



Contents

<i>Preface</i>	<i>vii</i>
<i>Acknowledgments</i>	<i>ix</i>
<i>Executive Summary</i>	<i>xi</i>
<i>Abbreviations and Acronyms</i>	<i>xix</i>
ASSESSMENTS OF PUBLIC EXPENDITURE MANAGEMENT: RATIONALE AND CONTEXT	1
What Is Public Expenditure Management?	2
This Study's Purpose and Objectives	2
Genesis of Assessments of Public Expenditure Management and Financial Accountability	3
FIDUCIARY RISK AND FINANCIAL ACCOUNTABILITY	9
Risk	10
Accountability	12
Operational Implications	13
THE MAIN INSTRUMENTS FOR ASSESSMENTS	15
World Bank Public Expenditure Reviews	17
World Bank Country Financial Accountability Assessments	18
World Bank Country Procurement Assessment Reports	19
IMF Reports on the Observance of Standards and Codes of Fiscal Transparency	20

World Bank–IMF Public Expenditure Tracking Assessments and Action Plans for Heavily Indebted Poor Countries	21
EC Audits	22
DFID Assessments of Fiduciary Risk	23
Questionnaires, Checklists, and Other Tools	23
METHODOLOGY AND MAIN FINDINGS	27
Methodology and Sources	27
Coverage of the Instruments	34
Similarities	35
Differences	40
Institutional and Governance Content	41
Summary	44
RECOMMENDATIONS AND ISSUES FOR FURTHER CONSIDERATION	49
Increasing Integration and Improving Coordination and Cooperation	49
Institutional and Governance Considerations	63
Follow-up and Performance Monitoring	65
Who Assesses the Assessors?	66
Developing a Programmatic and Modular Approach	67
A CONCLUDING WORD	75
ANNEX 1 SCOPE AND APPLICATION OF THE MAIN INSTRUMENTS	77
World Bank Public Expenditure Reviews	77
World Bank Country Financial Accountability Assessments	80
World Bank Country Procurement Assessment Reports	83
IMF Reports on the Observance of Standards and Codes of Fiscal Transparency	85
World Bank–IMF Public Expenditure Tracking Assessments and Action Plans for Heavily Indebted Poor Countries	87
EC Audits	90
DFID Assessments of Fiduciary Risk	94
EC and OECD Support for Improvement in Governance and Management in Central and Eastern Europe	95

UNDP CONTACT Guidelines	99
ANNEX 2 MEASURING PERFORMANCE IN PUBLIC FINANCIAL MANAGEMENT—GUIDANCE FROM THE DEVELOPMENT ASSISTANCE COMMITTEE, OECD	101
Key Issues	101
Purpose	103
Guiding Principles	105
Good Practices in Diagnostic Work	107
Good Practices in Performance Measurement	110
ANNEX 3 TECHNICAL MAP OF THE ASSESSMENT INSTRUMENTS	113
REFERENCES	123
ABOUT THE AUTHORS	127
INDEX	129
BOXES	
1 The role of assessments in promoting dialogue between donors and recipient governments, and reform	16
2 Components of public expenditure management	28
3 Multiple assessments result in myriad recommendations in Burkina Faso	39
4 How an integrated approach can strengthen assessments	60
A2.1 What is a diagnostic review?	102
A2.2 Current diagnostic tools	104
A2.3 Improving public oversight of public expenditures	109
A2.4 Partners support government-led diagnostic process in Tanzania	110
A2.5 Elements of a performance measurement framework	111

FIGURES

1	Assessment instruments' coverage of the main components of public expenditure management	32
2	A new public expenditure assessment framework	69

TABLES

1	Features of questionnaires and checklists used by various assessment instruments	25
2	Alternative approaches to public expenditure diagnostics and reform	70
A2.1	Indicators of good practice in measuring performance in public financial management	112
A3.1	Technical mapping of the assessment instruments	115