Indicator Fact Sheet

Indicator 9a - Quality of developing country public financial management systems

This fact sheet includes details on the methodology underpinning Indicator 1 during the 2015-2016 Round of Global Partnership Monitoring, including means of measurement, method of calculation and data source.

For questions, please contact the UNDP-OECD Joint Support Team at info@effectivecooperation.org

Effective institutions: country systems are strengthened
Indicator 9a. Quality of developing country public financial management systems

Relevant Busan commitment

Paris Declaration commitments to strengthen country systems at the same time as increasing their use (PD §17-30; reaffirmed in Busan §19)

Indicator construction[1]

This indicator takes the form of a score ranging from 1.0 (lowest) to 6.0 (highest), scored in half-point increments (0.5).

The following three dimensions are rated by the World Bank using established criteria:

a. a comprehensive and credible budget, linked to policy priorities;
b. effective financial management systems to ensure that the budget is implemented as intended in a controlled and predictable way; and
c. timely and accurate accounting and fiscal reporting, including timely and audited public accounts and effective arrangements for follow up.

All three dimensions are given equal weighting. See World Bank (2010) for the detailed criteria underpinning each dimension.

Measure

Same as Paris Declaration indicator 2a

This indicator is based on the World Bank Country Policy and Institutional Assessment (CPIA).[2] It takes the value of one CPIA criterion – indicator 13 – which offers a measure of the quality of a developing country's budget and financial management system

Data source

World Bank (existing international dataset, published on an annual basis and available for IDA countries).

Aggregation

The unit of observation is the individual developing country.

When aggregating to the global level, the measure used is the percentage of developing countries moving up at least one measure (*i.e.* 0.5 points) since the baseline year.

Baseline

2010 (for countries participating in the 2011 PD Survey):

CPIA PFM Score	>=5	4.5	4.0	3.5	3	<3.0	All
Num. of countries	0	2	8	25	12	9	56
%	0%	4%	14%	45%	21%	16%	100%

Proposed target for 2015

Half of developing countries move up at least one measure (*i.e.* 0.5 points) on the PFM/CPIA scale of performance

Rationale: Paris Declaration target

[1] Note that an alternative methodology is currently being piloted by the *Effective Institutions Platform* (EIP) and the *Collaborative Africa Budget Reform Index* (CABRI), and estimated in parallel for a number of countries.

[2] World Bank (2012), CPIA 2012, Operations Policy and Country Services, World Bank, available online at: http://www.worldbank.org/ida/IRAI-2012.html