initiatives.<sup>8</sup> For seven tools, custodians reported that the assessment results are accompanied with recommendations for improvements. Even when the methodology does not envisage recommendations from the assessment, most custodians reported that the results catalyze and feed into plans for PFM reforms. Training in the application of the methodology is a standard feature in five tools. PEFA (A01) provides a publicly available e-learning course, which can facilitate a self-assessment process.



**Transparency:**

Transparency in terms of access to assessment methodology and results is high for Group A tools. A formal guidance is available publicly or upon request for 11 tools. Access to assessment results is generally public, but conditional in most cases on the assessed government’s consent for publication.

**FIGURE 2.** Overview of Group A, technical coverage



8. PFM capacity development was considered as ex-ante (to build capacity for the assessment) and ex-post (to address weaknesses identified in the assessment).

### 3.1.2 Mapping and main features of Group B tools

The 2022 Tool Mapping identified and classified 27 diagnostic tools in Group B (individual PFM functions).

**TABLE 2.** Overview of Group B tools

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
B01	Public Expenditure Tracking Surveys (PETS)	WB	1996	Unchanged
B02	Tax Administration Diagnostic Assessment Tool (TADAT)	IMF <sup>a</sup>	2013	Unchanged (Updated 2015, 2019)
B03	Tax Policy Assessment Framework (TPAF)	IMF	2015	New to mapping (pre-2016)
B04	Revenue Administration Gap Analysis Program (RA-GAP)	IMF	2013	Unchanged
B05	Revenue Administration Fiscal Information Toolkit (RA-FIT)	IMF	2012	Unchanged
B06	Tax Administration Series on OECD and other Advanced and Emerging Economies (TAS)	OECD	2004	Unchanged
B07	Tax Diamond	WB	2017	New to mapping (post-2016)
B08	Extractive Industries Transparency Initiative (EITI)	EITI	2005	Unchanged
B09	Collecting Taxes Database (CTD)	USAID	2008	Unchanged
B10	African Tax Outlook (ATO)	ATAF	2017	New to mapping (post-2016)
B11	Tax Administration Maturity Models	OECD	2016	New to mapping (pre-2016)
B12	Public Investment Management Assessment (PIMA)	IMF	2015	Unchanged, (Updated 2018)
B13	Diagnostic Framework for Assessing Public Investment Management (DF-PIM)	WB	2008	Unchanged
B14	PPP Fiscal Risk Assessment Model (P-FRAM)	IMF	2016	New to mapping (pre-2016) (Updated 2019)
B15	Public Sector Balance Sheet (PSBS)	IMF	2018	New to mapping (post-2016)
B16	Debt Management Performance Assessment (DeMPA)	WB	2007	Unchanged, (Updated 2015)
B17	Methodology for Assessing Procurement Systems (MAPS)	OECD <sup>b</sup>	2004	Unchanged, (Updated 2018)
B18	e-Procurement Toolkit	WB	2016	New to mapping (pre-2016)
B19	Diagnostic Framework to Assess the Capacity of a Government FMIS as a Budget Management Tool (DF-FMIS)	WB	2016	Unchanged



**TABLE 2.** Overview of Group B tools (continued)

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
<b>B20</b>	Treasury Diagnostic Toolkit	WB	2004	New to mapping (pre-2016)
<b>B21</b>	TSA Rapid Assessment Toolkit	WB	2012	New to mapping (pre-2016)
<b>B22</b>	Report on the Enhancement of Public Sector Financial Reporting Toolkit (REPF)	WB	2015	New to mapping (pre-2016) (Updated 2019)
<b>B23</b>	International Public Sector Financial Accountability Index	IFAC-CIPFA	2018	New to mapping (post-2016)
<b>B24</b>	Financial Management Model (FMM)	CIPFA	2004	Unchanged
<b>B25</b>	Internal Audit Capability Model (IA-CM)	IIA	2009	Unchanged
<b>B26</b>	Supreme Audit Institutions Performance Measurement Framework (SAI-PMF)	INTOSAI	2016	Unchanged
<b>B27</b>	Institutional Capacity Building Framework (ICBF)	AFROSAI-E	2001	Unchanged

*Note:* AFROSAI-E = African Organization of Supreme Audit Institutions – English speaking, CIPFA = Chartered Institute of Public Finance and Accountancy, IFAC = International Federation of Accountants, IIA = Institute of Internal Auditors, INTOSAI = International Organization of Supreme Audit Institutions, OECD = Organisation for Economic Co-operation and Development, WB = World Bank.

<sup>a</sup> TADAT Secretariat is housed at the IMF.

<sup>b</sup> MAPS Secretariat is housed at the OECD.

### **Main features of Group B tools**

Being grouped based on commonalities in technical coverage, 27 tools in Group B show greater variety in objectives, application modality, design, and features.



#### **Institutional coverage:**

Most of the Group B tools are meant to assess PFM practices at the national level. The institutional coverage of nine tools allows the tools to be used for assessing both national and subnational levels. Five tools have an entity-specific focus - four on individual institutions (supreme audit institutions, internal audit units, and any other institution) and one on SOEs engaging in public-private partnerships (PPPs). With the exception of the WB Public Expenditure Tracking Surveys (Bo1), none of the Group B tools are designed to capture and assess sector-specific PFM performance.



#### **Application method:**

For eight tools, the intended application method is for the assessments to be undertaken exclusively by the tool custodians. Seven tools are intended to be applied primarily as a self-assessment while an additional 11 tools offer self-assessment modality as one of two options (six tools in combination with a custodian and five tools in combination with any external assessor). One tool is intended to be used by the custodian or any external assessors.



#### **Technical coverage:**

In terms of the PFM functions covered, Group B tools concentrate on individual functions in the budget cycle. While they may cover more than one PFM function, PFM performance is normally assessed in reference to the principal function that the tool drills down into; for example, dimensions of IMF Public Investment Management Assessment (B12) look at accounting in relation to infrastructure projects. Management and information systems are the highest-ranking, crosscutting PFM aspect assessed by Group B tools.



#### **Region- and income-specific considerations:**

A minor share of the Group B tools is intended for a particular jurisdiction or geographical region/income level. This is the case, for example, for ATAF African Tax Outlook (B10), which was designed specifically for tax administrations in Africa. Membership in a tool custodian organization is the only restriction on usage. Income-wise, none of the tool custodians indicated that their diagnostic frameworks are intended exclusively for countries in specific income brackets.



#### **Scoring system:**

Benchmarking against good PFM practices with scoring<sup>9</sup> is the application method used by 12 tools, benchmarking with narrative is foreseen for five tools, and narrative evaluation is the default option for six tools. Four of the Group B tools are databases, of which three concentrate on assessing the revenue management function. These tools are particularly apt for cross-country comparison due to the relatively high number of countries for which standardized data sets are collected and available for analysis.

9. Performance against benchmarks of international good practices, international standards, or internationally adopted high-level principles (2018 Stocktaking).



**PFM capacity development:**

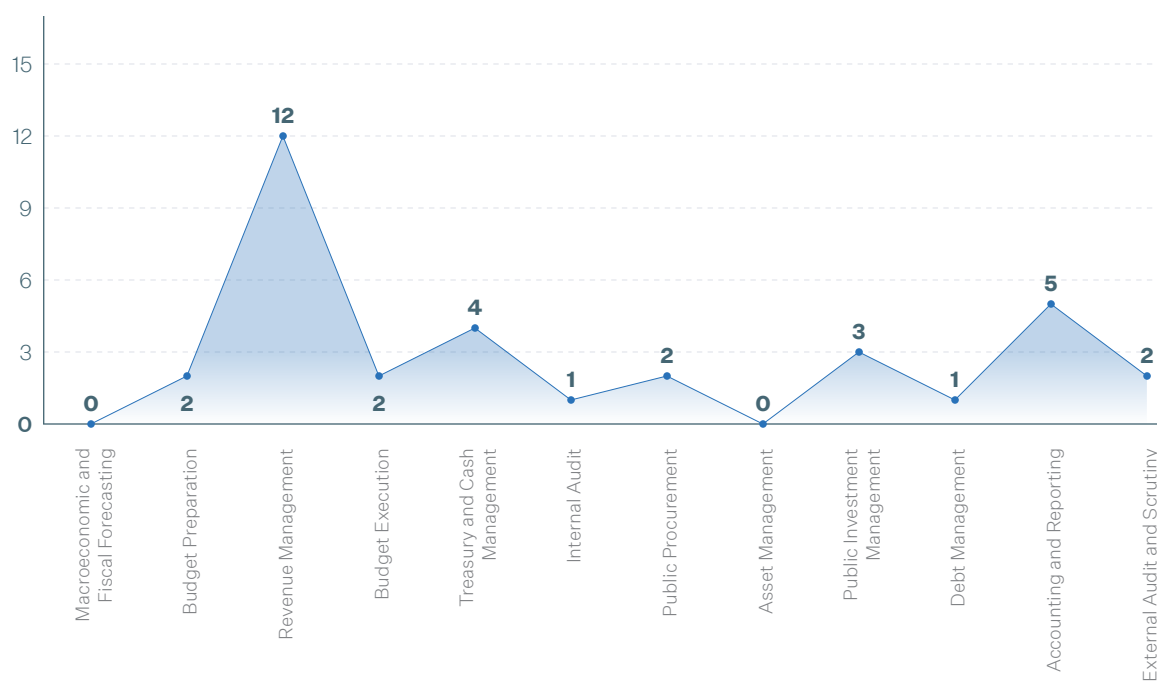
The majority of the Group B tools and assessment results is also associated with some form of PFM capacity development initiatives.<sup>10</sup> A number of custodians deliver training on tool application (e.g., WB e-Procurement Toolkit [B18], IMF Revenue Administration Fiscal Information Toolkit [Bo5]) and/or hands-on support in cases of self-assessment (e.g., IMF Revenue Administration Gap Analysis Program [Bo4], INTOSAI Performance Measurement Framework [B26]). In the case of 11 tools, assessment methodology envisages recommendations which may result in capacity development initiatives with technical assistance. For the majority of tools, custodians reported different modalities for ex-post capacity development resulting from the assessment findings. PFM capacity development resulting from Group B assessments takes form through multi-donor facilities, bilateral support from countries participating in the program (e.g., Extractive Industries Transparency Initiative [Bo8]), and international financial institutions and PFM development partners (e.g., IMF Public Investment Management Assessment [B12], WB Debt Management Performance Assessment [B16], INTOSAI Performance Measurement Framework [B26]). Provision of capacity development resulting from the assessment may be contingent on government request.



**Transparency:**

Transparency in terms of access to assessment methodology is high, but access to assessment results is partial at best. Out of 27 tools in this group, five do not provide public access to methodological guidance. On the other hand, access to the assessment results is the norm for 12 of the tools (some are subject to government approval) while the assessment results are not published for 15 tools.

**FIGURE 3.** Overview of Group B, technical coverage



10. PFM capacity development was considered as ex-ante (to build capacity for the assessment) and ex-post (to address weaknesses identified in the assessment).

### 3.1.3 Mapping and main features of Group C tools

The current tool mapping identified and classified 10 diagnostic tools in Group C (fiduciary risk).

**TABLE 3.** Overview of Group C tools

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
<b>C01</b>	Financial Management Assessment (FMA)	ADB	2015	Unchanged
<b>C02</b>	Tool for Determining the Level of Development and Use of PFM Systems (GUS)	IADB	2009	Unchanged
<b>C03</b>	Assessment of financial management systems in Bank-financed investment operations	WB	2011	Unchanged
<b>C04</b>	Fiduciary Risk Assessment (FRA)	FCDO	2008	Unchanged
<b>C05</b>	Guidelines for Risk Management (GRM)	DANIDA	2013	Unchanged
<b>C06</b>	PFM Risk Assessment Framework (PFMRAF)	USAID	2010	Unchanged
<b>C07</b>	Governance Risk Assessment in ADB operations (GRA)	ADB	2006	New to mapping (pre-2016)
<b>C08</b>	Country and Sector Procurement Risk Assessment (CSPRA)	ADB	2015	New to mapping (pre-2016)
<b>C09</b>	Program-for-Results Fiduciary System Assessment (FSA)	WB	2017	New to mapping (post-2016)
<b>C10</b>	European Commission Directorate General for Economic and Financial Affairs – Operational Assessment (ECFIN-OA)	EU	1990s	Unchanged, reclassified from Group A

*Note:* ADB = Asian Development Bank, DANIDA = Danish International Development Agency, EU = European Union, FCDO = Foreign, Commonwealth and Development Office, IADB = Inter-American Development Bank, USAID = United States Agency for International Development, WB = World Bank.

### **Main features of Group C tools**

Features of the tools within Group C tools remained unchanged compared with the previous mapping. These tools are intended to inform decision-making on the use of country systems and other operational decisions, risk appetite, and the custodian requirements vis-à-vis recipient governments/institutions. The distinguishing feature of Group C tools is their “objective,” as fiduciary tools are exclusively used by their custodians to assess fiduciary risks in using the countries’ PFM systems on their financial support to the country.



#### **Institutional coverage:**

Only one tool (EU ECFIN Operational Assessment [C10]) is intended exclusively to assess national-level PFM performance. Three tools (IADB Tool for Determining the Level of Development and Use of PFM Systems [Co2], FCDO Fiduciary Risk Assessment [Co4], and WB Fiduciary Systems Assessment [Co9]) can be used at both the national and subnational level. In addition to being applicable at both the national and subnational level, the remaining tools are designed to include sector- and entity-specific coverage.<sup>11</sup> Distinctly for Group C, there are operations-related tools (such as WB Fiduciary Systems Assessment [Co9]) or system-related tools (such as IADB Tool for Determining the Level of Development and Use of PFM Systems [Co2]) for assessing country PFM systems for consideration on fiduciary aspects of future operations rather than for a particular operation.



#### **Application method:**

Group C tools are designed to be applied only by the tool custodians, in keeping with the premise that the custodians use these tools to assess fiduciary risks when considering budget support or for other uses of country PFM systems in the provision of financial support. In these cases, Group C tools are used to demonstrate that the fiduciary risk associated with using the national PFM systems and processes of the host government is at an acceptable level as demonstrated by findings from the assessment of the country’s PFM systems.



#### **Technical coverage:**

Technical coverage of Group C tools is largely broad-based, looking at multiple PFM functions associated with fiduciary risks in the budget cycle. Assessments with Group C tools often use findings from assessments using tools from other groups as reference and input. Notable areas of focus include public procurement (7 of 10 tools), accounting and reporting (7 of 10 tools), and external audit and scrutiny (9 of 10 tools). Some Group C tools provide an assessment of governance and anti-corruption arrangements, areas not explicitly assessed by any tools in other groups.



#### **Region- and income-specific considerations:**

Group C tools are intended for use in specific countries that qualify for access to custodian’s resources, based on the given eligibility criteria.



#### **Scoring system:**

The scoring system in this group of tools is split nearly evenly between narrative evaluation (ADB Financial Management Assessment [Co1], WB assessment of financial management systems in bank-financed investment operations [Co3], ADB Governance Risk Assessment [Co7], WB Fiduciary Systems Assessment [Co9]) and benchmarking against good PFM practices with scoring (the remaining tools).<sup>12</sup> Assessment results are normally documented in terms of risk exposure and organized on a four-point scale (e.g., high, substantial, moderate, or low risk).

11. At project level in case of ADB FMA, Co1 and program level in case of WB FSA, Co9.

12. Performance against benchmarks of international good practices, international standards, or internationally adopted high-level principles (2018 Stocktaking).



### PFM capacity development:

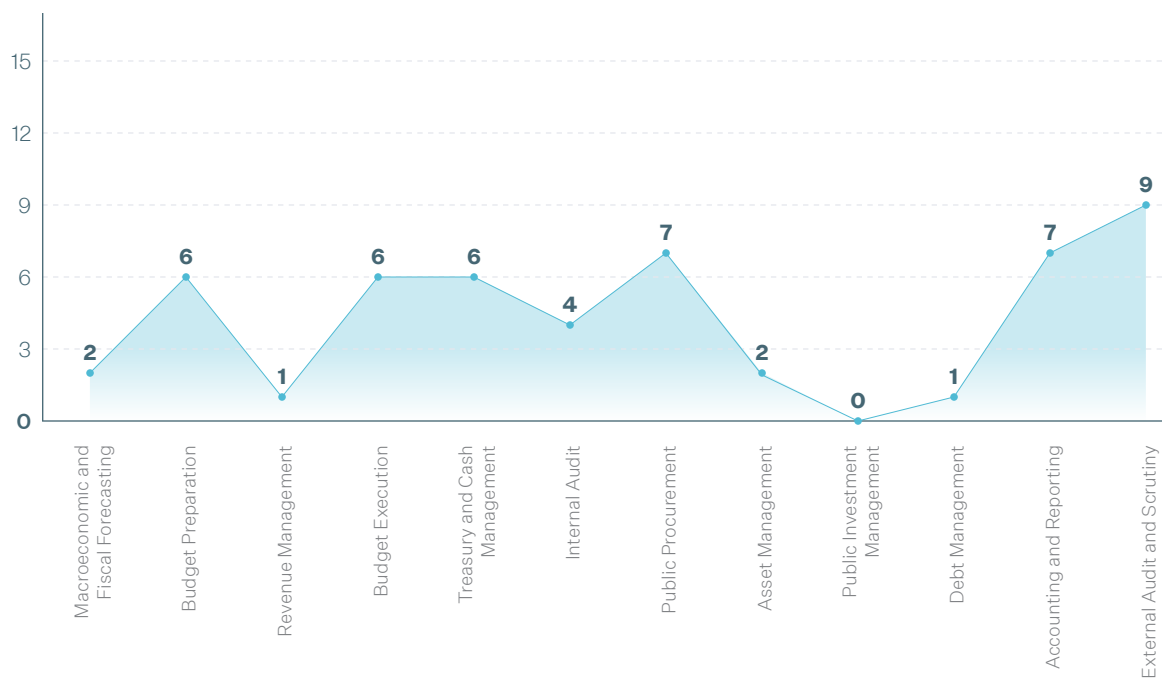
Capacity development initiatives associated with Group C tools are usually aimed at mitigating the underlying fiduciary risks. At least six tools in this group foresee development of an action plan, risk mitigation plan, or a memorandum of understanding that is used to document capacity development initiatives resulting from the assessment. Since many of the tools focus on program, project, or entity-specific PFM performance, the capacity development interventions may not necessarily be systemwide in terms of their impact on overall PFM performance in the assessed jurisdiction.



### Transparency:

Transparency in terms of access to assessment methodology is fairly high considering the nature of Group C tools, with public access to user guides, instructions, and the like for six out of 10 tools. Considering Group C tools' objectives, assessment results are neither disclosed nor published. ADB's Financial Management Assessment tool (Co1) is an exception, with assessment results usually published. Assessment results from WB Fiduciary Systems Assessment tool (Co9) are accessible to other donors in case of jointly funded programs.

**FIGURE 4.** Overview of Group C, technical coverage



### 3.1.4 Mapping and main features of Group D tools

The 2022 Tool Mapping identified and classified 14 diagnostic tools in Group D (PFM in sectors or topics). This is a new category of PFM tools in this stocktaking, and all tools except one are new to the mapping.

**TABLE 4.** Overview of Group D tools

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
D01	FinHealth – PFM in Health Toolkit	WB	2020	New to mapping (post-2016)
D02	Health Financing Progression Matrix (HFPM)	WHO	2018	New to mapping (post-2016)
D03	Guided Self-Assessment of Public Financial Management Performance (PFMP-SA) for Health Sector	USAID	2013	New to mapping (pre-2016)
D04	Programme Capacity Assessment (PCA)	Gavi	2016	New to mapping (pre-2016)
D05	Financial Sustainability Diagnostic Tool (FSDT)	Gavi	2003	New to mapping (pre-2016)
D06	Climate Public Expenditure and Institutional Review (CPEIR)	UNDP	2011	New to mapping (pre-2016)
D07	Climate Change Budget Integration Index (CCBII)	UNDP	2015	New to mapping (pre-2016)
D08	Disaster Response: A Public Financial Management Review Toolkit (PD-PFM)	WB	2019	New to mapping (post-2016)
D09	Gender Responsive Public Financial Management Framework (GRPFM)	PEFA	2019	New to mapping (post-2016)
D10	Equity Budgeting Tool (EBT)	GIZ	2018	New to mapping (post-2016)
D11	Integrated State-Owned Enterprises Framework (iSOEF)	WB	2019	New to mapping (post-2016)
D12	Corporate Governance – Report on the Observance of Standards and Codes (CG-ROSC)	WB	2001	New to mapping (pre-2016) (Updated 2015, 2017)
D13	Corporate Governance SOE Progression Matrix (CGPM SOE)	WB	2010	New to mapping (pre-2016) (updated 2018)
D14	Accounting and Auditing – Report on Observance of Standards and Codes (AA-ROSC)	WB	2001	Unchanged, reclassified from B (Updated 2017, 2019)

**Note:** Gavi = The Vaccine Alliance, GIZ = German Agency for International Cooperation, PEFA = Public Expenditure and Financial Accountability, UNDP = United Nations Development Programme, USAID = United States Agency for International Development, WB = World Bank, WHO = World Health Organization.

### ***Main features of Group D tools***

Nearly all of 14 Group D tools have been mapped for the first time, on their common institutional coverage feature. The tools assess PFM performance in sector- or subject-specific context, having different tool characteristics and serving different purposes.



#### **Institutional coverage:**

Seven tools in Group D are intended to assess PFM performance exclusively at the national level. Four tools are designed to measure performance at the national and subnational level. While applicable at both the national and subnational level, the remaining tools primarily focus on state-owned enterprises as a subsector and provide entity-level focused assessment.



#### **Application method:**

Eight Group D tools are designed to be applied only by the tool custodians, one by any external assessor and one solely for self-assessment. The remaining four tools can be applied for self-assessment and by any external assessor, self-assessment and custodian, while one tool accommodates any application modality.



#### **Technical coverage:**

Most Group D tools take a broad perspective on PFM and can be used to examine different PFM functions across the budget cycle as they relate to the tool's sectoral focus. This is the case, for example, for the WB FinHealth (D01) (health), Gavi Programme Capacity Assessment (D04) (also health), UNDP Climate Public Expenditure and Institutional Review (D06) (climate change), and PEFA Gender Responsive Public Financial Management Framework (D09) (gender). A second smaller subgrouping consists of the tools which focus more narrowly on one or more PFM functions, such as Gavi Financial Sustainability Diagnostic Tool (D05) (budgeting for immunization programs) and WB Disaster Response: A Public Financial Management Review Toolkit (D08) (appropriations, controls in financial management, and public procurement for disaster recovery). Finally, four tools in this group are used to assess state-owned enterprises.



#### **Region- and income-specific considerations:**

Custodians did not report restrictions on applicability of tools, and none of the tools have been designed with a specific type of regional jurisdiction or income level in mind.



#### **Scoring system:**

The scoring system is split between narrative evaluation (WB FinHealth [D01], UNDP Climate Public Expenditure and Institutional Review [D06], GIZ Equity Budgeting Tool [D10], and WB Integrated State-Owned Enterprises Framework [D11]) and benchmarking against good PFM practices with scoring (ten remaining tools).<sup>13</sup>

13. Performance against benchmarks of international good practices, international standards, or internationally adopted high-level principles (2018 Stocktaking).





**PFM capacity development:**

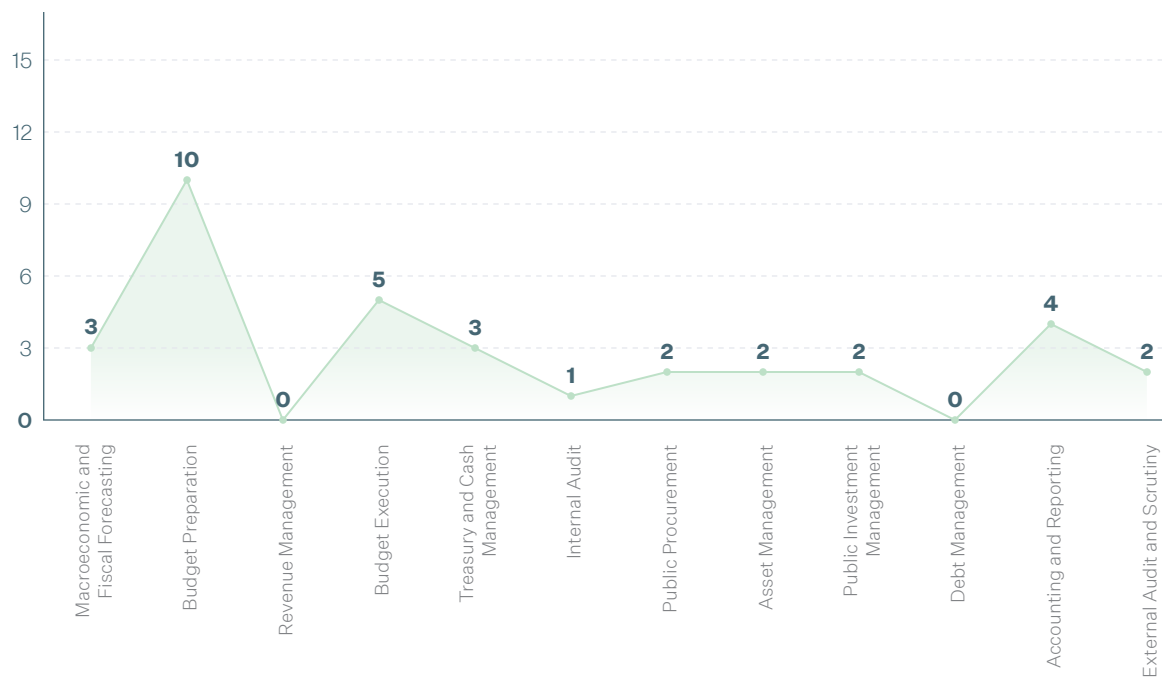
Half of Group D tools are designed to provide recommendations and inform action plans that result in capacity development initiatives.



**Transparency:**

Transparency in terms of access to assessment methodologies is high, with the methodology publicly available for 10 out of 14 tools. On the other hand, the assessment results are readily available for five tools: WB FinHealth (D01), UNDP Climate Public Expenditure and Institutional Review (D06), PEFA Gender Responsive Public Financial Management Framework (D09), WB Corporate Governance – Report on the Observance of Standards and Codes (D12), and WB Accounting and Auditing – Report on Observance of Standards and Codes (D14).

**FIGURE 5.** Overview of Group D, technical coverage

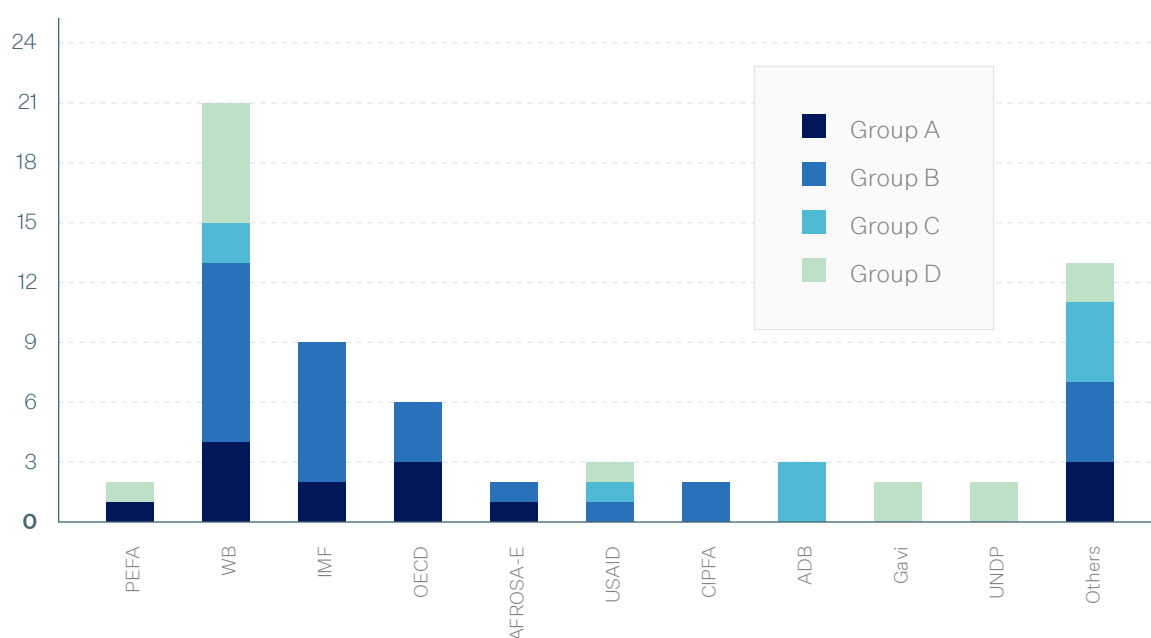


### 3.1.5 Tool development by custodian

In total, 23 custodians<sup>14</sup> led or coordinated the development of the 64 mapped tools. Most of the tools across groups are managed by 18 previously mapped custodians that include multilateral and bilateral agencies, international organizations, and regional development banks<sup>15</sup> (Figure 6). Five new custodians were identified in the current mapping: ATAF, WHO, GAVI, UNDP, and GIZ. These custodians developed tools that focus on specific elements of PFM (B tools) and on specific sectors (D tools), with one new custodian introducing function-specific tool, ATAF (African Tax Outlook [B10]), and four new custodians focusing on sector-specific PFM performance: WHO Health Financing Progression Matrix (D02), GAVI Programme Capacity Assessment (D04) and Financial Sustainability Diagnostic Tool (D05), UNDP Climate Public Expenditure and Institutional Review (D06) and Climate Change Budget Integration Index (D07), and GIZ Equity Budgeting Tool (D10).

Three institutions manage 35 of the mapped PFM tools: WB (21), IMF (8), and OECD (6). The three institutions have specific instruments that cover multiple and specific PFM functions. WB also has instruments that cover specific sectors, making it the custodian with the widest coverage and highest number of tools covering specific PFM functions (e.g., expenditures, taxes, investment, debt, procurement, treasury and financial reporting) and specific sectors (e.g., health, disaster response, SOE), followed by the IMF (on B tools, focusing on revenue and PIM) and OECD (on B tools, focusing on revenue and procurement). Beyond serving a high number of member countries, these custodians are also among the most active collaborators and contributors in the international fora (see Section 4 on tool development for details).

**FIGURE 6.** Overview of mapped tools by custodians



**Note:** AFROSAI-E = African Organization of Supreme Audit Institutions – English speaking, ADB = Asian Development Bank, CIPFA = Chartered Institute of Public Finance and Accountancy, Gavi = The Vaccine Alliance, IMF = International Monetary Fund, PEFA = Public Expenditure and Financial Accountability, OECD = Organisation for Economic Co-operation and Development, UNDP = United Nations Development Programme, USAID = United States Agency for International Development, WB = World Bank.

14. Including PEFA, IMF (with TADAT Secretariat) and OECD (with MAPS Secretariat).

15. WB, IMF, OECD, CoE, EU, USAID, FCDO, DANIDA, IADB, AfDB, ADB, AFROSAI-E, IBP, EITI, CIPFA, IIA, INTOSAI, and PEFA.

## 3.2 CHANGES SINCE THE PREVIOUS MAPPING

The current mapping identified 64 PFM diagnostic tools in comparison with 45 tools mapped as of end-2016.<sup>16</sup> Expanded scope of custodians and tools led to mapping of 18 tools that were developed prior to 2016 but not mapped in the previous stocktaking (Table 5, row on “Tools mapped for the first time, developed pre-2016”). An additional 12 new tools developed after the previous mapping, that is, developed after 2016, are added to the current stocktaking (Table 5, row on “Tools mapped for the first time, developed post- 2016”). Two tools have been reclassified in other than their former group. Finally, 11 tools mapped in the previous stocktaking are not a part of this mapping, because they have been discontinued,<sup>17</sup> have limited information availability, or are reclassified as resources promoting good PFM practices but not used to assess PFM performance. The specific status of those resources is discussed in Annex 2, Special Mentions.

**TABLE 5.** Overview of changes in the total number of tools

Description	Total	A	B	C	D
<b>1. Tools mapped, as of end-2016 in the previous stocktaking</b>	45	12	24	9	NA
Of which: discontinued, limited information availability or moved to resource promoting good practice in the current mapping	-11	-1	-7	-3	NA
<b>2. Tools carried over from the last mapping (balance)</b>	<b>34</b>	<b>11</b>	<b>17</b>	<b>6</b>	<b>NA</b>
<b>3. Tools mapped for the first time in this stocktaking</b>	<b>30</b>	<b>3</b>	<b>11</b>	<b>3</b>	<b>13</b>
Of which: tools mapped for the first time, developed pre-2016	+18	+2	+7	+2	+7
Of which: tools mapped for the first time, developed post-2016	+12	+1	+4	+1	+6
<b>4. Tools reclassified between groups</b>		(-1)	(-1)	(+1)	(+1)
<b>5. Total tools mapped, as of end-2019 (5= 2+3+4)</b>	<b>64</b>	<b>13</b>	<b>27</b>	<b>10</b>	<b>14</b>
<b>Net change in number of mapped tools between both stocktaking exercises</b>	<b>19</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>14</b>

Custodians continued to refine the existing tools and develop new tools within the coverage of the previous mapping. Detailed overview of changes in each group is available in Annex 1.

16. Tools under development or updating identified during the preparation of this report and after the cutoff date are presented in Section 3.2.6.

17. Tools where the custodians have informed that the methodology is no longer available, used, or supported. For one tool, the custodian organization no longer exists, and while the material is still online, there is no information on the tool status.

### Changes in specific groups may be summarized as follows:

- Relative to mapping as of end-2016, Group A (multiple aspects of PFM) increased by one tool in total, with one tool moved to resources promoting good practice (GIFT's Principles on Fiscal Transparency) and one reclassified into another group (EU's ECFIN-OA). Of the three tools mapped for the first time, two assess PFM performance within the broader context of economic governance (WB CPIA [A11] and AfDB CPIA [A12]) while one tool is focused exclusively on PFM performance that builds upon the annual work carried out by supreme audit institutions (AFROSAI-E PFM-RF [A13]). Besides methodological updates, the status of most tools in Group A remains unchanged, and the development of new tools is marginal.
- Relative to mapping as of end-2016, Group B (individual PFM functions) increased by three tools in total. Within this limited increase in the total number of tools mapped, Group B is characterized by a high turnover of discontinued and newly mapped tools. In total, six tools mapped in the previous stocktaking were discontinued, one tool was moved to resources promoting good practice guidance, and one tool was reclassified into another group. Discontinuation of almost the same number of tools was offset by nearly the same number of new entries. For example, four new tools focusing on revenue management have been mapped in place of an equal number of revenue management tools removed from the tools mapping. Newly mapped tools focus on tax policy (IMF TPAF [B03]), two assess tax administration (OECD Tax Administration Maturity Model Series [B06] and WB Tax Diamond [B07]), and one is a database tool (ATAF ATO [B10]). In place of two tools formerly assigned to assess accounting practices (of which one has been discontinued and the other reclassified), one tool assessing adherence to accounting standards and one index tool measuring global progress on transition to accrual accounting have been mapped for the first time. Two frameworks for assessing treasury operations also have been mapped for the first time. Two tools that can support assessment of fiscal risks have been mapped and one tool focuses on e-procurement. The status of the remaining 16 tools remained unchanged relative to the previous mapping.
- Relative to mapping as of end-2016, Group C (fiduciary risk) increased by one tool in total. One tool was moved to resources promoting good PFM practice and two tools were not maintained in the mapping due to limited information availability. The status of most tools remains unchanged, and development of new tools is stable. Fiduciary risk tools are associated with the types of operations that custodians are implementing, thus new tool development follows the introduction of new types of operations.
- Group D (PFM in sectors or topics) is a new category in the current mapping which includes 14 tools with a sector- or topic-specific focus on PFM performance. All the tools in this group are new to the tool mapping, except one existing tool reclassified from its previous category. In Group D, the mapped tools assess PFM performance in the health sector (five tools); performance of state-owned enterprises; PFM in relation to climate change standards and codes (two tools each); and disaster response, gender, and equity budgeting (one tool each).

### 3.3 TOOLS BEING DEVELOPED IN 2020–2021

The stocktaking mapped the tools developed and available up to the end of 2019 (cutoff date). This subsection attempts to complement the information on PFM tools under development in 2020–2021. In addition to resources promoting good PFM practices identified as developed up to the end of 2019 as of the cutoff date, additional resources have been identified as “under development” in the period 2020 - 2021 (see Annex 2, Special Mentions).

The tools being developed in 2020 and 2021 follow a similar focus on assessment of individual PFM functions, institutions, or subsystems (Group B), assessing revenue, internal audit, accounting and reporting, and external audit. The IMF's fiscal risk toolkit<sup>18</sup> brings a set of new tools, some of which are already available and others are being developed. Other tools under development indicate sector-specific PFM performance focus with emphasis on climate change. The list is not exhaustive and does not necessarily reflect all the tools under development in the period 2020–2021.

18. The IMF Fiscal Risk Toolkit is a suite of analytical tools that guide government policy and capacity development. The tools provide a practical basis to help countries identify, analyze, manage, and disclose fiscal risks. See IMF's [Fiscal Risk Management portal](#).

**TABLE 6.** Tools under development in 2020 and 2021

#	Name	Custodian	Indicative technical coverage	Year	Status
1	Base Erosion and Profit Shifting Assessment Tool (BAT)	OECD	Revenue	--	In pilot stage. Not publicly available.
2	International Standards Conformance Assessment Tool	IIA	Internal audit	--	Piloted . Not publicly available.
3	Supreme Audit Institutions Information Technology Maturity Assessment (SAI-ITMA)	GIZ	Entity-level (SAIs) External audit	2019	Piloted in selected SAIs. Not publicly available.
4	PEFA Climate Responsive Public Financial Management Framework (PEFA Climate)	PEFA	Sector- and theme-specific: Climate change	2020	Draft under piloting available. <a href="#">PEFA Climate</a>
5	COVID-19 Fiscal Stress Test Module/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	2020	Available <a href="#">Fiscal-Risks-Toolkit-C-ST (imf.org)</a>
6	Fiscal Risk Assessment Tool (FRAT)/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	2021	Available. <a href="#">Fiscal-Risks-Toolkit-FRAT (imf.org)</a>
7	SOE Health Check Tool (SOE-HCT)/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	2021	Available. <a href="#">Fiscal-Risks-Toolkit-SOE-HCT (imf.org)</a>
8	SOE Forecasting and Stress Test Tool (SOE-ST)/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	2021	Available. <a href="#">Fiscal-Risks-Toolkit-SOE-ST (imf.org)</a>
9	Climate PIMA (C-PIMA)	IMF	Sector- and theme-specific: Climate change	2021	Available <a href="#">Climate PIMA (imf.org)</a>
10	Global Tax Expenditure Database (GTED)	CEP	Revenue	2021	Available <a href="https://gted.net">https://gted.net</a>
11	Supreme Audit Institutions Independence Index	WB	Entity-level (SAIs) External audit	2021	Available. <a href="#">Synthesis report</a>
12	Climate Change Institutional Assessment (CCIA)	WB	Sector- or theme-specific: Climate change	2021	Available. <a href="#">CCIA</a>
13	MAPS tool (B17) supplementary modules: Sustainable Procurement Practices and Professionalization	OECD	Public procurement (emphasis on sustainability and capacity development)	2021	Available <a href="#">MAPS modules</a>
14	Compliance Audit iCAT V1	INTOSAI	External audit	2021	Available <a href="#">iCAT</a>
15	Revenue Dashboard	WB	Revenue	2022	Available. <a href="#">WB Revenue Dashboard brief</a> <a href="#">WB Revenue Dashboard</a>
16	Public Sector Accounting Assessment (PULSE) Framework Handbook	WB	Accounting and reporting	2022	Available. <a href="#">PULSE</a>
17	Individual and Standardized Loan Tool (SGAT)/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	NA	Under development
18	Guarantee Assessment Tool (DGAT)/Fiscal Risk Toolkit	IMF	Fiscal risk assessment	NA	Under development

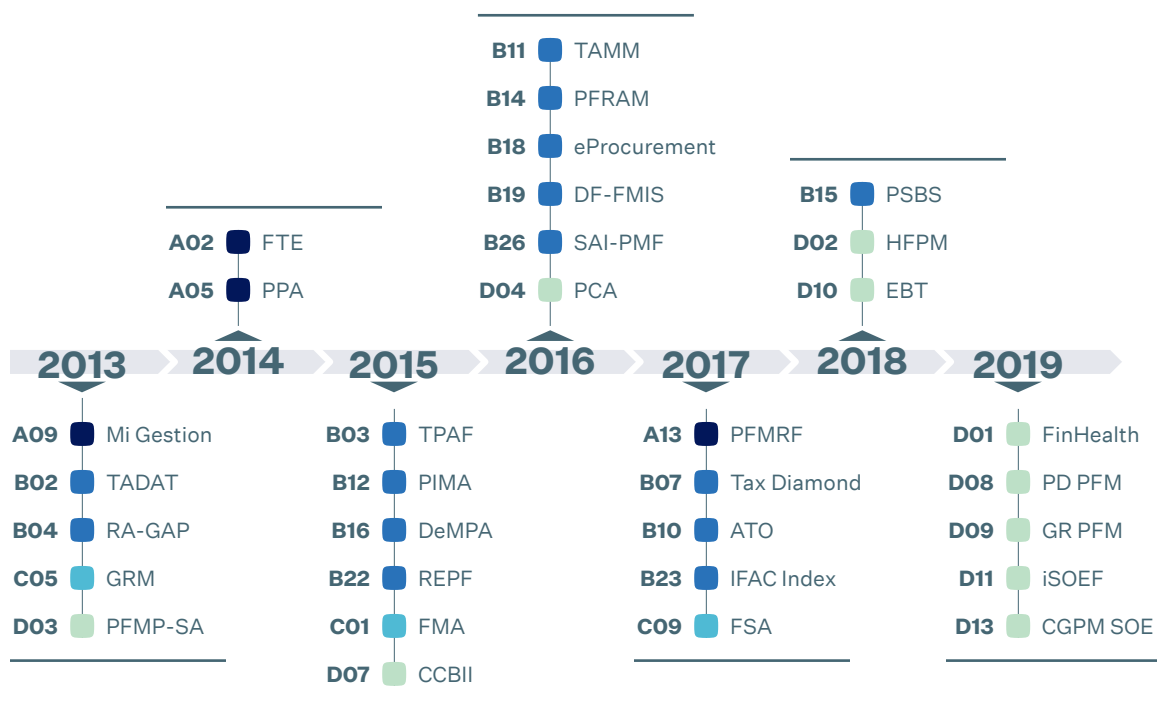
**Note:** CEP = Council on Economic Policies, GIZ = German Agency for International Cooperation, IIA = Institute of Internal Auditors, IMF = International Monetary Fund, INTOSAI = International Organization of Supreme Audit Institutions, OECD = Organisation for Economic Co-operation and Development, PEFA = Public Expenditure and Financial Accountability, WB = World Bank.

## 4.

# DYNAMICS OF TOOL DEVELOPMENT, 2013–2019

The analysis of tool development focuses on 31 tools developed over 2013 to 2019 (Figure 7). The dynamics of tool development cover a longer period than the analysis of changes since the previous tool mapping to expand the sample of tools considered. Observations and findings can thus be applicable to a broader segment of PFM diagnostic tools.

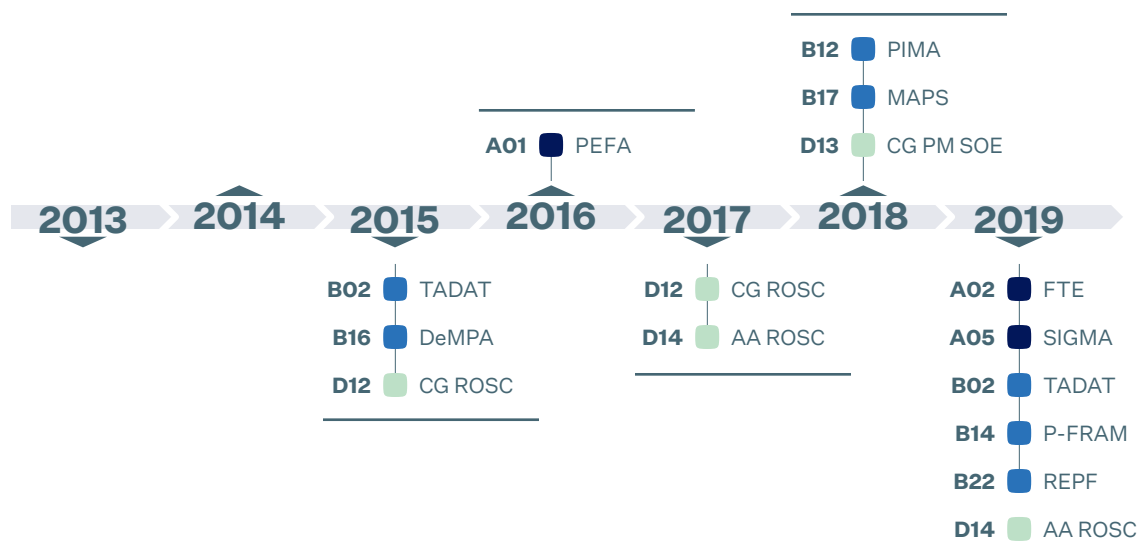
**FIGURE 7.** Tool development timeline (for all groups)



Note: See Tables 1 to 4 for the name of each tool.

The analysis likewise captures updates to the existing tools as a subset of tool development (Figure 8). From 2013 to 2019, 12 tools were updated/expanded across Groups A, B, and D (see section 4.3 for more details). Three tools - TADAT (B02), CG-ROSC (D12), and AA ROSC (D14) - were revised twice in the period.

**FIGURE 8.** Tool updating timeline (for all groups)

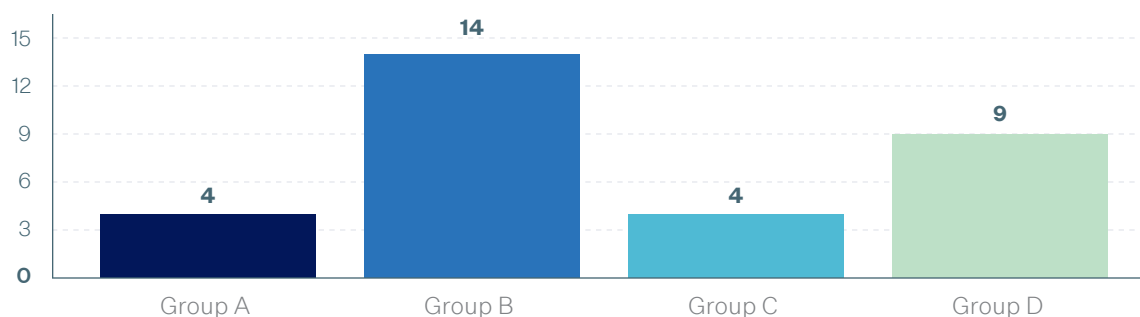


Note: See Tables 1 to 4 for the name of each tool.

#### 4.1 ANALYSIS OF TOOL DEVELOPMENT BY GROUP, 2013 - 2019

Among the 31 PFM diagnostic tools developed in the four groups in the period 2013–2019 (Figure 9), concentration of tool development was in Group B (14 tools or 45 percent of all tools developed) and Group D (9 tools or 29 percent of all tools developed). Together, the tools developed in Group B to assess specific PFM functions and in Group D to assess PFM performance in specific sectors account for almost three quarters of all tools developed in the period. Development of tools in Group A to assess broad PFM and in Group C to address fiduciary concerns follows with a much smaller share (with 8 tools developed in both groups, or 26 percent of all tools in total).

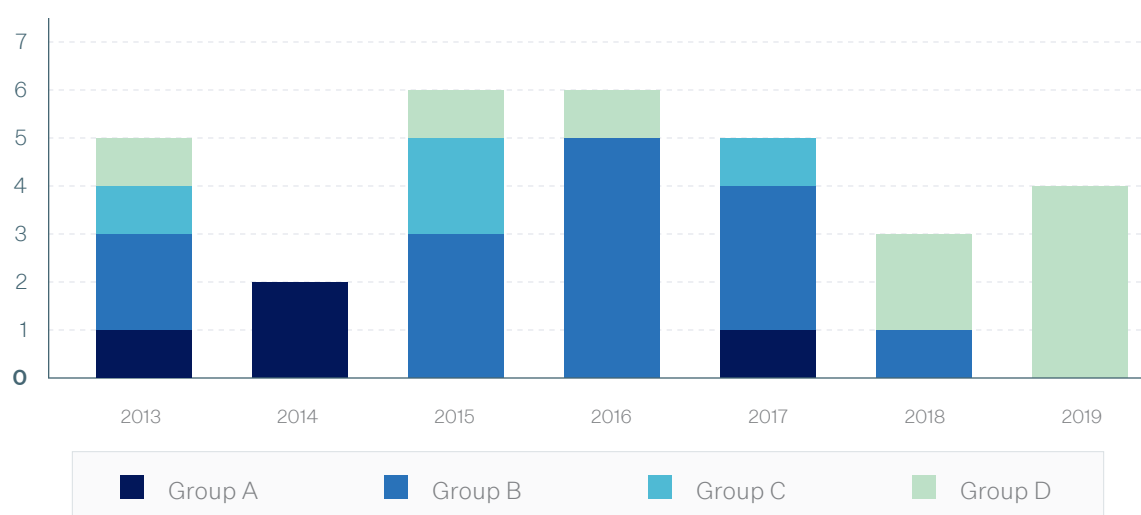
**FIGURE 9.** Tools developed by group, 2013–2019



Trends in tool development in the period suggest that tool development in Groups A, B, and C reached its highest point by 2017, with an increase in development of Group D tools from 2018 onward (Figure 10). Development of Group A was concentrated in 2014 (two tools) with one more tool developed in 2013 and one in 2017. The development of Group A tools has largely stopped since, signaling that the existing tools are meeting the needs for broad-based PFM assessment. Tool development in Group C followed a similar pattern, driven by the need to support custodians' new operations/lending instruments.

Development of tools in Group B likewise reached its highest point by 2018, with a high concentration of tool development between 2015 and 2017 (11 tools), two tools developed in 2013, and one tool in 2018. Group D tools demonstrate an opposite pattern, where two thirds of the tools were developed in 2018 and 2019, with one tool developed each year in 2013, 2015, and 2016.

**FIGURE 10.** Breakdown of tool development by year, 2013–2019



#### 4.1.1 Analysis of tool development in Group A

While they share the same broad PFM technical coverage, the four Group A tools (multiple aspects of PFM) developed in the period (IMF FTE [A02], OECD PPA [A05], WB MiGestion [A09], and AFROSAI-E PFMRF [A13]) have the following distinguishing features:

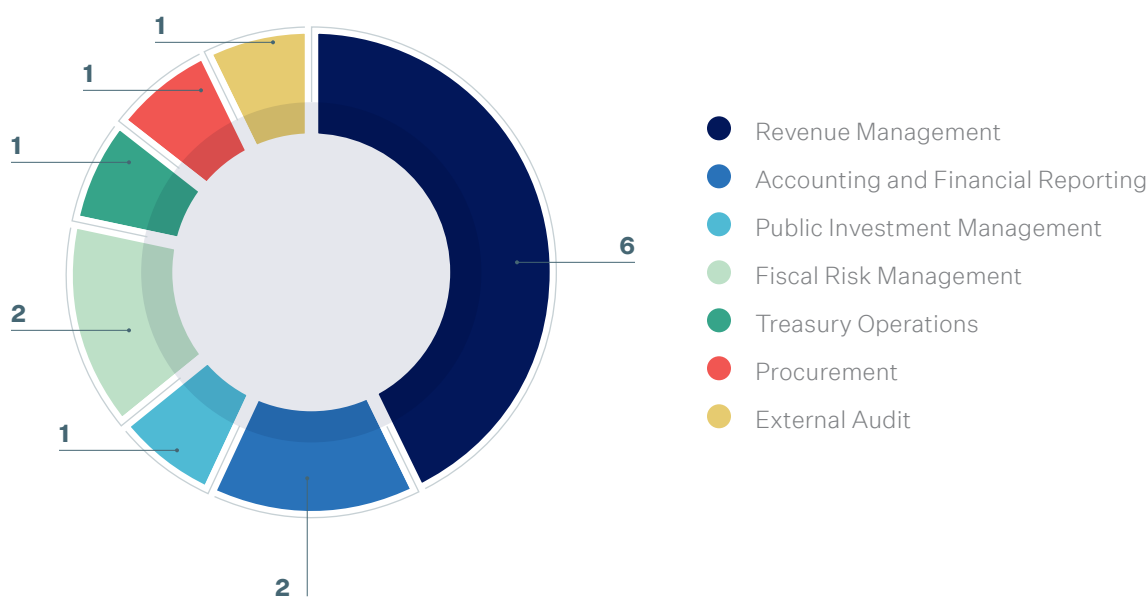
- One tool was developed solely for subnational level (WB MiGestion [A09]) while the other three tools are designed to assess PFM performance at the national level.
- One tool (IMF FTE [A02]) was designed for global use and one tool (OECD PPA [A05]) for countries in the EU accession/partnership arrangements. WB MiGestion (A09) was originally developed for small subnational governments (SNGs) in the Latin America and Caribbean region and AFROSAI-E PFMRF (A13) for member institutions.
- Three tools (IMF FTE [A02], OECD PPA [A05], WB MiGestion [A09]) were designed to be applied by the custodian. AFROSAI-E PFMRF (A13) was developed for self-assessment (by SAIs).
- Benchmark with scoring is the default method for all the tools developed in the period.



### 4.1.2 Analysis of tool development in Group B

In Group B (individual PFM functions), analysis disaggregates tools in terms of different PFM functions they are intended to assess. Of the 14 tools developed in the period 2013–2019, six tools are intended to assess the revenue management function (nearly 50 percent of Group B tool development); two tools assess accounting and financial reporting; and there is one tool each for public investment management, fiscal risk management, treasury, procurement, and external audit. As a result, all PFM functions as described in this stocktaking are covered with specific drill-down tools.

**FIGURE 11.** Breakdown of PFM functions covered with Group B tools, 2013–2019



Six tools to assess revenue management in Group B developed in the period demonstrate the following features:

- All tools can assess performance at the national level, with three that can also be used to assess subnational PFM performance (IMF TADAT [Bo2], WB Tax Diamond [Bo7], and OECD Tax Administration Maturity Model Series [B11]).
- Only one tool (ATAF ATO [B10]) is designed for a specific region, while the rest are intended for global use.
- Two tools can be applied either only by the custodian (ATAF ATO [B10]) or only as self-assessment (IMF TPAF [Bo3]). Two tools can be applied either by the custodian or as self-assessment (IMF RA-GAP [Bo4] and WB Tax Diamond [Bo7]), and two tools either by any external assessor or as self-assessment (IMF TADAT [Bo2] and OECD Tax Administration Maturity Model [B11]).
- Narrative evaluation is the default benchmarking system method for three revenue tools (IMF TPAF [Bo3], IMF RA-GAP [Bo4], and OECD Tax Administration Maturity Model [B11]), while two use scoring (IMF TADAT [Bo2] and WB Tax Diamond [Bo7]). One tool developed was a database (ATAF ATO [B10]).

For the eight Group B tools focusing on the remaining PFM functions, the features of tools developed in the period are as follows:

- Five tools are designed to assess national PFM performance, two tools can be used both at the national and subnational level (of which one is meant to assess fiscal risks from SOE performance on either level), with one tool gauged at specific institutions (SAI) representing the external audit function.
- All of the tools developed in the period can be applied globally.
- Five tools are to be applied by the custodian only.
- Seven tools use benchmarking with scoring, and one is a database.

#### 4.1.3 Analysis of tool development in Group C

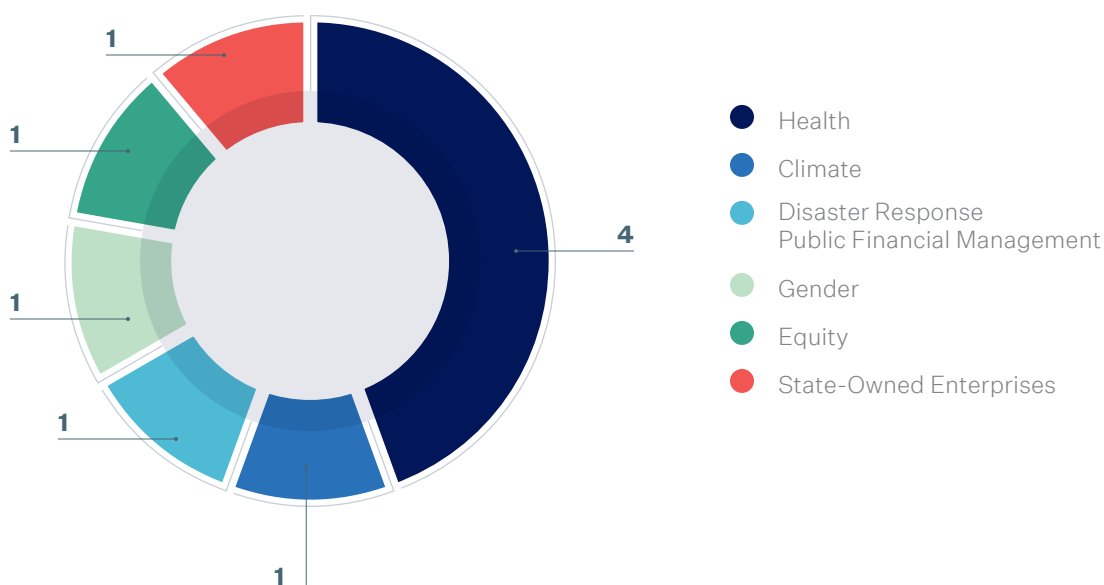
In Group C (fiduciary risk), custodians have developed four tools that are inherently custodian-driven and used exclusively by the custodian.

- Three tools assess PFM performance at the national and/or subnational level - with DANIDA GRM (Co5) focusing on the national and the two other tools indicating project- and/or program-specific fiduciary focus.
- Usage is restricted to countries that are eligible for custodian financing.
- Benchmarking is the scoring method for two tools, with one summarizing the fiduciary risk assessment in narrative evaluation and one that uses benchmarking with narrative.

#### 4.1.4 Analysis of tool development in Group D

In Group D (PFM in sectors or topics), nine tools were designed in the period under analysis. Four tools were designed to assess PFM performance in the health sector, and one each to assess PFM in relation to climate change, disaster responsiveness, gender, equity budgeting (multisector), and SOE performance. The focus of tools mapped in Group D is on PFM performance in the health sector, with four out of nine tools developed.

**FIGURE 12.** Sectors covered with Group D tools, 2013–2019



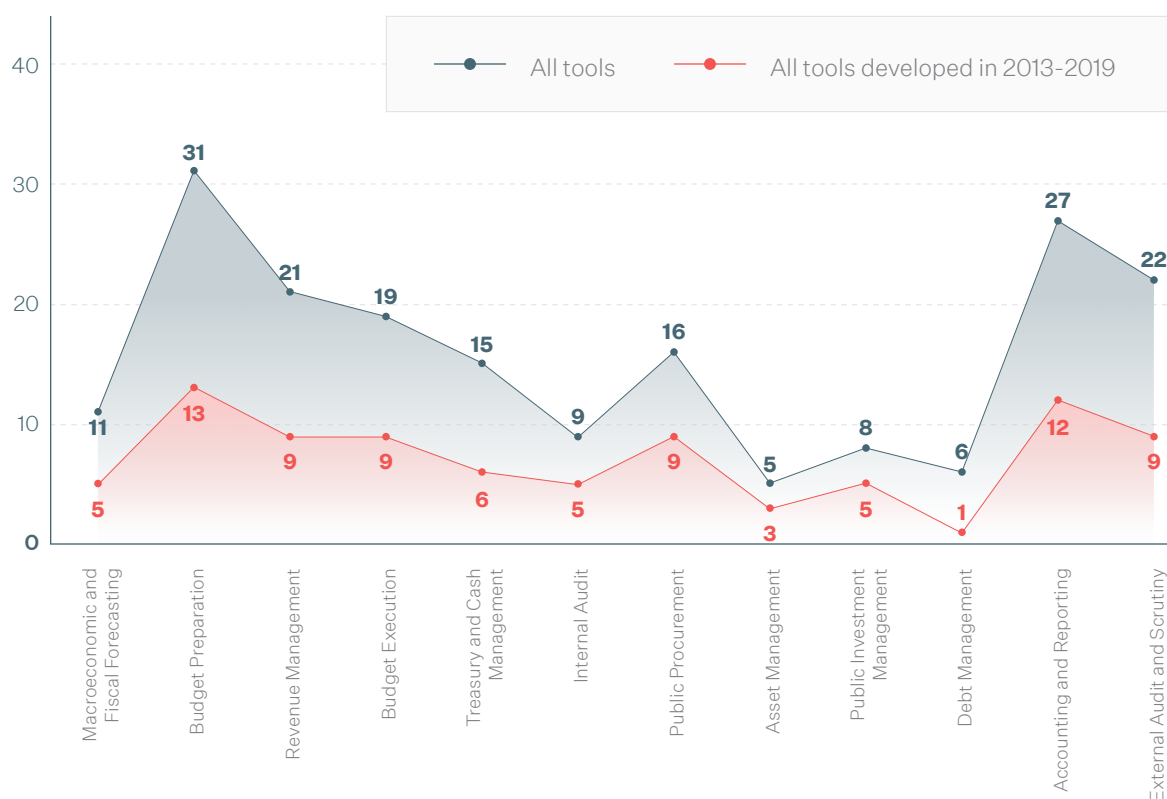
<p>PFM in health sector</p>	<ul style="list-style-type: none"> <li>● Two tools assess national practices (WHO HFPM [D02] and USAID PFMP-SA [D03]) and two tools (WB FinHealth [D01] and Gavi PCA [D04]) can assess both national and subnational practice.</li> <li>● None of the tools are intended for specific regions or income levels.</li> <li>● Three tools are intended to be applied by custodian only, while one is intended for self-assessment (PFMP-SA [D03]).</li> <li>● Benchmarking with scoring is used for three tools and one tool captures assessment results as narrative evaluation (WB FinHealth [D01]).</li> </ul>
<p>SOEs</p>	<ul style="list-style-type: none"> <li>● The tool (WB iSOEF [D11]) is entity-specific, meaning it assesses the performance of individual SOEs.</li> <li>● The tool is not targeting specific regions or income levels.</li> <li>● The tool can be applied by the custodian and as a self-assessment.</li> <li>● The tool captures assessment results through narrative evaluation.</li> </ul>
<p>PFM in climate change and disaster response</p>	<ul style="list-style-type: none"> <li>● Both tools (UNDP CCBII [D07] and WB PD-PFM [D08]) are intended to assess national performance.</li> <li>● Neither of the two tools are intended for specific regions or income levels.</li> <li>● Both tools are to be applied by the custodian only.</li> <li>● Both tools use benchmarking with scoring to capture and present assessment results.</li> </ul>
<p>Equity budgeting and PFM in gender</p>	<ul style="list-style-type: none"> <li>● Both tools (PEFA GRPFM [D09] and GIZ EBT [D10]) can be used either at the national or the subnational level.</li> <li>● Neither of the two tools are intended for specific regions or income levels.</li> <li>● One tool is meant to be applied as self-assessment or by any external assessor (PEFA GRPFM [D09]), and the other tool by any external assessor (GIZ EBT [D10]).</li> <li>● One tool uses benchmarking with scoring (PEFA GRPFM [D09]) and one uses narrative evaluation (GIZ EBT [D10]).</li> </ul>

Overall development trends by group indicate that the majority of tools are developed to be applied only by the custodian. Tools to assess revenue management are an exception, with self-assessment as the norm. The majority of tools across all groups have been developed with global application in mind. Only one new database tool was developed, and the majority of tools developed use either benchmarking or narrative evaluation.

#### 4.1.5 Analysis of tool development in terms of technical coverage, 2013–2019

Tools across groups developed in the period 2013–2019 reflect and contribute to a trend of technical coverage focused on assessing countries' performance in budget preparation (13 tools) and accounting and reporting (12 tools). This is followed by tools covering revenue management, budget execution, public procurement, and external scrutiny (9 tools each). A smaller number of tools developed in the period cover the debt management (1 broad-based tool) and asset management functions (3 tools). Annex 6 provides a summary of technical coverage of mapped tools, with technical coverage of the new tools highlighted in orange.

**FIGURE 13.** Technical coverage: All mapped tools and all tools developed in the period 2013–2019

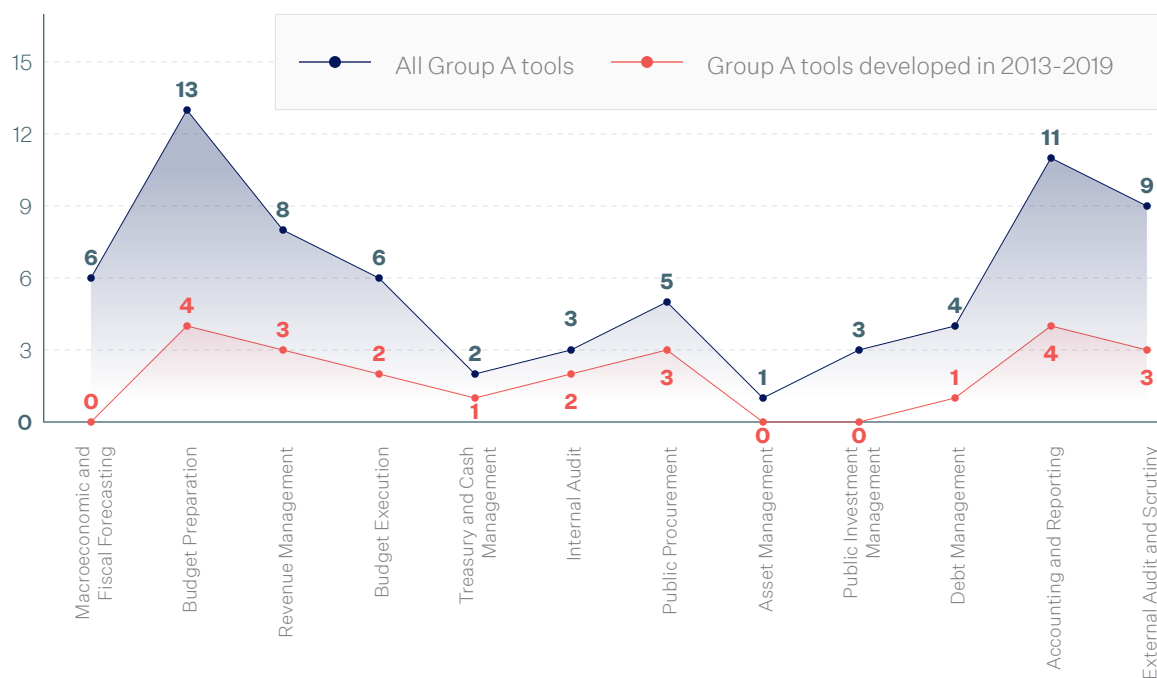


Tools with the same indicative technical coverage do not necessarily cover the same aspects of the assessed PFM functions. Technical coverage considerations cannot be decoupled from other tool characteristics such as the tool's objectives, institutional coverage, and sequencing. Level of assessment detail (i.e., depth) is another distinguishing factor, where Group A tools can provide a wide-ranging overview of performance for a given function and Group B tools can provide the “drill down” that looks at performance issues on a more detailed level. As they normally look at PFM performance in sectors, the majority of Group D tools can benefit from referring to assessment findings and results generated from tools in all other groups. Different technical coverage can be leveraged to the advantage of countries and development partners, as assessments using different tools can inform and complement each other.

### Group A (multiple aspects of PFM)

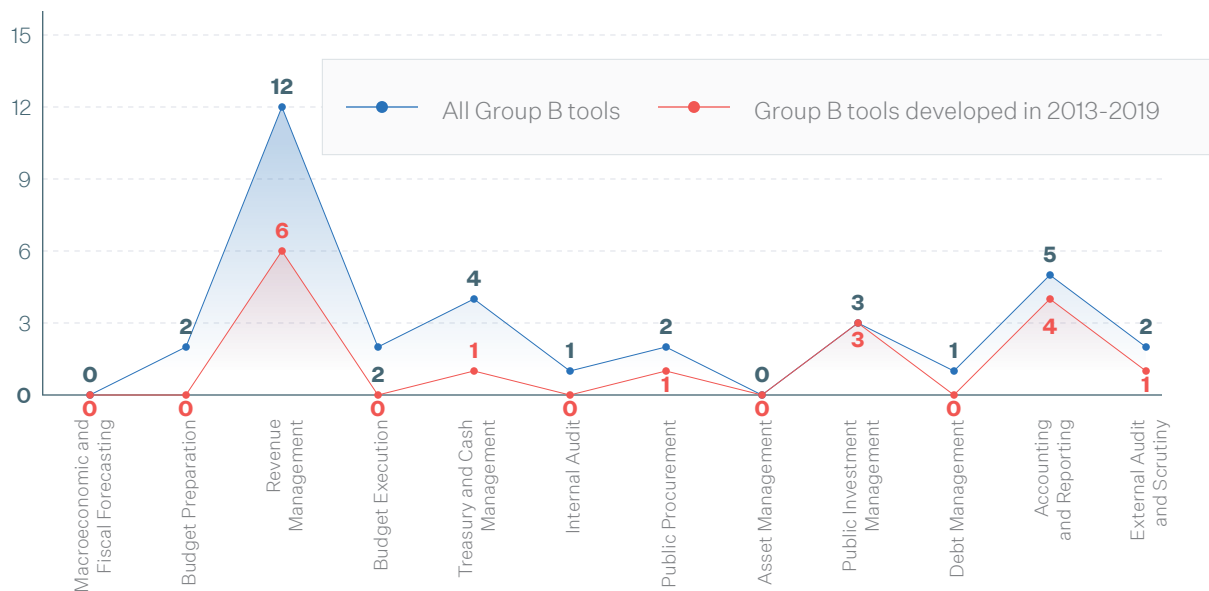
Developments in Group A in the period contributed mainly to extending coverage of the assessed functions, especially on treasury and cash management, internal audit, and public procurement. In this group, potential overlap in coverage is tapered by the fact that the tools developed serve a particular population of countries (e.g., SIGMA PPA [A05] for countries aspiring to join and deepen partnership with the EU), assess PFM performance in terms of adherence to a set of specific underlying standards (e.g., IMF FTE [A02]), or are intended for self-assessment by a specific user (SAIs in the case of AFROSAI-E PFRMRF [A13]).

**FIGURE 14.** Group A technical coverage: All tools and tools developed in the period 2013–2019

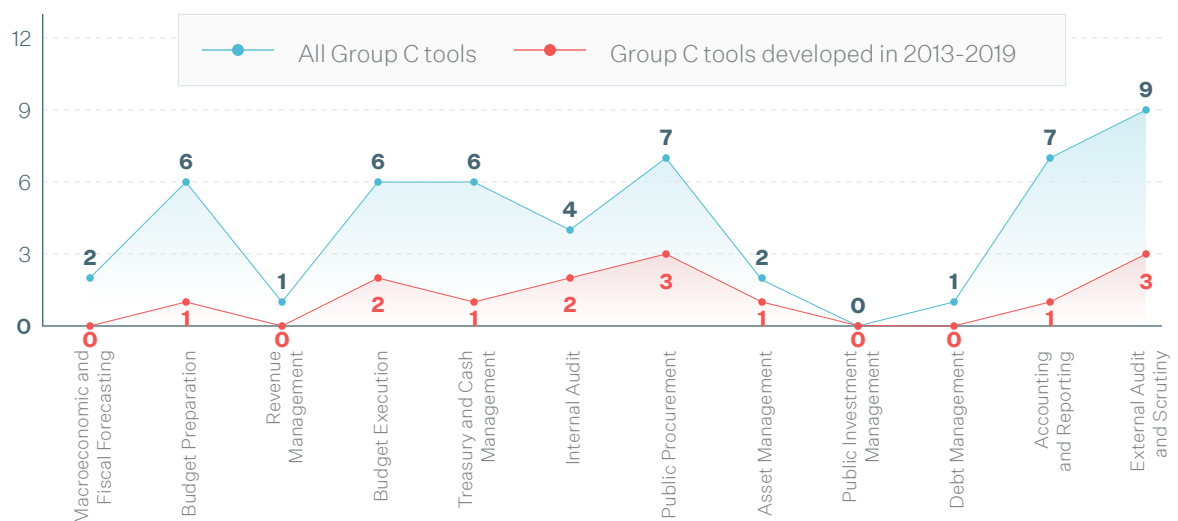


**Group B (individual PFM functions)**

Developments in Group B tools in the period contributed to extending coverage in the revenue, public investment, and accounting and reporting functions. For half of PFM functions, the tools developed in the period do not extend the coverage.

**FIGURE 15.** Group B technical coverage: All tools and tools developed in the period 2013–2019**Group C (fiduciary risk)**

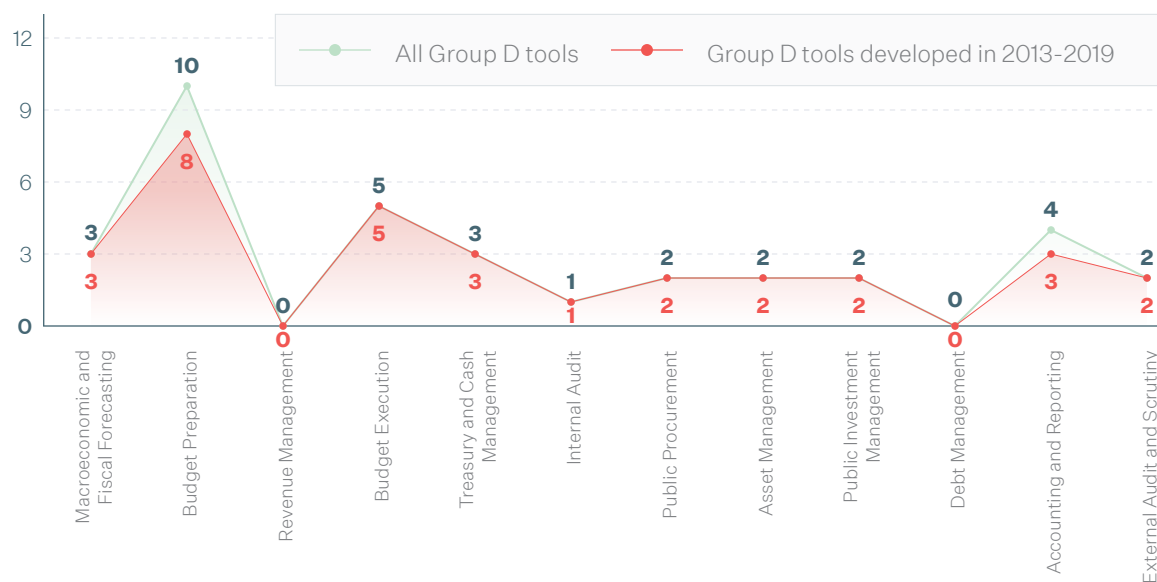
Group C is specific in terms of objectives and use for fiduciary risk assessment. Tool development in this group contributed to more diagnostics to assess public procurement and external audit and scrutiny, and to a lesser extent, internal audit and asset management. Comparing overlaps in terms of technical coverage among Group C tools is less relevant because they are custodian- and operation-specific.

**FIGURE 16.** Group C technical coverage: All tools and tools developed in the period 2013–2019

**Group D (PFM in sectors or topics)**

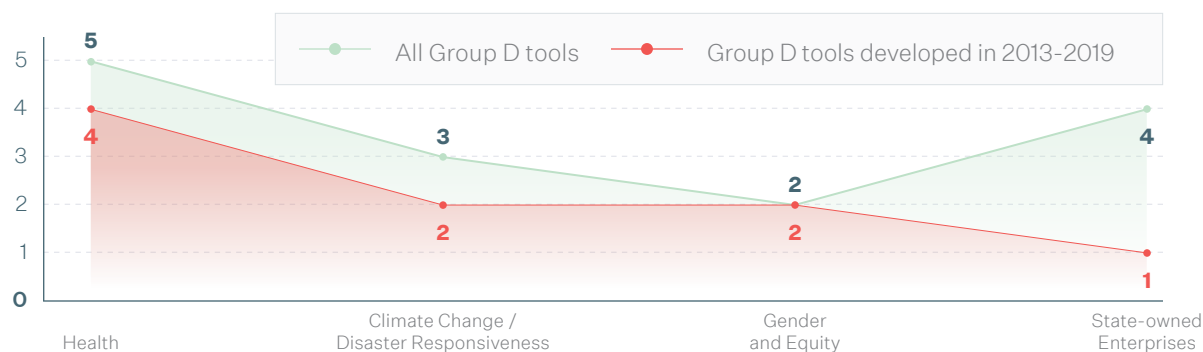
All Group D tools developed in the period demonstrate that they aim to address unmet demand for sector-specific PFM diagnostic. Thus, the majority of the tools developed in the period contribute significantly to broadening coverage (health and climate change/disaster responsiveness) or establishing coverage (in case of gender and equity budgeting).

**FIGURE 17.** Group D technical coverage: All tools and tools developed in the period 2013–2019



The only tool developed in the period to assess corporate governance of SOEs was designed to replace WB’s 2014 State-Owned Enterprise Corporate Governance and Risk Toolkit (CG-SOE), which has been discontinued since, while extending the assessment to include new aspects such as fiscal, distributional, and market implications of SOEs.

**FIGURE 18.** Group D sector focus: All tools and tools developed in the period 2013–2019



## 4.2 ANALYSIS OF DEVELOPMENT BY CUSTODIAN, 2013–2019

Fifteen custodians led the development of the 31 tools in one or more groups: WB, IMF, OECD, AFROSAI-E, INTOSAI, ATAF, CIPFA, DANIDA, ADB, USAID, WHO, GAVI, UNDP, GIZ, and PEFA.

Newly mapped PFM tool custodians primarily engaged in the development of sector-specific PFM assessment tools. The five custodians mapped for the first time developed five tools with a focus on B and D tools (ATAF ATO [B10], WHO HPPM [D02], Gavi PCA [D04], UNDP CCBII [D07], and GIZ EBT [D10]). Gavi and UNDP also developed tools before 2013.

In this period, WB and IMF developed around half of the PFM tools. Combined, these two global institutions contributed 16 tools across the four groups, with a concentration in Group B (10 tools) (Figure 19). Each institution developed one Group A tool. WB also developed one Group C tool and three Group D tools. The two institutions developed specific instruments covering broad-based PFM and specific PFM functions; WB also developed instruments that cover specific sectors. Importantly, the tools developed addressed different areas of technical coverage and serve different objectives. With their international coverage, these institutions play a significant role in the evolving landscape of PFM good practices. OECD and ADB developed two tools each and 11 remaining custodians developed one tool each, with a clear concentration in B and D groups.

During the preparation of this report, 18 additional tools were identified under development with a focus on B and D tools (see Section 3.3.1). The development was led by seven custodians: (1) WB (CCIA, PULSE, SAI Independence Index, Revenue Dashboard), (2) IMF (C-PIMA, Fiscal Risks Toolkit, including SOE-HCT, SOE-ST, C-ST, S-GAT, and D-GAT), (3) OECD (B.A.T), (4) CEP (GTED), (5) IIA (CAT), (6) GIZ (SAI-ITMA), and (7) PEFA (PEFA Climate).

In parallel with the development of new tools, four custodians (PEFA, IMF, OECD, and WB) updated and/or expanded 12 existing tools across three groups: A (three), B (six), and D (three). Three tools were updated twice (IMF TADAT [B02], CG-ROSC [D12], and WB AA-ROSC [D14]).

Two custodians, EU and WHO, switched to usage of new or other tools, and WB integrated functionalities of two discontinued tools into two new tools. More details are available in Annex 2, Special Mentions.

Not all tools were developed to be applied in all countries, and several tools have a regional focus. For example, several tools are intended for members of the tool custodian organization - AfDB, IMF, WB, and CoE. Some Group A tools are intended for specific countries and regions (e.g., SIGMA PPA [A05], CoE BFD [A10], AfDB CPIA [A12], and AFROSAI-E PFMRF [A13]) which may overlap with being a member of the organization. One Group B tool, ATAF ATO (B10), is intended for selected/participating African countries. None of the Group D tools are intended for a specific type of jurisdiction.



**FIGURE 19.** Combined development of tools by global institutions, 2013–2019



**Note:** DF-FMIS = Diagnostic Framework to Assess the Capacity of a Government FMIS as a Budget Management Tool, DRPFM = Disaster Response: A Public Financial Management Review Toolkit, FSA = Fiduciary Systems Assessment, FTE = Fiscal Transparency Evaluation, iSOEF = Integrated State-Owned Enterprises Framework, P-FRAM = PPP Fiscal Risk Assessment Model, PIMA = Public Investment Management Assessment, PSBS = Public Sector Balance Sheet, RA-GAP = Revenue Administration Gap Analysis Program, REPF = Report on the Enhancement of Public Sector Financial Reporting Toolkit, TADAT = Tax Administration Diagnostic Assessment Tool, TPAF = Tax Policy Assessment Framework.

### 4.3 DRIVERS FOR TOOL DEVELOPMENT, 2013–2019

This subsection presents the identified motivations and drivers behind the development of new tools and updating of the existing ones based on publicly available information and structured interviews with custodians. Four Group C tools developed in the period are not included in the analysis because their objectives and development are inherently tied to fiduciary risk assessment purposes and are custodian-driven.<sup>19</sup> Thus, the findings are drawn from a sample of 27 out of the 31 tools developed from 2013 to 2019 - four tools in Group A, 14 in Group B, and nine in Group D.

The drivers for tool development identified in the previous stocktaking included efforts at stronger alignment with underlying standards and identified good practice, greater focus on PFM reform planning, implementation and monitoring demand from governments to benchmark their PFM systems against international good practices, and greater focus on institutional development and capacity building. These drivers remained stable throughout the years.

The drivers for tool development were in general motivated by the following needs identified by stakeholders:

#### 1. Fill gaps identified in existing tools

- **Covering all aspects of PFM systems from the perspective of fiscal transparency** (e.g., IMF FTE [A02]) and **in specific PFM functions** like revenue administration (e.g., TADAT [B02] or RA-GAP [B04]), public investment management (e.g., PIMA [B12] or PFRAM [B14], to identify potential costs and risks in infrastructure projects), treasury (e.g., WB DF-MIS [B19]), external audit (SAI-PMF [B26] for assessing the performance of SAIs since none of the existing tools met all the defined requirements to serve the needs of different stakeholders).
- **Ensuring a specific institutional coverage** (e.g., WB MiGestion [A09], designed to diagnose local government units or smaller SNGs).
- **Ensuring a tool for tracking specific regional requirements** to track adherence to agreed standards or regulations such as the EU accession requirements (e.g., OECD SIGMA PPA [A05]).
- **Custodian organization requirements for sectoral operations** (e.g., Gavi PCA [D04]).
- **Addressing specific demand areas**, hence the need for refining the scope of existing tools/resources (e.g., WB's e-Procurement Toolkit [B18], developed to simplify the e-procurement readiness assessment and aid countries in establishing e-procurement system in a short span of time).

In addition, a number of custodians reported that tool development was influenced by stakeholder demand (e.g., IMF TADAT [B02] and RA-GAP [B04] were developed to create standardized frameworks to assess tax administrations).

19. WB FSA (C09) was developed to support a new type of lending operation, and ADB FMA (C01) and CSPRA (C08) to adjust to new country partnership strategy requirements.

## 2. Address unmet demand for sector-specific PFM diagnostics

- A number of tools were developed **to identify and measure the role of PFM performance in emerging policy priorities** such as gender and climate. For example, WB PD-PFM (D08), PEFA Gender (D09), GIZ EBT (D10), and UNDP CGBII (D07) were developed to address a specific need which originated in a country/region and led to the development of diagnostic tools with wider application. For example, the PD-PFM toolkit was developed to perform rapid assessments to enable timely fund disbursement and effective management of relief funds in the Caribbean, where some of the countries are annually affected by hurricanes, storms, and other natural disasters.
- **To assess and identify areas of improvement** in corporate governance of state-owned enterprises (e.g., WB iSOEF [D11] and SOE Progression Matrix [D13]).

## 3. Reflect the development of and benchmark to international standards and codes

- Accounting, Reporting, and Internal Audit tools like WB REPF (B22) and IFAC/CIPFA International Public Sector Financial Accountability Index (B23) were developed to promote the adoption of international standards in their respective areas of IPSAS and INTOSAI standards.

## 4. Promote PFM reform action planning

- The WB Tax Diamond (B07) was created to support the design of technical assistance programs for revenue administration reform. The development of this tool was influenced by stakeholder-led demand for a detailed reform plan coupled with a custodian-led demand for an objective evidence-based assessment.
- The ATAF ATO (B10) is a survey-based toolkit where the responses and information on revenue administration are made available to enable cross-country comparison and provide input to design reforms.

## 5. Update to maintain relevance of the tool

As mentioned above, 12 tools were updated in the period across Groups A, B, and D. Aimed at enhancing the subject matter coverage and reflecting evolving standards and international good practices (e.g., update of the underlying standards), the updates include additional modules covering more subjects (e.g., revenue resources). Key aspects within a subject matter (e.g., governance in PIM) are also better highlighted, and the tool has been made universally applicable (e.g., procurement).

Specifically, the updates and/or expansions aim to

- reflect recent developments in PFM (PEFA [A01]),
- fill in the gaps in assessing some areas (IMF FTE [A02] and OECD SIGMA's PPA [A05]),
- highlight the critical aspects of a core PFM function (IMF PIMA [B12]),
- reflect other guidelines revisions and update indicators (WB DeMPA [B16]),
- make the tool universally applicable (OECD MAPS [B17]),
- reflect updated international standards (WB REPF [B22]), and
- introduce indicators on key aspects of corporate sector practices (WB CG-ROSC [D12] and AA-ROSC [D14], both updated twice).

Updates and expansions reflect the recognition of changes in the PFM landscape and the evolution of good practices and standards, thus staying abreast of evolution and maintaining the relevance of the tool. As a result, a number of custodians opt to update the existing tools instead of developing new diagnostic assessment instruments.

#### 4.4 COORDINATION IN TOOL DEVELOPMENT AND FUNDING, 2013–2019

Custodians coordinated with one another by establishing a reference point from the other available tools. Consultations with other donors, government officials, agencies, and the public also took place. In addition, at times, tool development relied on partnership arrangements.

**Reference to other tools.** Around 40 percent of the tools developed in the period referenced an existing tool. During the tool development, an existing tool was referenced and customized to meet the objective of the diagnosis in consultation with other development partners, international financial institutions, and external agencies. Some examples of these tools are WB MiGestion (A09), AFROSAI-E PFMRF (A13), IMF TADAT (B02), WB REPF (B22), INTOSAI SAI PMF (B26), WB Finhealth (D01), DR-PFM (D08) and iSOEF (D11), USAID PFMP-SA (D03), WHO HFPM (D02), and PEFA GRPFM (D09). The most referred tool was PEFA, followed by PIMA, PER, and TADAT.

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##### BOX 1. INTOSAI SAI PMF: Value added from mapping available tools

SAI PMF was developed by the INTOSAI following a decision at the 2010 INTOSAI Congress. Prior to the SAI PMF, the INTOSAI-Donor Secretariat conducted a mapping of the existing tools used within the INTOSAI and donor communities to assess the performance of SAIs. Some of the tools mapped included Institutional Capacity Building Framework (B26), SAI maturity model, PEFA (A01), and Public Expenditure Review (A07).

The mapping exercise showed that none of the existing tools met all the defined requirements that a tool should meet for it to serve the needs of different stakeholders. The main recommendation from the mapping report was to develop a new SAI performance measurement tool, in order to meet as many of the requirements as possible, building on the existing tools. The 2016 version was subject to extensive consultation, testing, and several official rounds of consultation, and reflects experiences from the pilot version.

**Consultation process.** The tool development involved consultations with

- other donors (which may have included government entities), for example, on IMF TADAT (B02), WB Tax Diamond (B07), WB FinHealth (D01), and WHO HFPM (D02);
- the public, for example, on IMF FTE (A02), INTOSAI SAI-PFM (B26), and PEFA GRPFM (D09); and
- practitioners and senior officials, for example, on WB MiGestion (A09).

The tool custodian held consultations with other donors and international financial institutions in more than 50 percent of the Group D tools considered for this analysis.

**Partnership arrangements.** The development of several tools was supported by partnership arrangements (combinations of custodian and other institutions, including private sector partnership):

- Multi-donor trust funds were involved in the development of tools such as IMF TADAT (Bo2), OECD MAPS (B17), WB Tax Diamond (Bo7), WB e-Procurement Toolkit (B18), INTOSAI SAI PMF (B26), and PEFA Gender (Do9).
- Tools like USAID PFMP-SA (Do3) were co-funded by USAID, IMF, and WB; IMF TPAF (Bo3) and P-FRAM (B14) by IMF and WB; WB FinHealth (Do1) by WB and Gates Foundation; WB Disaster Response PFM (Do8) by WB and Canada; CIPFA Index (B23) by CIPFA and IFAC; and Gavi PCA (Do4) by Gavi Alliance.

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**BOX 2.** The International Survey on Revenue Administration: Value added from partnership

The International Survey on Revenue Administration (ISORA) was launched in 2016 as a joint initiative of Inter-American Center of Tax Administrations (CIAT), International Monetary Fund (IMF), Intra-European Organisation of Tax Administrations (IOTA), and Organisation for Economic Co-operation and Development (OECD), to streamline the collection of data on tax administrations. In 2018, the Asian Development Bank (ADB) joined the partnership and is using the shared survey. The ISORA Technical Working Group (TWG) reviews the questionnaire and survey approach after each round to improve the quality of data collected.

While ISORA is a single data collection survey, the partner organizations continue to produce their own analyses and contextualization of data in a manner that best meets the needs of their members. To date, more than 150 tax administrations participate in the survey voluntarily. ISORA is used for drawing upon assessments of Tax Administration Diagnostic Assessment Tool (TADAT), Revenue Administration Fiscal Information Tool (RA-FIT), and Tax Administration Comparative Information Series (TAS), among others.

## 4.5 OVERVIEW OF DEMAND SIDE CHARACTERISTICS

The overview presented in this section is based on structured interviews with government officials and development partners involved in PFM activities in the five countries selected according to preset characteristics. The selection criteria included representation from different regions, different PFM administrative systems, different income levels, fragile states, and small island states. The five countries have applied in total 32 different tools from Groups A (10 tools), B (14 tools), and D (8 tools) in the period (Table 7). The analysis excludes C tools.<sup>20</sup>

**TABLE 7.** Country selection characteristics and number of tools applied

Country	Region	EN	FR	FCS	SIS	LIC	MIC	Number of tools applied, with databases	Number of tools applied, without databases
Country A	Sub-Saharan Africa		X	X		X		15	7
Country B	East Asia and Pacific	X			X		X	12	6
Country C	Latin America						X	19	11
Country D	Europe and Central Asia						X	25	15
Country E	South Asia					X		18	10

*Note:* EN = Anglophone, FR = Francophone, FCS = Fragile and conflict-affected situation, SIS = Small island states, LIC = Lower-income country, MIC = Middle-income country.

### Use of PFM diagnostic at country level

- The five countries were engaged in PFM reforms in the period, with various levels of formality in the process. The level of ownership is high in all countries, even when the PFM reform coordination and dialogue on the PFM assessments is not centralized at the institutional level in one entity.
- Feedback from interviewed government officials points toward focusing more on implementing reforms. They place strong emphasis on creating a space for an effective integrated platform for reform plans and technical support.
- The level of coordination appears to be more effective when a PFM roadmap or a formal PFM reform plan integrate the assessment conclusions and findings.
- Experience from the five countries suggests that development partners coordinate through various mechanisms and different degrees of government participation (with two countries showing a close and formal coordination, and two others to a lesser extent).
- Dialogue on PFM reform priorities did not necessarily revolve around a PFM matrix with the planned sequencing of PFM diagnostic tools and financing linked to the PFM reform. However, the sequencing of broad diagnostics seems to follow a country-specific logic, linked to PFM reform priorities.

20. Fiduciary tools fulfill the specific requirements by development partners and for development partners.

- Most of the assessments are used to define baselines, and there are few examples of tools used as performance-monitoring instruments. Only one country illustrates the formal approach of a PFM plan based on PEFA and using PFM tools within a monitoring and evaluation framework. Using PFM tools within monitoring and evaluation frameworks is still far from a common practice.
- Arrangements and financing modalities for tool use do not seem to play a major role in the planning and PFM policy dialogue. The choice of the financing partner does not seem to influence the impact or follow up on the conclusions. In most cases, all main development partners had access to the reports and conclusions were disseminated.
- At the same time, availability of development partners' financing for development and technical assistance can be a key trigger to engage in the assessment.
- PEFA (A01) and IBP OBS (A06) are part of a "standard kit" of broad PFM diagnostics and have been undertaken in all countries. Other broad diagnostics, such as IMF FTE (A02) and WB PER (A07), are undertaken when the country's institutional capacity is more developed and when IMF or WB operations support it.
- Countries perceive the more recent tools, such as IMF PIMA (B12) and IMF TADAT (B02), as key to future reforms focusing on critical PFM areas. In specific cases when the tools offered or available did not meet the needs, customized assessments have been commissioned or developed in-country (e.g., FMIS).
- Data collection tools do not have a strong impact on the PFM reform agenda at country level.
- Sector-specific diagnostics have a clear impact on the policy dialogue between governments and development partners and link to the broader national development agenda (SDGs, climate change policy, institutional reform). They are seen as complementary to the broad PFM diagnostics or stand-alone initiative not related to the PFM reform agenda per se.

# 5.

## MAPPING OF THE USE OF TOOLS, 2013–2019

Analysis of usage of tools is based on the data available on country-level use of different tools in the period 2013–2019. The figures do not include the number of repeated assessments using the same tool. Specifically, if a tool has been used in a given country during the period, then it is considered only once, regardless of the number of repeated assessments that have taken place.<sup>21</sup> That occurrence is referred to as “usage” and allows a comparison of tools used in different countries.

This section presents the analysis of the application of the 41 tools, excluding Group C tools (10 tools), database and surveys (9 tools), and tools with limited information on country usage (4 tools).

Analysis of Group C tools is not included, as their usage is driven by custodian fiduciary needs and is limited to the countries that the custodians are involved with.

The analysis of trends likewise excludes databases and index tools, tools applied with pre-defined frequency for specific range of countries, and tools with limited information availability. The first two sets of tools inherently cover a narrower range of countries, aiming to support cross-country analysis and comparison rather than provide country-specific assessment. For the tools included in Annex 2, Special Mentions, available information on usage was limited and is not part of this analysis.

The following analysis focuses on the remaining 41 tools based on a country-specific approach to examine their usage at regional and income level.

Governments determine the relevance of using a particular tool in the country context. The decision to do so may be influenced by a variety of factors, including ongoing dialogue with development partners, an interest in assessing performance and comparing results with international standards and good practices, or as part of the government’s PFM reform agenda.

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21. This is best described as “unique” usage, meaning that it excludes repeat assessments.



**TABLE 8.** Tools excluded from the usage analysis.

Database Tool	Country Coverage
<b>A04:</b> International Budget Practices and Procedures Database (IBPPD) – OECD	37 OECD countries
<b>A05:</b> Principles of Public Administration (PPA) – OECD SIGMA	17 countries in EU accession and partnership
<b>A11:</b> Country Policy and Institutional Assessment (CPIA) – WB	172 countries globally
<b>A12:</b> Country Policy and Institutional Assessment (CPIA) – AfDB	37 countries in the Africa region
<b>B05:</b> Revenue Administration Fiscal Information Toolkit (RA-FIT) – IMF	151 countries globally
<b>B09:</b> Collecting Taxes Database (CTD) – USAID	194 countries and territories globally
<b>B10:</b> African Tax Outlook (ATO) – ATAF	34 countries in Africa
<b>B15:</b> Public Sector Balance Sheet (PSBS) – IMF	68 countries globally
<b>B23:</b> International Public Sector Financial Accountability Index – IFAC and CIPFA	139 countries globally

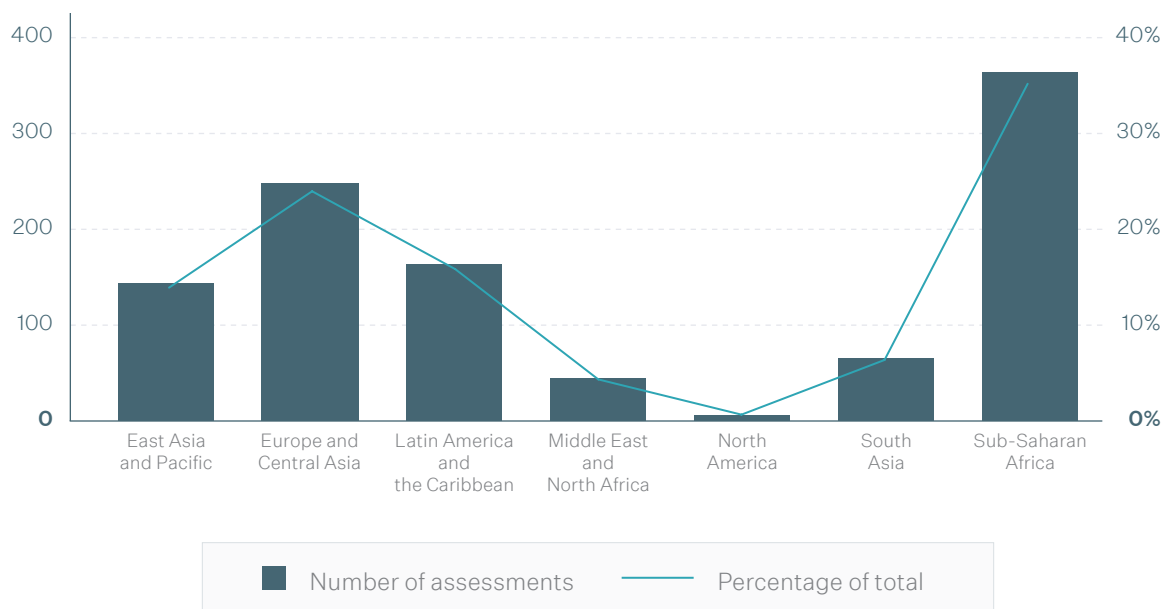
*Note:* AfDB = African Development Bank, ATAF = African Tax Administration Forum, CIPFA = Chartered Institute of Public Finance and Accountancy, IFAC = International Federation of Accountants, IMF = International Monetary Fund, OECD = Organisation for Economic Co-operation and Development, USAID = United States Agency for International Development, WB = World Bank.

## 5.1 REGION AND INCOME MAPPING OF TOOL USAGE

### *Trends by region*

Relative to other regions, the regions using higher number of PFM diagnostic tools are Sub-Saharan Africa and Europe and Central Asia. These regions are followed by Latin America and the Caribbean and East Asia and Pacific, with Middle East and North Africa, South Asia, and North America standing for a lower share of tools used, which in part reflects the number of countries in the region.

Coverage of PFM tools by region is complete in three regions, besides Middle East and North Africa which has 76 percent of the countries applying at least one PFM tool. The use of PFM tools by region segregated by groups shows different trends depending on the region. For example, in Latin America and Middle East and North Africa regions, Group A tools (multiple aspects of PFM) were the most used, but in the rest of the regions, Group B tools (individual PFM functions) were the type of tools with most usage (Table 9).

**FIGURE 20.** Number of (unique) tool uses, by region**TABLE 9.** Overview of region mapping

Region	Number of countries in the region	Countries that applied PFM tools	Number of tool applications	% of PFM diagnostic tool applications in the region	Average by country per region	Group		
						A	B	D
East Asia and Pacific	32	26	143	13.9%	7.5	36	49	58
Europe and Central Asia	57	53	247	24.0%	4.3	90	120	37
Latin America and the Caribbean	33	32	163	15.8%	4.9	67	59	37
Middle East and North Africa	21	16	44	4.3%	4.2	20	17	7
North America	2	2	6	0.6%	3	2	4	0
South Asia	8	8	65	6.3%	8.1	16	17	32
Sub-Saharan Africa	48	48	363	35.2%	7.6	105	141	117
<b>Total</b>	<b>201</b>	<b>185</b>	<b>1031</b>	<b>100.0%</b>	<b>5.1</b>	<b>336</b>	<b>407</b>	<b>288</b>

Note: The number of uses of tools with database and surveys is 1,667; the figure does not include Group C tools.<sup>22</sup>

22. Due to the number of total usages considered (around 1,000), the nominal number of usage and corresponding percentage values in Figures 20 to 22 align closely.

### Region-specific trends in use of tools at country level

Globally, the average use of PFM tools is five per country. Only three countries have used more than 15 different tools in the period and up to a maximum of 16. There are 31 countries with 10 or more applications of different tools in the period. Only one PFM tool was used by 18 countries and 16 countries did not register any tool usage during the period. Almost half of the countries (99) have used at least five or more different tools in the period under analysis.

By region, the highest usage by a country in East Asia and Pacific is 16, 15 in Europe and Central Asia, 14 in Sub-Saharan Africa, 13 in Latin America and the Caribbean, 12 in South Asia, 5 in Middle East and North Africa, and 3 in North America.

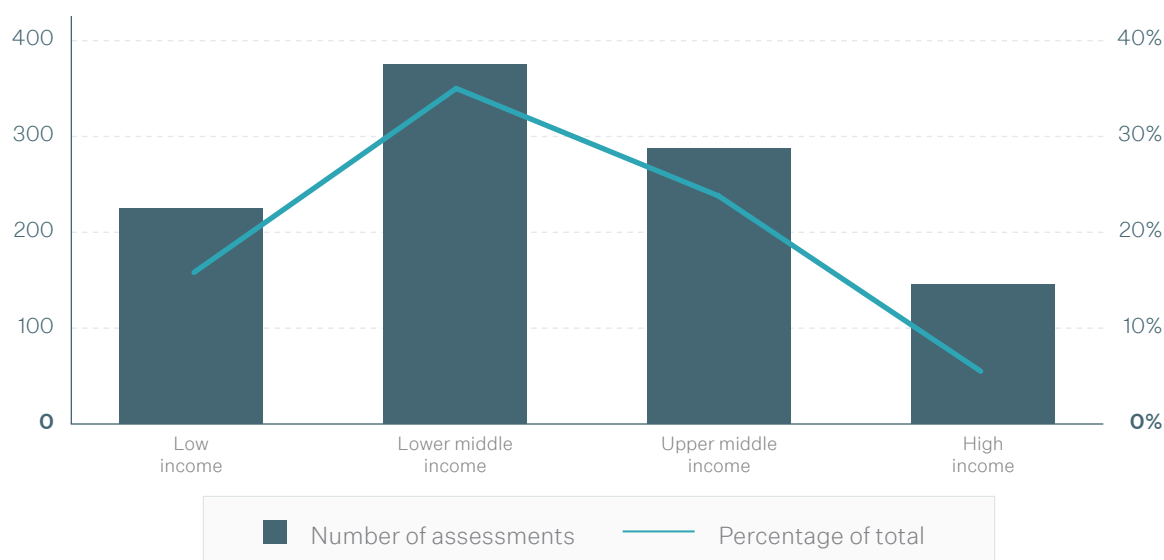
In terms of country average use by region, South Asia is the region with the highest usage average of eight different tools by country, followed by Sub-Saharan Africa and East Asia and Pacific.

Some regions, such as Sub-Saharan Africa, South Asia, and North America, have had all the countries of their region apply at least one PFM tool during the period. East Asia and Pacific is the region with the least coverage in the period, with only 26 of its 32 countries applying at least one PFM tool.

### Trends by income

Lower-middle-income countries had a higher usage number of PFM diagnostic tools (36 percent of total uses) followed by the upper-middle-income countries (28 percent of total usage). Low-income countries follow with 22 percent of the total usage. The income level with the least number of PFM tools used is the high-income countries (14 percent of total usage). The highest usage by income level is 14 in low-income, 16 in lower-middle-income, 15 in upper-middle-income, and 7 in high-income countries.

**FIGURE 21.** Number of (unique) tool uses, by income



Use of PFM tools is high at all income levels, except in the high-income countries where 11 countries have not used PFM tools in the period (out of 16 total countries that did not use PFM tools). The low-income and lower-middle-income levels have the higher average of usages of different tools from all four income groups.

**TABLE 10.** Overview of income mapping

Region	Number of countries in the level	Countries that applied PFM tools	Number of tool applications	% of PFM diagnostic tool applications in the level	Average by country per level	Group		
						A	B	D
Low income	31	30	225	21.82%	7.3	59	79	87
Lower middle income	47	47	374	36.28%	8.0	109	126	139
Upper middle income	61	57	287	27.84%	4.7	114	122	51
High income	62	51	145	14.06%	2.3	54	80	11
<b>Total</b>	<b>201</b>	<b>185</b>	<b>1031</b>	<b>100.00%</b>	<b>5.1</b>	<b>336</b>	<b>407</b>	<b>288</b>

### *Income-specific trends in use of tools at country level*

The middle-income countries with the most usage of different tools are three countries in Sub-Saharan Africa. Among the middle-income countries, the five top countries have used between 9 and 12 different tools for assessing different PFM aspects, with five tools being the average by country.

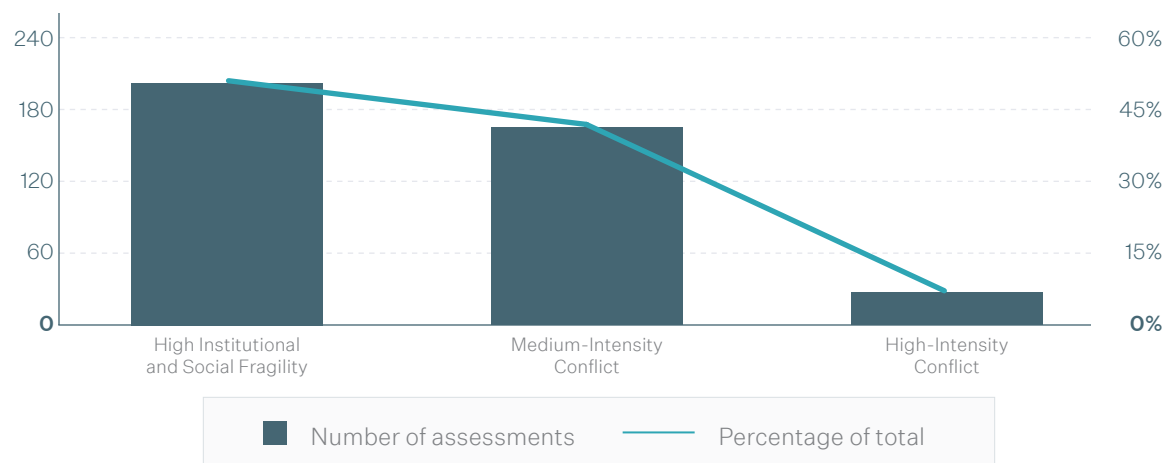
The low-income countries with the most usage of different tools are two countries in Sub-Saharan Africa with 10 to 14 different tools applied during the period. In the lower-income countries bracket, two countries have used more than 10 different tools and the average per country is seven tools.

### *Trends in use of tools in small island states and fragile and conflict-affected states*

Among the Small States Forum Countries, three (one in East Asia and Pacific and two in Sub-Saharan Africa) have the highest tool usage, from six to nine applications of different tools during the period.

Tools in the period have been used in fragile and conflict-affected states as well. Most of the tools used for assessment were in countries with high institutional and social fragility, with comparable numbers for medium-intensity conflict countries. As expected, the number and share of tools used in high-intensity conflict countries is the lowest. Among the countries with high institutional and social fragility, the country that applied the most tools is one in Sub-Saharan Africa with 10 different tools.

**FIGURE 22.** Number of (unique) tool uses, by fragile and conflict-affected states



## 5.2 ANALYSIS OF THE USAGE OF TOOLS (2013–19): COUNTRY MAPPING BY GROUP

### *Trends in use of Group A (multiple aspects of PFM)*

Group A tools were used mostly in Sub-Saharan Africa (31 percent of total usage) followed by Europe and Central Asia (27 percent of total usage) and Latin America and the Caribbean (20 percent of total usage).

Of the 336 recorded usages of Group A tools during the period, 223 (66 percent) were recorded in middle-income countries, 54 (16 percent) assessments in high-income and 59 (18 percent) in low-income countries.

PEFA (Ao1) and OBS (Ao6) are the most-used Group A tools.

### *Trends in use of Group B (individual PFM functions)*

Group B tools were used mostly in Sub-Saharan Africa (35 percent of total usage) followed by Europe and Central Asia (30 percent of total usage) and Latin America and the Caribbean (15 percent of total usage).

Of the 407 recorded usages of PFM tools from Group B tools, 248 (61 percent) were recorded in middle-income countries, 80 (20 percent) assessments in high-income, and 79 (19 percent) in low-income countries.

TADAT (Bo2) and PIMA (B12) are the most-used Group B tools.

### *Trends in Group D (PFM in sectors or topics)*

Group D tools were used mostly in Sub-Saharan Africa (41 percent of total usage), followed by Europe and Central Asia and Latin America and the Caribbean (both with 13 percent of total usage).

In the case of Group D tools, the records show usage (288) is concentrated with 190 uses in middle-income countries (66 percent), followed with 87 by low-income (30 percent) and 11 in high-income countries (4 percent).

PCA (Do4) and FSDT (Do5) are the most-used Group D tools.

# 6.

## CONCLUSIONS AND THE WAY FORWARD

This study looks at ways of better supporting the principles of the strengthened approach to PFM through the identified examples of elements of good practice in tool development and tool management. This section integrates the findings from the tools mapping, the analysis of supply and demand factors in development, and the usage of PFM diagnostic tools. The previous stocktaking recommended (1) streamlining PFM diagnostic tools by addressing overlaps, seeking to clarify the role of specific instruments, and improving collaboration between custodians in tool development; and (2) enhancing collaboration, including at country level, by reducing duplicative processes and costs and building government capacity.<sup>23</sup>

The previous stocktaking noted an overall fair degree of progress on earlier recommendations regarding streamlining of PFM tools. This stocktaking identified examples of coordination among custodians (e.g., consultations with other developers, government, and practitioners, and partnership arrangements) in more recent tool development, which reflects efforts in moving toward a more enhanced collaboration. However, further efforts are still necessary toward adopting good practices in tool development, improving access to information, and integrating PFM diagnostics in medium-term PFM reform planning and monitoring at the country level.

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23. The previous stocktaking recommendations build upon the 2011 stocktaking recommendations.

## 6.1 TOOL DEVELOPMENT

Custodians continued to develop and implement new PFM diagnostic tools. The number of new tools developed between 2016 and 2019 (12) is outweighed by tools mapped for the first time (18) due to expanded scope, some of which had been developed well before the previous mapping. Finally, updating and/or upgrading of existing methodologies played an important role for multiple Group A and B tools and one Group D tool. Tool development continued, with new tools developed, updated, and piloted in 2020 and 2021, mostly intended to assess specific PFM functions and PFM performance in specific sectors and topics.

Tool development shows different dynamics by group. The number and features of tools in Groups A (multiple aspects of PFM) and C (fiduciary risk) have been largely stable, reflecting the fact that broad-based PFM tools have been updated as needed without new development and that fiduciary risk assessment tools are tied to custodian operations. Beyond the net increase of three tools in Group B (individual PFM functions) which is adjusted for tools taken off the mapping, developments in this group were dynamic in terms of the number of new tools introduced and others discontinued, as in the revenue function. The new group of diagnostic tools, Group D (PFM in sectors or topics), responded to changing purpose and dynamics to cover new areas like PFM in gender, climate, and disaster response, or sectors such as health.

There are examples of efforts at harmonization and consolidation. About 40 percent of custodians reported referencing an existing tool in tool development in the period. The practice fosters alignment of methodological approach with other tools, including cross-referencing tools to align benchmarks and avoid inconsistencies. This is especially the case of tools in Groups B and D that refer to Group A tools. Practices in tool development also included discontinuing tools in favor of using new and more comprehensive tools (e.g., Fiscal Blueprints in favor of TADAT) or integrating the existing tools once there has been a decision to develop new diagnostic frameworks (e.g., CAAT in favor of Tax Diamond), which is a good practice. These practices show that there are opportunities for custodians to harmonize and consolidate tools.

Coordination among institutions suggests minimized overlaps and reduced costs. There are several good examples of partnership and collaboration initiatives involving custodian institutions, governments, and third parties. In the most successful cases, participating institutions have agreed on common data collection instruments that can be used as input for different tools, alignment of methodologies, and reference to existing tools. Some tools have technical advisory groups to guide tool maintenance, effectively extending the life cycle of tools by maintaining relevance. Methodological updates normally require extensive coordination with stakeholders and should be informed by analysis of tools usage in the context of successful follow-up PFM improvements. Finally, there are examples of development partners that contribute to tool development and use them but do not develop tools individually (e.g., SECO).

Available findings on the rationale for tool development suggest that supply- and demand-driven factors informed the decisions whether to develop a new diagnostic assessment or update an existing one. As previously mentioned, tool development drivers remained stable throughout the years. The dynamics of responding to different needs of diverse stakeholders (e.g., governments, development partners, NGOs), that is, addressing emerging new subject matters and changing purposes, have driven tool development further. Custodians reported that the reasons for developing new tools are to (1) fill an identified gap that was not addressed by existing tools (e.g., focusing on more specific PFM functions, tracking specific regional requirement, or refining the scope of existing tools), (2) address the unmet demand for sector-specific PFM diagnostics (e.g., measuring PFM performance role in emerging specific topics like climate and gender), (3) reflect the development of and adherence to international standards and codes (e.g., IPSAS and INTOSAI standards), and (4) promote PFM reform action planning (e.g., providing information on revenue administration across countries as input for designing reforms). Tool development is linked to the custodians' areas of operations and the countries they serve. Before deciding on further tool development, custodians

should consider available diagnostic tools and verify the unmet demand. Provided that there is an unmet demand and that the existing tools do not meet the intended purpose, it is key to avoid overlaps and discrepancies while ensuring alignment of methodologies ahead of developing a new tool.

Available information indicates that the existing range of mapped tools covers the conventional core PFM functions. The gaps identified in the previous mapping are now covered (e.g., treasury). The most recent tools as well as tools under development cater mainly to demand for diagnostic tools that assess PFM performance in sector-specific contexts. There is likewise an evolution in tool development further covering different aspects of individual PFM functions without necessarily overlapping, as it would appear from their technical coverage. Some custodians are opting for introducing supplementary frameworks, modules, and toolkits (e.g., MAPS and PEFA most recently) to address new focal areas of PFM performance as a complement to the existing tools.

Custodian-led assessment is the predominant assessment modality, and most tools are used to assess PFM at national level. A sizable share of tools (8 of 13 in Group A, 8 of 27 in Group B, 8 of 14 in Group D) are designed to be applied only by the custodian. This has implications in terms of restrictions on their general applicability, and dependence of usage on custodian availability and resources. While most of the tools focus exclusively on assessment of the PFM system at national level, several tools have either (1) developed guidance for applying the framework at SNG level, (2) designed frameworks that can be applied at national or subnational level, or (3) developed separate frameworks to be applied exclusively by SNG. Depending on the objective, the design stage in tool development should consider whether there is a demand for applicability at both national and subnational levels.

Most tools rely on a benchmarking system to assess and evidence performance, which facilitates cross-country comparison and comparison over time. Database tools provide a similar benefit, but with an important distinction that they rely on self-reported data. Finally, tools providing narrative evaluation of performance offer the advantage of pursuing a tailored approach to capturing assessment results but make cross-country comparison and tracking of changes over time more difficult.



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**RECOMMENDATION:** Incorporate elements of good practice in tool development

Recent cases of stronger alignment among development partners in tool development offer useful pointers for more balanced and targeted tool development in the future. Elements of good practice included extensive mapping of the existing tools and coordinating tool development with the users of the tools and assessment results. In some cases, development partners agreed on a shared data collection instrument reducing the costs for the governments while providing sufficient information for individual stakeholders' needs. The stocktaking identified the following elements of good practice:

- » **Complete identification of needs and scoping analysis.** There should be identifiable unmet demand and defined requirements that a tool under consideration should meet. Consideration should likewise be given to value added from developing additional tools to avoid overlap and assessment fatigue.
- » **Consider tool life cycle.** Custodians should secure maintenance for developed tools to keep them relevant in the evolving PFM landscape. On the other hand, custodians may also consider formally announcing discontinuation or withdrawal of a tool wherever appropriate, particularly in cases where a tool is not in use for a long period. This enables consolidation of tools and better communication among stakeholders.
- » **Ensure a clear understanding of objectives, tool applicability, institutional and technical coverage, and criteria to be used as benchmarks.** Referencing existing tools can promote harmonization.
- » **Engage multiple stakeholders in the design.** Extensive stakeholder coordination among tool custodians, users, and professional organizations/bodies should explore opportunities to converge on benchmarks used and data collection requirements.
- » **Secure feedback and consultations on draft methodologies.** There should be open access to draft methodologies and structured opportunities for feedback from international, regional, and country-specific PFM practitioners.
- » **Ensure extensive piloting in relevant contexts.** Final decisions on methodologies should be informed through piloting in different regional and income settings to confirm that tools serve multiple country development needs.

## 6.2 TOOL USAGE

Overall, all regions and income levels show a high percentage of countries using a fraction of different available tools. There are some variances on the average number of tools, but overall, almost half of the countries use five or more different tools to a maximum of 16 tools from a universe of 41 analyzed tools. This data suggests there is a limit to the number of different tools that countries apply. The tools used are usually a combination of tools from different groups. For example, in the case of the country with the highest number of used tools (16), there were four Group A tools (with two tools applied at the subnational level), five Group B tools looking at different PFM functions, and seven Group D tools.

Information about available tools and their methodology is critical for the countries to make decisions on selection and sequencing of PFM tools in relation to their PFM reforms. This also underscores the importance of countries to plan the PFM diagnostic work vis-à-vis PFM reform to avoid working with outdated or incomplete information from the tools.

In the five selected countries, some tools are considered important catalysts for reform. PEFA (applied in all countries), TADAT (three countries), PIMA (two countries), and to some extent DeMPA (one country) are perceived as tools that provide comprehensive assessment and inform PFM reform. Importantly, while the assessments overlapped in terms of PFM functions and the assessed period, they aligned in the overall conclusions. Other tools used in these countries appear to have had less significance for the reform agenda.

Available information on sequencing the application of different tools at the five selected countries suggests it is not necessarily a formally structured process. Decisions to apply specific tools may be triggered by (1) a dialogue with a development partner and an offer of technical and/or financial assistance in applying the tool, (2) a technical interest in the assessment findings and comparison with good practices and international standards, or (3) a part of the agenda of the incoming administration.

Dissemination of assessment results by countries is a good practice. Dissemination of results is usually conditional to countries' approval. It is understood that country context and sensitivities influence the decision of governments on whether a report would be published. It is important to disseminate results to all stakeholders to enable better coordination at country level and create a common understanding of ongoing and recently performed PFM diagnostics. Information on PFM tools usage, and assessment results highlights the conclusions, fosters a shared understanding of PFM performance and shortcomings at country level, and helps government and development partners coordinate on the reform and additional tools to be considered. Collaboration helps to avoid overlap and secures a common point of reference. Concerted, demand-driven analytical work can in turn support a program of coordinated technical assistance.

PFM assessments are an important driver for capacity development. Across different tools, this includes ex-ante capacity development for government counterparts and assessors (which is important to guarantee buy-in and quality), support in the course of the assessment (an aspect that is most relevant for tools applied as self-assessments), and, most importantly, how assessment findings and recommendations can be integrated with planning for capacity development (an aspect of PFM reform planning and implementation).

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**RECOMMENDATION:** Integrate PFM diagnostic in medium-term PFM reform planning and monitoring

Countries need to think strategically about the available PFM tools and how to use them. Information made available from the custodians indicates that tools play a significant role in determining prioritization and sequencing of reform efforts in terms of development partners' support. In that context, there is still strong relevance of the previous stocktaking Recommendation 11:



“At a country level, governments should have a coherent, integrated medium term strategy of diagnostic instruments, supported by its development partners. These should indicate the expected time commitments required by donors and government officials, and incorporate fiduciary instruments required by individual donors. This strategy should identify how the program of diagnostic work will strengthen government capacity to participate in or undertake assessment work.”

Considering the need to prioritize among the tools, it is important to have a medium-term perspective on using different tools to maximize the benefits of their features. Incorporating them in medium-term PFM reform plans can support integration of analytical work, reform plans, and technical support. Factors to consider on prioritization may include objective technical coverage, resources requirements, sequence with other diagnostics, and how the assessment results are expected to feed into the government's PFM reform agenda. Updated information on available tools is a critical input for governments to support their decisions regarding diagnostic needs and subsequent PFM reforms.

### 6.3 ACCESS TO INFORMATION

Public availability of the diagnostic frameworks and background materials should be the norm among tool custodians. Public access to methodological guidance (e.g., frameworks, guidance, user guides, instructions) is high in Group A, B, and D tools and fairly high in Group C tools (considering the nature of the tools). At the same time, assessment methodology is not publicly available for nearly a quarter of all the available tools. Transparency is vital for custodians and governments throughout the tool life cycle. Access to information is relevant from the earliest stages of tool development. Once developed, methodologies should be publicly available, ideally in multiple languages.

Development partners should promote and facilitate the knowledge sharing on existing tools globally and at country level. Information on existing tools and databases could be promoted and facilitated by development partners and through regular tool mapping such as the one performed by Norad on revenue tools or the current stocktaking. In fact, mapping conducted under the current stocktaking systematizes the information on PFM diagnostic tools and can be used as a single user-friendly portal providing access to diagnostic tools, guides, and toolkits to government counterparts, professional organizations/bodies, and development partners. To a large extent, this addresses Recommendation 10 from the previous stocktaking. A global repository updated continuously could be a useful resource for governments and all stakeholders. Introducing a broader and continuously updated global repository would require commitment, resources, and close coordination and cooperation among all tool developers. At country level, development partners should promote knowledge sharing on available tools.

Transparency of assessment results remains limited. The degree of access to assessment results varies across the four groups, from high in Group A to partial in Group B and D. Sharing of assessment results is often conditional on government approval for global publication but could be achieved within a given country through development partners' coordination. For half of the tools, custodians do not make available a public repository of the assessment results. As expected, assessment results using Group C tools are generally not publicly disclosed due to their nature, but available information suggests that development partners share assessment results among them.

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**RECOMMENDATION:** Ensure transparency in tool development and usage

Countries should be able to access information about the methodologies available in order for them to take a proactive role as informed stakeholders. PFM diagnostic tools codify the know-how of PFM good practices, and the custodians should make the methodologies publicly available and disseminated as broadly as possible to raise awareness and increase capacity.

Regular PFM tool stocktaking can be a useful source of information for countries and development partners to inform on existing tools and trends on upcoming tools. PFM tools mapping (stocktaking) should continue to be publicly available on the PEFA website and referenced on the PEFA partners' websites.

Having a public repository of assessment results - agreed upon and coordinated between countries and development partners - could be considered a good practice for the future. For the time being, custodians should encourage governments to authorize publication of assessment results.





# ANNEXES

## ANNEX 1. Changes in tool mapping, 2016–2019

Item	2016	2019	Tools
<b>I. GROUP A CHANGES, 2016–2019</b>			
<b>1. Removed</b>	--	2	<b>Name, custodian, and code in the previous mapping</b>
1.1 Discontinued	--	0	
1.2 Moved to resources promoting good practices	--	1	<ul style="list-style-type: none"> <li>● GIFT Principles on Financial Transparency (PFT) (A7)</li> </ul>
1.3 Reclassified to other groups	--	1	<ul style="list-style-type: none"> <li>● ECFIN Operational Assessment (ECFIN-OA), EU (A9), reclassified as C10 in Group C</li> </ul>
<b>2. New</b>	--	3	<b>Name, custodian, and code in the current mapping</b>
2.1 Developed pre-2016 but not mapped before	--	2	<ul style="list-style-type: none"> <li>● Country Policy and Institutional Assessment, WB (A11)</li> <li>● Country Policy and Institutional Assessment, AfDB (A12)</li> </ul>
2.2 Developed post-2016	--	1	<ul style="list-style-type: none"> <li>● Public Financial Management Reporting Framework (PFMRF), AFROSAI-E (A13)</li> </ul>
<b>3. Total number of tools</b>	<b>12</b>	<b>13</b>	<b>In total, one entry added in Group A.</b>



Item	2016	2019	Tools
<b>II. GROUP B CHANGES, 2016–2019</b>			
<b>1. Removed</b>	--	<b>8</b>	<b>Name, custodian, and code in the previous mapping</b>
1.1 Discontinued	--	6	<ul style="list-style-type: none"> <li>● Integrated Diagnostic Tax Assessment Tool (IAMTAX), WB (B2)</li> <li>● Fiscal Blueprints (EU-FB), EU (B5)</li> <li>● Customs Assessment Trade Toolkit (CATT), WB (B9)</li> <li>● State-Owned Enterprise Corporate Governance and Risk Toolkit (SOE Toolkit), WB (B11)</li> <li>● Integrating Records Management in FMIS (IRM-FMIS), IRMT (B18)</li> <li>● Gap Analysis Framework for Comparing Public Sector Accounting and Auditing to International Standards (AA GAP), WB (B19)</li> </ul>
1.2 Moved to resources promoting good practices	--	1	<ul style="list-style-type: none"> <li>● Handbook for Tax Simplification (HTS), WB (B6)</li> </ul>
1.3 Reclassified to other groups	--	1	<ul style="list-style-type: none"> <li>● Accounting and Auditing Report on Observance of Standards and Codes (AA-ROSC), WB (B20), reclassified as D14 in Group D</li> </ul>
<b>2. New</b>	--	<b>11</b>	<b>Name, custodian, and code in the current mapping</b>
2.1 Developed pre-2016 but not mapped before	--	7	<ul style="list-style-type: none"> <li>● Tax Policy Assessment Framework, IMF (B03)</li> <li>● Tax Administration Maturity Model Series, OECD (B11)</li> <li>● PPP Fiscal Risk Assessment Model, IMF (B14)</li> <li>● e-Procurement Toolkit, WB (B18)</li> <li>● Treasury Diagnostic Toolkit, WB (B20)</li> <li>● Treasury Single Account (TSA) Rapid Assessment Kit, WB (B21)</li> <li>● Report on the Enhancement of Public Sector Financial Reporting Toolkit, WB (B22)</li> </ul>
2.2 Developed post-2016	--	4	<ul style="list-style-type: none"> <li>● Tax Diamond, WB (B07)</li> <li>● African Tax Outlook, ATAF (B10)</li> <li>● Public Sector Balance Sheet, IMF (B15)</li> <li>● International Public Sector Financial Accountability Index (B23)</li> </ul>
<b>3. Total number of tools</b>	<b>24</b>	<b>27</b>	<b>In total, three entries added in Group B.</b>

Item	2016	2019	Tools
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### III. GROUP C CHANGES, 2016–2019

1. Removed		3	Name, custodian, and code in the previous mapping
1.1 Limited information availability	--	2	<ul style="list-style-type: none"> <li>Assessing and Managing Governance Risks in ADB Operations (AMGR), ADB (C1)</li> <li>Guidelines for budget support in program-oriented joint financing (BMZ-BSG), BMZ (C7)</li> </ul>
1.2 Moved to resources promoting good practices	--	1	<ul style="list-style-type: none"> <li>Budget Support Guidelines (BSG), EU (C5)</li> </ul>
2. New	--	4	Name, custodian, and code in the current mapping
2.1 Developed pre-2016 but not mapped before	--	2	<ul style="list-style-type: none"> <li>Country Policy and Institutional Assessment, WB (A11)</li> <li>Country Policy and Institutional Assessment, AfDB (A12)</li> </ul>
2.2 Developed post-2016	--	1	<ul style="list-style-type: none"> <li>Fiduciary Systems Assessment (FSA), WB (C05)</li> </ul>
2.3 Mapped before, reclassified from other groups	--	1	<ul style="list-style-type: none"> <li>ECFIN Operational Assessment (OA), EU (C10)</li> </ul>
3. Total number of tools	9	10	In total, one entry added in Group C.

### IV. DEVELOPMENTS IN GROUP D (NEW GROUP RELATIVE TO LAST MAPPING)

1. New	--	14	Name, custodian, and code in the current mapping
1.1 Developed pre-2016 but not mapped before	--	7	<ul style="list-style-type: none"> <li>PFM for Health Sector Performance, USAID (D03)</li> <li>Program Capacity Assessment, GAVI (D04)</li> <li>Financial Sustainability Diagnostic, GAVI (D05)</li> <li>Climate Public Expenditure and Institutional Review, UNDP (D06)</li> <li>Climate Change Budget Integration Index, UNDP (D07)</li> <li>Corporate Governance – Report on the Observance of Standards and Codes (CG-ROSC), WB (D12)</li> <li>Corporate Governance SOE Progression Matrix, WB (D13)</li> </ul>
1.2 Developed post-2016	--	6	<ul style="list-style-type: none"> <li>Finhealth, PFM in Health Toolkit, WB (D01)</li> <li>Health Progression Matrix, WHO (D02)</li> <li>Disaster Response: A PFM Review Toolkit, WB (D08)</li> <li>Gender Responsive PFM, PEFA Secretariat (D09)</li> <li>Equity Budgeting Tool, GIZ (D10)</li> <li>Integrated SOE Framework (ISOEF), WB (D11)</li> </ul>
1.3 Mapped before, reclassified from other groups	--	1	<ul style="list-style-type: none"> <li>Accounting and Auditing – Report on Observance of Standards and Codes (AA-ROSC), WB (D14 - B20 in 2016 mapping)</li> </ul>
2. Total number of tools	NA	14	In total, 14 entries were added in Group D.

## ANNEX 2. Special mentions

This annex presents an overview of tools and resources that are no longer included in the PFM tools mapping - tools discontinued or with limited information availability and resources promoting good PFM practices but not used to diagnose PFM performance.

### *Discontinued tools*

Custodian/Tool	Objective	Year	Status
EC – The Fiscal Blueprints	For candidate countries’ accession to the EU to enhance their administrative capacity in adopting, applying, and enforcing the <i>acquis communautaire</i> in preparation for EU membership	1999	The custodian switched to new tools such as the TADAT.
WB – Integrated Diagnostic Tax Assessment Tool (IAMTAX)	Web-based tool for assessing tax administration performance	2011	Discontinued
WB – Customs Assessment Trade Toolkit (CATT)	Measure customs’ performance over time	2011	The functionalities have been integrated in the WB Tax Diamond.
WB – State-Owned Enterprise Corporate Governance and Risk Toolkit (CG-SOE)	Framework for the corporate governance of state-owned enterprises (SOEs), along with the tools and information for making practical improvements	2014	Mapped for the first time, it has been discontinued in the meantime and its functionalities have been integrated into the Integrated State-Owned Enterprises Framework (iSOEF).
WB – IRMT Integrating Records Management in FMIS (IRM-FMIS)	Determine whether records management has been integrated into FMIS system	2011	Discontinued
WB – Gap Analysis Framework for Comparing Public Sector Accounting and Auditing to International Standards (AA GAP)	Identify where local practices stand in accordance with international standards of financial reporting and audit	2007	Discontinued
WHO – Aligning Public Financial Management and Health Financing Process Guide	The guide lays out a process to assess the current situation in terms of how aligned the PFM system and health financing system are.	2017	Mapped for the first time and WHO is currently using the Health Financing Progression Matrix (D02).

**Limited information availability**

Custodian/Tool	Objective	Year	Status
AfDB assessing and managing governance risks in ADB operations (AMGR)	Assess governance risks (including financial management, procurement, and corruption risks)	2006	Limited information availability
BMZ guidelines for budget support in program-oriented joint financing (BMZ-BSG)	Assess the risks of partner country's public financial management systems during the preparation and provision of budget support operations in accordance with the Strategy	Revised 2013	Limited information availability
AfDB – Country Fiduciary Risk Assessment (CFRA)	Determine the type of capacity development assistance needed across countries	--	Limited information availability

**Resources promoting good PFM practices**

Resources promoting good PFM practices include knowledge guides to sources, standards, and overall guidelines in fiscal transparency; knowledge sharing and implementation of good practices in domestic revenue mobilization; handbooks on tax and investment for policy makers and agencies' staff; statistical databases; and guidance notes. These resources are not used to directly undertake PFM performance assessments and do not qualify as a PFM diagnostic tool within the scope of this study. This list is not exhaustive and does not endorse any specific resource.

Custodian/Name	Objective	Year	Status
EC – European Union Budget Support Guidelines (EU-BSG)	Contribute to improving the quality of EU budget support contracts by providing guidance to those who program, design, and implement them Provide a basis for a coordinated EU approach to the provision of budget support	2007, updated in 2012	Available. <a href="#">EU-BSG</a>
WB – Handbook for Tax Simplification (HTS)	Provide policy makers with guiding concepts to assess a tax system in its entirety, measure its various parameters and how it is administered, and define best practices for tax policy and administration	2009	Available. <a href="#">HTS</a>
OECD – Budget Transparency Toolkit	Help users to raise awareness of various standards and guidelines available on budget transparency	--	Available. <a href="#">BT Toolkit</a>
GIFT – Principles on Fiscal Transparency	Provide overall guidelines in fiscal transparency	2012	Available. <a href="#">Principles on Fiscal Transparency and Principles of Public Participation in Fiscal Policies</a>
AfDB – Matrix for Measuring Financial Governance	Support quantitative analysis to identify strengths and weaknesses in a country's public financial arena	2012	Available. <a href="#">AG outlook</a>

Custodian/Name	Objective	Year	Status
WHO – Global Health Expenditure Database (GHED)	A global reference for health expenditure information of all WHO member states.	2014	Available. <a href="#">Global Health Expenditure Database</a>
WHO – TrackFin Initiative	Guidance for decision-makers on tracking financing to sanitation, hygiene, and drinking water at the national level	2015	Available. <a href="#">TrackFin</a>
WHO – Health Financing Country Diagnostic	Guidance for undertaking a situation analysis of a country’s health financing system and assessing the existing system relative to the goal of universal health coverage	2016	Available. <a href="#">Health Financing Country Diagnostic</a>
ATI – Addis Tax Initiative	Knowledge sharing on best practices for improving domestic resources mobilization	2015	Available. <a href="#">ATI</a>
JICA – Public Investment Management Handbook for Capacity Development	Provide information for Japan International Cooperation Agency (JICA) officials and experts tasked with diagnosing PIM capacity and formulating and implementing capacity development projects	2018	Available. <a href="#">Handbook</a>
IMF’s Fiscal Stress Test (Fiscal Stress Test webpage and paper, 2016)	Assess the possible impact of macroeconomic shocks on the finances of the main public sector players - including general government and state-owned enterprises - as well as their interactions and consolidated effects for the public sector as a whole	2016	Available. <a href="#">FST</a>

In addition to the list above, the following resources promoting good PFM practices have been identified as being developed in the period 2020–2021. This list is not exhaustive and does not necessarily reflect all the resources under development in that period.

Custodian/Tool	Objective	Year	Status
INTOSAI – The Resource Kit on SAI Independence for SAI Leaders	Reference guide for SAI leaders. The objective of the resource kit is to provide SAI leaders with an overview of the meaning and implications of SAI independence, the challenges in obtaining and safeguarding it, and resources and partnerships that can be of use in the journey toward enhanced independence.	2021	Available. <a href="#">Kit for SAI leaders</a>
IMF – Gender Budget Framework	The paper examines the status of gender budgeting in G20 countries using data obtained from an IMF survey.	2021	Available. <a href="#">Gender Budgeting (imf.org)</a>
OECD – Good Practice Principles for Public Service Design and Delivery in the Digital Age	10 Principles for Public Service Design and Delivery in the Digital Age	2022	In pilot stage. <a href="#">Draft for public consultation</a> available.

## ANNEX 3. Description of technical tool characteristics

#	Technical characteristic	Description
<b>I. OBJECTIVE AND FEATURES</b>		
1	Objective	Presents the stated objective(s) of the tool and the assessment
2	Institutional coverage	Indicates the intended institutional coverage of the tool (national, subnational, entity-level, sector-specific)
3	Technical coverage	Indicates the PFM areas and functions assessed by the tool
4	Application method	Describes the possible approaches to carrying out the assessment (self-assessment, external by any assessor, external by the custodian)
<b>II. METHODOLOGY</b>		
5	Methodology	Describes the approach used to assess the performance of PFM functions covered
6	Benchmarking and scoring system	Indicates whether assessment results are presented as scores/ratings, narrative evaluation, or both. <ol style="list-style-type: none"> <li>a. Benchmarking against good practices, professional standards, or thematic principles (and risk levels in the case of Group C):               <ol style="list-style-type: none"> <li>1. with scoring systems (typically including a narrative assessment as well)</li> <li>2. with narrative assessment only</li> </ol> </li> <li>b. Database tool for comparison across governments</li> </ol>
7	Linkage to PEFA framework	Describes areas of technical coverage which correspond to the technical coverage of the PEFA Framework 2016
8	Complementarity with PEFA framework	Describes areas of technical coverage which extend beyond the technical coverage of the PEFA Framework 2016

#	Technical characteristic	Description
<b>III. DEVELOPMENT AND USE</b>		
9	Development and coordination	Describes the tool development process, including coordination with key stakeholders for development during and after the assessment
10	Assessment management	Describes the assessment management process (data collection, involvement of key stakeholders, and dissemination of assessment findings)
11	Uses by government and members of the PFM community	Presents the reported information on different uses of the assessment results by key stakeholders
12	Sequencing with other tools	Describes (custodian-suggested) sequence for using the tool with other diagnostic assessments with a view to ensure complementary information and optimize the transaction costs involved in conducting an assessment (time, cost, and level of effort from the government and development partners)
13	PFM capacity building	Describes the arrangements foreseen for training and support to the assessed governments/institutions ahead of/during the assessment Indicates whether the report contains recommendations for improvement Describes the arrangements foreseen for post-assessment capacity development in the form of follow-up technical assistance
14	Tracking of changes and frequency of assessments	Indicates whether the tool is designed to allow tracking of performance changes over time Indicates the suggested interval between successive (repeated) assessments using the tool
15	Resource requirements	Provides an indicative range of costs involved in conducting an assessment. Where available, information is provided on the principal source of financing Provides an indicative number of assessors and competencies required to conduct an assessment. Indicative duration of the assessment (planning through reporting)
<b>IV. TRANSPARENCY</b>		
16	Access to methodology	Indicates whether there is public access to tool user guidance (with other resources)
17	Access to assessment results	Indicates whether there is public access to reports and whether there is a central internal or external report repository

## ANNEX 4. Tool mapping

Code	Name	Custodian	Developed (Updated)
A01	Public Expenditure and Financial Accountability (PEFA)	PEFA	2005 (2011, 2016)
A02	Fiscal Transparency Evaluation (FTE)	IMF	2014 (2019)
A03	Senior Budget Official Reviews of Budgeting Systems	OECD	2001
A04	International Budget Practices and Procedures Database (IBPPD)	OECD	2003
A05	SIGMA Principles of Public Administration (PPA)	OECD	2014 (2019)
A06	Open Budget Survey (OBS)	IBP	2006
A07	Public Expenditure Review (PER)	WB	1996
A08	Rapid Assessments and Action Plans to Improve Delivery in SNGs (RAAP-ID)	WB	2008
A09	MiGestion Institutional Capacity Diagnostic	WB	2013
A10	Benchmarking Fiscal Decentralization (BFD)	CoE	2008
A11	Country Policy and Institutional Assessment (CPIA)	WB	1970s
A12	Country Policy and Institutional Assessment (CPIA)	AfDB	2012
A13	Public Financial Management Reporting Framework (PFMRF)	AFROSAI-E	2017



Code	Name	Custodian	Developed (Updated)
B01	Public Expenditure Tracking Surveys (PETS)	WB	1996
B02	Tax Administration Diagnostic Assessment Tool (TADAT)	IMF	2013 (2015, 2019)
B03	Tax Policy Assessment Framework (TPAF)	IMF	2015
B04	Revenue Administration Gap Analysis Program (RA-GAP)	IMF	2013
B05	Revenue Administration Fiscal Information Toolkit (RA-FIT)	IMF	2012
B06	Tax Administration Series on OECD and other Advanced and Emerging Economies (TAS)	OECD	2004
B07	Development of Implementation and Monitoring Directives for Tax Reform (Tax Diamond)	WB	2017
B08	Extractive Industries Transparency Initiative (EITI)	EITI	2005
B09	Collecting Taxes Database (CTD)	USAID	2008
B10	African Tax Outlook (ATO) – ATAF	ATAF	2017
B11	Tax Administration Maturity Model Series	OECD	2016
B12	Public Investment Management Assessment (PIMA)	IMF	2015 (2018)
B13	Diagnostic Framework for Assessing Public Investment Management (DF-PIM)	WB	2008
B14	PPP Fiscal Risk Assessment Model (PFRAM)	IMF	2016 (2019)
B15	Public Sector Balance Sheet (PSBS)	IMF	2018
B16	Debt Management Performance Assessment (DeMPA)	WB	2007 (2015)
B17	Methodology for Assessing Procurement Systems (MAPS)	OECD	2004 (2018)
B18	e-Procurement Toolkit	WB	2016
B19	Diagnostic Framework to Assess the Capacity of a Government FMIS as a Budget Management Tool (DF-FMIS)	WB	2016

Code	Name	Custodian	Developed (Updated)
<b>B20</b>	Treasury Diagnostic Toolkit	WB	2004
<b>B21</b>	Treasury Single Account (TSA) Rapid Assessment Toolkit	WB	2012
<b>B22</b>	Report on the Enhancement of Public Sector Financial Reporting Toolkit (REPF)	WB	2015 (2019)
<b>B23</b>	International Public Sector Financial Accountability Index	IFAC - CIPFA	2018
<b>B24</b>	Financial Management Model (FMM)	CIPFA	2004
<b>B25</b>	Internal Audit Capability Model (IA-CM)	IIA	2009
<b>B26</b>	Supreme Audit Institutions Performance Measurement Framework (SAI PMF)	INTOSAI	2016
<b>B27</b>	Institutional Capacity Building Framework (ICBF)	AFROSAI-E	2001

Code	Name	Custodian	Developed (Updated)
<b>C01</b>	Financial Management Assessment (FMA)	ADB	2015
<b>C02</b>	Tool for Determining the Level of Development and Use of PFM Systems (GUS)	IADB	2009
<b>C03</b>	Assessment of financial management systems in bank-financed investment operations	WB	2011
<b>C04</b>	Fiduciary Risk Assessment (FRA)	FCDO	2008
<b>C05</b>	Guidelines for Risk Management (GRM)	DANIDA	2013
<b>C06</b>	PFM Risk Assessment Framework (PFMRAF)	USAID	2010
<b>C07</b>	Governance Risk Assessment in ADB Operations (GRA)	ADB	2006
<b>C08</b>	Country and Sector Procurement Risk Assessment (CSPRA)	ADB	2015
<b>C09</b>	Program-for-Results Fiduciary System Assessment (FSA)	WB	2017
<b>C10</b>	European Commission Directorate General for Economic and Financial Affairs – Operational Assessment (ECFIN-OA)	EU	1990s

Code	Name	Custodian	Developed (Updated)
D01	FinHealth: PFM in Health Toolkit	WB	2020
D02	Health Financing Progress Matrix (HFPM)	WHO	2018
D03	Guided Self-Assessment of Public Financial Management Performance (PFMP-SA) for Health Sector	USAID	2013
D04	Programme Capacity Assessment (PCA)	Gavi	2016
D05	Financial Sustainability Diagnostic Tool (FSDT)	Gavi	2003
D06	Climate Public Expenditure and Institutional Review (CPEIR)	UNDP	2011
D07	Climate Change Budget Integration Index (CCBII)	UNDP	2015
D08	Disaster Response: A Public Financial Management Review Toolkit (PD-PFM)	WB	2019
D09	Gender Responsive Public Financial Management Framework (GRPFM)	PEFA	2020
D10	Equity Budgeting Tool (EBT)	GIZ	2018
D11	Integrated State-Owned Enterprises Framework (ISOEF)	WB	2019
D12	Corporate Governance: Report on Observance of Standards and Codes (CG-ROSC)	WB	2001 (2015, 2017)
D13	Corporate Governance SOE Progression Matrix (CGPM SOE)	WB Group (IFC)	2010 (2018)
D14	Accounting and Auditing: Report on Observance of Standards and Codes (AA-ROSC)	WB	2001 (2017, 2019)

## ANNEX 5. PFM functions and their coverage

PFM Function	Description of Technical Coverage
Macroeconomic and Fiscal Forecasting	Processes, institutions, and systems supporting macroeconomic and fiscal forecasting, preparation of fiscal strategies, sensibility analysis, and fiscal risk management
Budget Preparation	Budget preparation process, budget documentation, performance information, medium- term perspectives, alignment of (strategic) plans with (multi-annual) budget, and budget legislative scrutiny
Revenue Management	Revenue frameworks and systems (tax and customs), revenue collections and reporting, revenue compliance and risk management, and tax arrears
Budget Execution	Resource allocation and control over commitment and payment processes, virement and in-year adjustment rules, and management of expenditure arrears
Treasury and Cash Management	Banking and accounting arrangements for treasury operations (treasury single account), procedures for disbursement, cash planning and forecasting, and government receipts management
Internal Audit*	Internal audit standards, coverage, procedures, and quality assurance
Public Procurement	Legal and institutional framework and procurement management (including appeals mechanisms)
Assets Management	Registration, management, accounting, reporting, and disposal of financial and non-financial assets
Public Investment Management	Economic analysis of investment proposals, investment project selection, costing and monitoring processes, including public–private partnerships (PPPs)
Debt Management	Management, recording, reporting and publication of public debt and guarantees (internal and external) of the government, and medium-term debt strategy
Accounting and Reporting	Financial data integrity, reconciliation of revenues and expenditure, accounting standards, annual and in-year financial reports comprehensiveness, coverage, and timeliness
External Audit and Scrutiny	External audit of government finances by supreme audit institutions and the legislative scrutiny of the audit reports on government finances
<b>CROSSCUTTING AREAS</b>	
Budget Transparency	Availability and timely access to relevant budget documentation to the general public
Management Information Systems	Functional and technical aspects of information communication technology (ICT) systems in place for PFM functions, integration of PFM records into the ICT systems, and electronic documentation management
<b>SECTOR- AND THEME-SPECIFIC PFM PERFORMANCE</b>	
Health	Core PFM functions in relation to implementation of government policies in health, climate- and disaster-responsiveness, gender, and equity
Climate Change	Core PFM functions in relation to implementation of government policies in health, climate- and disaster-responsiveness, gender, and equity
Disaster Responsiveness	Core PFM functions in relation to implementation of government policies in health, climate- and disaster-responsiveness, gender, and equity
Gender and Equity	Core PFM functions in relation to implementation of government policies in health, climate- and disaster-responsiveness, gender, and equity
State-Owned Enterprises	Regulations, structures, and processes for governance and control of state-owned enterprises and public corporations

\* Relevant aspects of the internal control framework are covered within the individual PFM functions, hence there is no separate function identified for internal control.



## ANNEX 6.

## Overview of PFM diagnostic tools by technical coverage

Technical coverage of new tools is highlighted in yellow.

#	Tool name (Custodian)	Year Developed (Updated)	Technical Coverage														Health	Climate Change/Disaster Responsiveness	Gender and Equity	State-Owned Enterprises	
			Macroeconomic and Fiscal Forecasting	Budget Preparation	Revenue Management	Budget Execution	Treasury and Cash Management	Internal Audit	Public Procurement	Asset Management	Public Investment Management	Debt Management	Accounting and Reporting	External Audit and Scrutiny	Budget Transparency	Management Information Systems					Fiduciary
A01	Public Expenditure and Financial Accountability (PEFA)	2005 (2011, 2016)	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-
A02	Fiscal Transparency Evaluation (FTE)	2014 (2019)	1	1	1	-	-	-	-	-	-	-	1	1	1	-	-	-	-	-	-
A03	Senior Budget Official Reviews of Budgeting Systems	2001	1	1	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-
A04	International Budget Practices and Procedures Database (IBPPD)	2003	1	1	-	1	-	-	-	-	1	-	1	1	1	-	-	-	-	1	-
A05	SIGMA Principles of Public Administration (PPA)	2014 (2019)	-	1	-	-	-	1	1	-	-	1	1	1	-	-	-	-	-	-	-
A06	Open Budget Survey (OBS)	2006	-	1	-	-	-	-	-	-	-	1	1	1	-	-	-	-	-	-	-
A07	Public Expenditure Review (PER)	1996	-	1	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
A08	Rapid Assessments and Action Plans to Improve Delivery in SNGs (RAAP-ID)	2008	-	1	1	1	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-
A09	MiGestion Institutional Capacity Diagnostic	2013	-	1	1	1	-	1	1	-	-	-	1	-	1	1	-	-	-	-	-
A10	Benchmarking Fiscal Decentralization (BFD)	2008	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A11	Country Policy and Institutional Assessment (CPIA) - WB	1970s	-	1	1	-	-	-	-	-	-	1	1	1	-	-	-	-	-	-	-
A12	Country Policy and Institutional Assessment (CPIA) - AfDB	2012	-	1	1	-	-	-	-	-	-	1	1	1	-	-	-	-	-	-	-
A13	Public Financial Management Reporting Framework (PFMRF)	2017	1	1	1	1	1	-	1	-	-	-	1	1	-	-	-	-	-	-	-

#	Tool name (Custodian)	Year Developed (Updated)	Macroeconomic and Fiscal Forecasting														Health			
			Budget Preparation	Revenue Management	Budget Execution	Treasury and Cash Management	Internal Audit	Public Procurement	Asset Management	Public Investment Management	Debt Management	Accounting and Reporting	External Audit and Scrutiny	Budget Transparency	Management Information Systems	Fiduciary	Climate Change/Disaster Responsiveness	Gender and Equity	State-Owned Enterprises	
B01	Public Expenditure Tracking Surveys (PETS)	1996	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
B02	Tax Administration Diagnostic Assessment Tool (TADAT)	2013 (2015, 2019)	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B03	Tax Policy Assessment Framework (TPAF)	2015	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B04	Revenue Administration Gap Analysis Program (RA-GAP)	2013	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B05	Revenue Administration Fiscal Information Toolkit (RA-FIT)	2012	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B06	Tax Administration Series on OECD and other Advanced and Emerging Economies (TAS)	2004	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B07	Development of Implementation and Monitoring Directives for Tax Reform (Tax Diamond)	2017	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B08	Extractive Industries Transparency Initiative (EITI)	2005	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B09	Collecting Taxes Database (CTD)	2008	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B10	African Tax Outlook (ATO) – ATAF	2017	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B11	Tax Administration Maturity Model Series	2016	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B12	Public Investment Management Assessment (PIMA)	2015 (2018)	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
B13	Diagnostic Framework for Assessing Public Investment Management (DF-PIM)	2008	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
B14	PPP Fiscal Risk Assessment Model (PFRAM)	2016 (2019)	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	







#	Tool name (Custodian)	Year Developed (Updated)	Functional Areas														Cross-Cutting Areas					
			Macroeconomic and Fiscal Forecasting	Budget Preparation	Revenue Management	Budget Execution	Treasury and Cash Management	Internal Audit	Public Procurement	Asset Management	Public Investment Management	Debt Management	Accounting and Reporting	External Audit and Scrutiny	Budget Transparency	Management Information Systems	Fiduciary	Health	Climate Change/Disaster Responsiveness	Gender and Equity	State-Owned Enterprises	
C01	Financial Management Assessment (FMA)	2015	-	-	-	-	1	1	-	-	-	-	-	1	1	-	1	1	-	-	-	-
C02	Tool for Determining the Level of Development and Use of PFM Systems (GUS)	2009	1	1	1	1	1	-	-	-	-	-	1	1	-	-	1	-	-	-	-	
C03	Assessment of financial management systems in bank-financed investment operations	2011	-	1	-	1	1	-	-	1	-	-	1	1	-	-	1	-	-	-	-	
C04	Fiduciary Risk Assessment (FRA)	2008	1	-	-	-	-	-	1	-	-	-	1	1	-	-	1	-	-	-	-	
C05	Guidelines for Risk Management (GRM)	2013	-	-	-	1	-	-	1	-	-	-	-	1	-	-	1	-	-	-	-	
C06	PFM Risk Assessment Framework (PFMRAF)	2010	-	1	-	1	1	1	1	-	-	-	1	1	1	1	1	-	-	-	-	
C07	Governance Risk Assessment in ADB Operations (GRA)	2006	-	1	-	-	1	-	1	-	-	-	1	1	-	-	1	-	-	-	-	
C08	Country and Sector Procurement Risk Assessment (CSPRA)	2015	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-	
C09	Program-for-Results Fiduciary System Assessment (FSA)	2017	-	1	-	1	-	1	1	1	-	-	-	1	-	-	1	-	-	-	-	
C10	European Commission Directorate General for Economic and Financial Affairs – Operational Assessment (ECFIN-OA)	1990s	-	1	-	1	1	1	1	-	-	1	1	1	-	-	1	-	-	-	-	



#	Tool name (Custodian)	Year Developed (Updated)	Core PFM Areas														Cross-Cutting Areas			
			Macroeconomic and Fiscal Forecasting	Budget Preparation	Revenue Management	Budget Execution	Treasury and Cash Management	Internal Audit	Public Procurement	Asset Management	Public Investment Management	Debt Management	Accounting and Reporting	External Audit and Scrutiny	Budget Transparency	Management Information Systems	Fiduciary	Health	Climate Change/Disaster Responsiveness	Gender and Equity
D01	FinHealth: PFM in Health Toolkit	2020	-	1	-	-	1	-	1	-	-	-	1	-	-	-	1	-	-	-
D02	Health Financing Progress Matrix (HFPM)	2018	1	1	-	1	-	-	-	-	-	-	-	1	1	-	1	-	-	-
D03	Guided Self-Assessment of Public Financial Management Performance (PFMP-SA) for Health Sector	2013	1	1	-	-	1	-	-	-	-	1	-	-	-	-	1	-	-	-
D04	Programme Capacity Assessment (PCA)	2016	-	1	-	-	1	1	-	1	1	-	1	1	-	-	1	-	-	-
D05	Financial Sustainability Diagnostic Tool (FSDT)	2003	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
D06	Climate Public Expenditure and Institutional Review (CPEIR)	2011	-	1	-	-	-	-	-	-	-	1	-	1	-	-	-	1	-	-
D07	Climate Change Budget Integration Index (CCBII)	2015	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	-
D08	Disaster Response: A Public Financial Management Review Toolkit (PD-PFM)	2019	-	1	-	1	-	-	1	-	-	-	-	-	-	-	-	1	-	-
D09	Gender Responsive Public Financial Management Framework (GRPFM)	2020	-	1	-	1	-	-	-	1	1	-	-	1	1	-	-	-	1	-
D10	Equity Budgeting Tool (EBT)	2018	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-
D11	Integrated State-Owned Enterprises Framework (iSOEF)	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
D12	Corporate Governance: Report on Observance of Standards and Codes (CG-ROSC)	2001 (2015, 2017)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
D13	Corporate Governance SOE Progression Matrix	2010 (2018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
D14	Accounting and Auditing: Report on Observance of Standards and Codes (AA-ROSC)	2001 (2017, 2019)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1

#	Tool name (Custodian)	Year Developed (Updated)	PFM Functions														Cross-Cutting Issues				
			Macroeconomic and Fiscal Forecasting	Budget Preparation	Revenue Management	Budget Execution	Treasury and Cash Management	Internal Audit	Public Procurement	Asset Management	Public Investment Management	Debt Management	Accounting and Reporting	External Audit and Scrutiny	Budget Transparency	Management Information Systems	Fiduciary	Health	Climate Change/Disaster Responsiveness	Gender and Equity	State-Owned Enterprises
	Total (64 tools) <sup>a</sup>	Any	11	31	21	19	15	9	16	5	8	6	27	22	9	8	10	5	3	3	4
	Group A (13 tools)	Any	6	13	8	6	2	3	5	1	3	4	11	9	5	1	-	-	-	1	-
	Group B (27 tools)	Any	-	2	12	2	4	1	2	-	3	1	5	2	-	4	-	-	-	-	-
	Group C (10 tools)	Any	2	6	1	6	6	4	7	2	-	1	7	9	1	2	10	-	-	-	-
	Group D (14 tools)	Any	3	10	-	5	3	1	2	2	2	-	4	2	3	1	-	5	3	2	4
	Total 2013–2019 (31 tools)	2013–19	5	13	9	9	6	5	9	3	5	1	12	9	4	5	4	4	2	2	1
	Group A 2013–2019 (4 tools)	2013–19	2	4	3	2	1	2	3	-	-	1	4	3	2	1	-	-	-	-	-
	Group B 2013–2019 (14 tools)	2013–19	-	-	6	-	1	-	1	-	3	-	4	1	-	2	-	-	-	-	-
	Group C 2013–2019 (4 tools)	2013–19	-	1	-	2	1	2	3	1	-	-	1	3	-	1	4	-	-	-	-
	Group D 2013–2019 (9 tools)	2013–19	3	8	-	5	3	1	2	2	2	-	3	2	2	1	-	4	2	2	1

a. Darker shade signifies higher number of tools covering a specific PFM function relative to the total number of tools mapped.





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