

## What do Public Financial Management assessments tell us about PFM reform?

By Edward Hedger  
and Paolo de Renzio

**G**overnment budgets are key areas of public action by which policy objectives are chosen and acted upon and the necessary resources collected, allocated and spent. Government budgeting systems are also important to donor agencies because of their role in providing fiduciary safeguards, helping to ensure, for example, that foreign aid funds remitted as direct budget support are properly used for their intended purpose. Strong budgeting systems also contribute to better overall standards of public sector governance. In recent years, donor-supported Public Financial Management (PFM) reform programmes have covered a range of initiatives to strengthen the rules and procedures that underpin budget processes in aid recipient countries. Standard interventions have focused on: a) improving the comprehensiveness of budget operations; b) building better links between annual allocations and medium-term policy objectives; c) introducing performance indicators and management systems; d) computerising budget management and expenditure control.

A World Bank evaluation of Public Sector Reform (PSR) programmes (World Bank, 2008) found that the number of Bank-financed projects with a significant PSR component (often including PFM reform) quadrupled between the early 1990s and 2005. Their share of projects overall in sub-Saharan Africa was as much as 37%. Data from the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD DAC) shows an even greater increase in funds for activities related to

public sector financial management, with allocations growing more than ten-fold, from \$85 million in 1995 to \$931 million in 2007. Over the same period, the number of donor agencies providing technical assistance on PFM rose to more than 25 (IMF, 2007). Given this emphasis, it is puzzling that there is so little evidence and analysis of the comparative performance of PFM systems and the factors underpinning successful PFM reforms, as well as the role of donor agencies in PFM reform processes.

This Background Note was commissioned by the UK Department for International Development (DFID) to take stock of current knowledge on these topics. It reviews the sources of data on PFM performance and the resulting findings and considers what we already know about the factors that influence PFM reform. It further assesses the implications for future reform efforts. The Background Note is addressed principally to advisers in development agencies who engage in dialogue with partner country governments on PFM reform. It is hoped that officials in partner countries will also find it useful.

### Data sources on PFM systems

A quick stock-take reveals limited, reliable sources of information and cross-country data to assess and compare the quality of PFM systems. Some preliminary attempts have been made through Public Expenditure Reviews (PERs), promoted by the World Bank and Reports on the Observance of Standards and Codes on Fiscal Transparency (so called 'Fiscal ROSCs'), designed by the International Monetary Fund. While these contain useful information, neither has attempted to derive comparable indices or measurements of performance.

---

The Overseas Development Institute is the UK's leading independent think tank on international development and humanitarian issues. ODI Background Notes provide a summary or snapshot of an issue or of an area of ODI work in progress. This and other ODI Background Notes are available from [www.odi.org.uk](http://www.odi.org.uk)

This Background Note was commissioned by the UK Department for International Development.

Some information on PFM systems is contained in Indicator 13 of the World Bank's Country Policy and Institutional Assessment (CPIA), which measures the 'Quality of Budgetary and Financial Management'. It assesses the extent to which a country has: a) comprehensive and credible budgeting linked to policy priorities; b) effective financial management systems to ensure the budget is implemented as intended; c) timely and accurate accounting and fiscal reporting, including audited public accounts and effective follow-up arrangements. The indicator ranks countries on a six-point scale and is available publicly for about 75 countries. Despite the relevance and wide coverage of the CPIA indicator, the time series 2005 to 2008 is too short to discern significant changes in the quality of PFM systems. In addition, such a reduction of the PFM dimensions to a single numerical value permits only a broad composite measure of performance.

The IMF and World Bank developed a more detailed methodology to test PFM systems in countries qualifying for debt relief under the Highly Indebted Poor Countries (HIPC) initiative. HIPC assessments were carried out in 2001 and 2004 in 23 countries (IDA/IMF, 2005). These scored country systems against benchmarks for 15 indicators covering all stages of the budget cycle. Although significant in attempting to define a minimum standard, the methodology suffers from three limitations. First, calibration of the benchmarks does not capture the significant variations observed for some indicators across countries and over time. Second, the actual assessments in some cases reveal insufficient evidence to justify the scoring. Third, the indicators omit important dimensions such as tax administration, fiscal decentralisation and parliamentary accountability. An additional indicator on procurement was added in 2004.

The most comprehensive framework to assess the quality of budget systems and institutions is the Public Expenditure and Financial Accountability (PEFA) Performance Measurement Framework for PFM (PEFA Secretariat, 2005). This comprises 31 indicators and measures institutional arrangements at all stages of the budget cycle. It also addresses cross-cutting dimensions, budget credibility and donor practices. The framework was designed to provide a benchmark for donors and governments to measure PFM performance and track progress over time. Using a common evidence base, it informs judgements on the level of fiduciary risk for donor funds flowing through country budget systems. It can also be used to help countries identify reform measures for strengthening those systems with donor support. The framework addresses the shortcomings of the CPIA and HIPC Assessment and Action Plan (AAP) indicators by offering a comprehensive measure of the quality of PFM systems. Its

main weakness is that the 100 or more assessments carried out since 2005 only provide a snapshot of PFM system performance across countries. PEFA will only provide an adequate evidence base for a full evaluation of PFM reforms after repeated assessments are completed for a large number of countries over a longer time period.

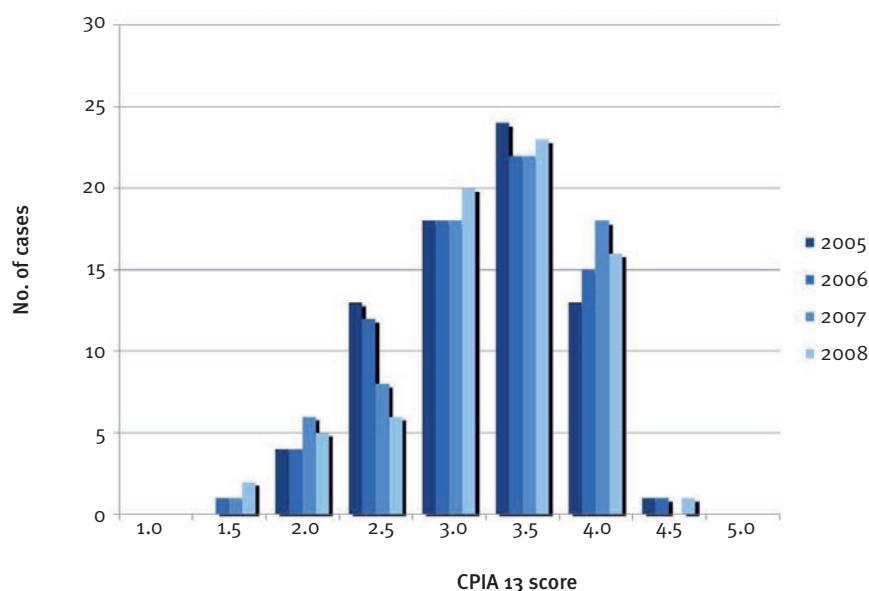
## Measuring the quality of PFM systems

These three data sources assess the quality of PFM systems across countries, over time and among PFM dimensions and reveal a variable picture, with summary results for CPIA Indicator 13 showing scores for 75 countries ranging between 1.5 and 4.5 (see Figure 1). Most countries achieve a standard of 3.0 or 3.5 and there is little variation in the indicator score. Eighteen countries show an improvement of 0.5, with only Lao and Mauritania increasing by a whole point and both from a low base. Thirteen countries register a decline of 0.5 and three countries (Chad, Tanzania and Zimbabwe) worsen by a full point. For more than half the countries, over a four-year period, the score does not change. Since public sector institutional change tends to happen slowly, these findings may not be surprising. But they do demonstrate the limited variation typical of CPIA data.

A World Bank and IMF board paper from 2005 (IDA/IMF, 2005) summarises the results of two rounds of completed HIPC assessments showing cross-country and time-series data. Two countries (Mali and Tanzania) needed only minor upgrading of their PFM systems in 2004 to reach the benchmark standards. Countries like The Gambia, Guinea-Bissau and Zambia achieved very few benchmarks or none at all. Overall performance between 2001 and 2004 improved only for the reporting phase of the budget cycle and worsened slightly for the formulation and execution stages.

An updating exercise was carried out in 2007 using more recent PEFA data (de Renzio and Dorotinsky, 2007). Overlap between the HIPC assessment methodology and the PEFA framework permits tracking of 11 indicators for the 16 countries that completed three assessments between 2001 and 2007. The approach converts letter scores into numerical values, thus taking variation of score into account. It adds these to obtain a total score for each country. Rather than examining phases of the budget cycle, it groups indicators along three key dimensions of PFM system quality. These are: a) transparency and comprehensiveness (T&C); b) budgeting, planning and policy linkages (BPP); and c) control, oversight and accountability (COA).

Overall scores between 2001 and 2007 show that eight countries improved, four deteriorated and four presented an unclear trend. Table 1 shows how country performance is driven by different PFM dimensions

**Figure 1: scores for budgetary and financial management, 2005-2008**

Source: World Bank CPIA database [accessed 31 January 2010].

**Table 1: The evolution of PFM systems in 16 countries, 2001-2007**

Country/Year	T&C				BPP				COA				TOTAL			
	2001	2004	2007	Var	2001	2004	2007	Var	2001	2004	2007	Var	2001	2004	2007	Var
Benin	9	9	7	-	6	7	5	=	9	8	7	-	24	24	19	-
Burkina Faso	8	8	10	+	8	8	7	-	8	9	9	+	24	25	26	+
Ethiopia	8	10	8	=	5	5	7	+	8	8	10	+	21	23	25	+
Ghana	6	8	9	+	5	5	6	+	4	9	10	+	15	22	25	+
Guinea	8	9	8	=	4	4	5	+	7	8	6	=	19	21	19	=
Guyana	9	10	11	+	5	5	6	+	8	8	8	=	22	23	25	+
Honduras	11	9	9	-	5	4	5	=	7	7	9	+	23	20	23	=
Madagascar	10	10	10	=	5	6	5	=	7	7	7	=	22	23	22	=
Malawi	9	8	8	-	6	5	5	-	8	7	6	-	23	20	19	-
Mali	9	10	10	+	6	7	8	+	10	9	8	-	25	26	26	+
Mozambique	7	7	8	+	5	5	6	+	9	7	8	=	21	19	22	=
Nicaragua	7	9	8	=	4	4	6	+	8	7	8	=	19	20	22	+
Rwanda	10	8	9	=	7	7	5	-	6	6	7	+	23	21	21	-
Tanzania	8	9	9	+	7	7	7	=	9	9	11	+	24	25	27	+
Uganda	10	8	8	-	7	6	7	=	8	9	8	=	25	23	23	-
Zambia	7	6	6	-	3	4	6	+	7	8	8	+	17	18	20	+

Source: Author calculations, based on IDA/IMF (2005) plus most recent PEFA assessments ([www.pefa.org](http://www.pefa.org)). Total scores can vary from 11 (worst) to 33 (best). For a detailed explanation of the scores, see de Renzio and Dorotinsky (2007).

and is not necessarily consistent across all three of these. For example, Mozambique’s progress on transparency and policy linkages is offset slightly by weakened control and accountability. Zambia’s overall positive performance hides some backsliding in transparency, while Malawi’s deterioration is driven by weaknesses in all three dimensions. Ghana is the only country that shows an improvement across all dimensions. These findings build a nuanced picture of the trajectory of budget reforms across countries. On average, reforms seem to have had most success in strengthening the links between policy, planning and budgeting – though not by a substantial margin.

There have been only two cross-country comparative analyses of PEFA assessment data so far. General analysis by de Renzio (2009) of 57 PEFA assessments highlights how average scores tend to deteriorate the further one moves through the budget cycle (from formulation to execution, reporting and scrutiny) (see Figure 2). Andrews (2008) investigates patterns or ‘themes’ in performance across PFM process areas by drawing on a dataset of disaggregated PEFA scores for 31 African countries. He reorganises the 73 PEFA sub-dimensions into clusters against the budget cycle. His first finding is consistent with that of de Renzio for a wider span of countries, with average PEFA scores declining in the progression from upstream budget formulation to downstream financial management and accountability processes. On average, formal budget preparation and legislative budget review score most strongly, with external audit and legislative audit analysis shown to be among the weakest processes. The implication is that budgets are ‘better made than they are executed’.

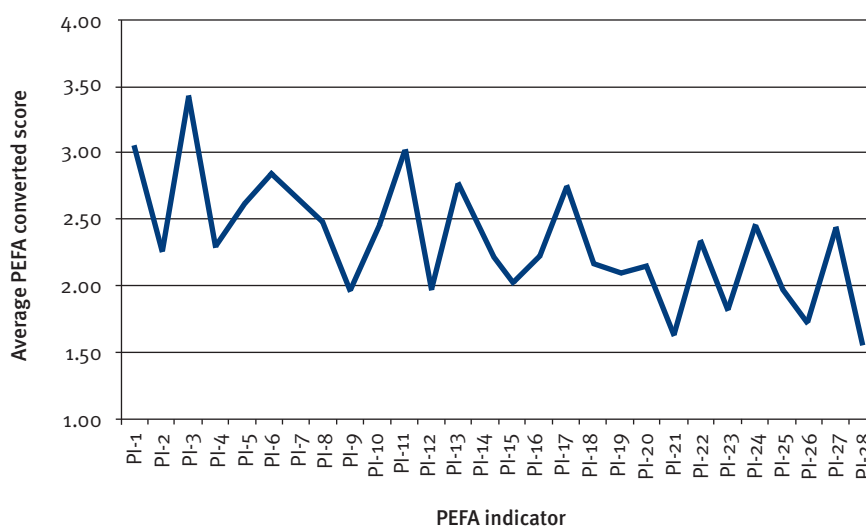
Some of the more interesting findings come from further distinctions that Andrews (2008) makes among PEFA indicators.

- First, Andrews distinguishes PFM dimensions linked to legislation, processes and procedures (i.e. *de jure* reforms), from those linked to implementation or the establishment of new practices (i.e. *de facto* reforms). He finds that average scores for *de jure* dimensions are consistently higher than for *de facto* ones. The conclusion appears to be that improvements to practice lag behind the creation of processes and laws.
- Second, Andrews contrasts the strong performance of PFM process areas involving small groups of ‘concentrated’ actors, with processes that engage broader sets of ‘de-concentrated’ actors. Out of a total of 64 disaggregated ‘budget cycle’ dimensions, 26 are limited to ‘concentrated’ actors such as the Budget Department or Debt Management Unit while the remaining 38 dimensions relate to actors such as line ministries and Parliament. The evidence of countries scoring significantly higher against the first set of measures suggests, as he says, that ‘actor concentration pays’ (Andrews, 2008).

Overall, the research by Andrews suggests that the best performers are Burkina Faso, Mauritius and Mozambique. This finding is based on average PEFA scores for 31 African countries across the budget cycle and cross-cutting indicators.

But what explains the apparently superior progress of these countries in PFM reform?

Figure 2: Average PEFA scores by indicator



Source: de Renzio (2009).

## What we know about factors affecting PFM quality and reforms

The available data suggest some patterns in the characteristics and quality of PFM systems across countries. However, moving from describing to explaining such patterns is a tricky enterprise. As shown above, existing analyses are heavily constrained by the purely cross-country nature of most datasets. Little information exists that tracks country-specific changes in PFM systems over time. We must rely on similarities and differences among countries to indicate which factors appear to influence changes in the quality of PFM systems for each country. Even then, the findings are limited. The data permit only broad comparisons on the basis of contextual factors. They do not take into account the more idiosyncratic features that may affect the design and implementation of PFM reforms over time.

Three main types of factors are discernible from the literature as having an influence on the performance of PFM systems: a) country characteristics; b) reform process characteristics; and c) donor approaches to supporting reform. It is instructive to consider each in turn.

### Country characteristics

Statistical analysis carried out by de Renzio (2009) using PEFA assessments suggests some cross-country patterns. These relate to characteristics such as: region; population size; income level; dependency on foreign aid or natural resources; strength of democratic institutions. Analysed through multivariate regressions, however, the only variables associated with significant changes in PEFA scores are income level and aid dependency – and even these findings are ambiguous. It is not surprising that higher income levels are significantly associated with higher quality of PFM systems, but it is not clear that income level *per se* is the driver. The positive association with aid dependency, apart from the very small coefficient, may in fact reflect a reverse causality when countries with better budget institutions consequently receive more aid.

Andrews (2008) uses data from PEFA assessments to analyse the correlations between PFM performance and five selected variables. These variables represent key country characteristics: a) level of income and income growth; b) degree of country stability or fragility; c) nature of, and fiscal dependence on, major revenue source; d) length of uninterrupted national reform period; e) type of colonial legacy. By organising a group of 31 African countries into five separate PFM ‘performance leagues’ according to their average PEFA scores, Andrews investigates the influence of each contextual variable upon PFM system strength. His findings reveal some apparent trends.

- The economic growth rate, and especially *per*

*capita* economic growth, has a stronger association with higher quality PFM than the absolute level of income. In fact, some low-income, but relatively fast-growing, African countries feature in the highest PFM performance league.

- Country stability appears conducive to PFM progress. Fragile states – identified using an IMF classification – dominate the lowest league of PFM performance, displaying particular weaknesses in strategic budgeting, budget transparency, budget execution and internal control.
- ‘Rentier states’ (i.e. those which accrue most revenue from external sources, including natural resources, trade taxes and donor funding) tend to have weaker PFM systems compared with ‘fiscal states’ (i.e. those which collect a majority of their revenues from domestic citizens).
- Countries with a PRSP for more than three years achieve higher PEFA scores in almost all PFM process areas. The presence of a PRSP is used as a proxy measure for broad reform commitment as it may lock in pro-developmental policy choices and reform programmes.
- The evidence for whether Anglophone or Francophone countries in Africa exhibit stronger PFM systems is ambiguous, except that Francophone countries tend to score lower against the PEFA indicators for downstream external accountability dimensions. A comparative study by Lienert (2003) suggests Francophone budget execution and government accounting systems have some potential advantages, but these have not typically led to stronger PFM performance in practice.

From his analysis, Andrews (2008) observes commonalities among the contextual variables for each distinct performance league. His findings suggest several factors, working in combination, are likely to facilitate PFM reform in a country and consequently to boost PFM performance. These factors are: a) a high economic growth rate; b) social and political stability; c) a ‘fiscal state’ reliant on domestic tax revenues; d) sustained government policy commitments; and e) non-Francophone heritage. However, these do not alone explain the emergence of the PFM reform space necessary for performance-enhancing reforms. That may have more to do with the intrinsic features of the reform process and its management than the country context.

### Reform process characteristics

In-depth qualitative analysis by Andrews for the same group of African countries (2008; 2009) provides further evidence of the factors likely to affect the quality of PFM systems and reform outcomes. He finds notable similarity in the narrative explanations



from PFM reports (e.g. PEFA, PER, ROSC, CFAA) about why downstream, *de facto* and de-concentrated process areas have proven especially resistant to reform for most countries. This finding holds despite the independent specification of these three ‘themes’ and the different facets of public financial management they address.

Features of the reform process itself may influence PFM performance more than exogenous country variables. The evidence points to an unspecified underlying variable or set of characteristics driving reforms. For example, a particular type and quality of leadership by politicians and technocrats may be needed to capitalise on the reform opportunities presented by country-specific variables (Andrews, 2008; Hedger and Kizilbash, 2007). Earlier work by Stevens (2004) corroborates the argument that such institutional and incentive issues are central to the challenge of PFM reform in African countries. His view is supported by extensive practitioner experience.

The critical influence of capacity, politics and incentives persists in the African cases examined by Andrews (2008), alongside specific references to the focus of donor effort; the reach of information networks; and the nature of the authorising environment. Qualitative analysis from PEFA reports and other PFM studies suggests five reasons for limited progress with *de facto* reforms:

- Lack of secondary (i.e. authorising) regulations.
- Coordination failures among key actors.
- Government capacity constraints.
- Inattention to existing incentives that conflict with formal laws.
- Absence of political will.

Similar reasons are cited for the relative challenge of de-concentrated processes, including:

- Political interference.
- Weak information and communication mechanisms which undermine government reach across de-concentrated actors.

Evidence from emerging economies outside Africa shows that authority, transparency, capacity and incentives have proved critical to successful PFM reforms. In those cases, change management disciplines have come to be incorporated more deliberately and systematically in the reform process (Diamond, 2006). Evidence from the wider public finance field suggests strong returns to the emphasis on institutional change in the case of revenue administration reforms (van Eden, 2009). Administrative structure, management style, staff retraining and organisational culture are given equal priority to reforms of technical processes and systems. It may be that a similar bal-

ance would result in more effective expenditure-side reforms within the more stubborn PFM dimensions, as identified by Andrews.

These findings lead necessarily to the matter of external support to domestic PFM reforms and how donor agencies should best engage with the contextual, institutional and managerial dimensions of the reform process. Two major trends can be seen: greater use of country systems, and greater standardisation in reform programme design.

### Donor approaches to supporting reform

Donor interest in governance and institutions has grown substantially in recent years and interventions are being built on a new consensus about aid effectiveness. This view is based on the assumption that increased effort and more sophisticated donor approaches have the power both to provide better incentives for reform and to influence positively the quality of underlying institutions (Booth, 2007; 2008). ‘New’ approaches have consisted of a shift from project aid to programme aid, greater use of country systems, and integration of financial and technical assistance. Evidence on the effectiveness of these approaches in relation to improving PFM quality and on the contribution of long-run donor reform efforts is drawn largely from budget support evaluations and the World Bank evaluation of its PSR portfolio (World Bank, 2008).

Despite the promising design logic, empirical evidence to support the new approaches remains limited and somewhat equivocal. A major seven-country evaluation of budget support programmes was commissioned by the OECD DAC (IDD and Associates, 2006). It found that in some cases General Budget Support (GBS) has contributed to strengthening budget processes and government capacity in public financial management. GBS has had ‘greater penetration (by virtue of its duration, relative importance ... and the sophistication of dialogue arrangements it supports and uses)’. To this extent, it has also been more efficient in strengthening incentives for reform within government. However, an evaluation of multi-donor GBS in Ghana concluded that ‘while it is seen as having kept reform on the agenda ... it has [not] been able to minimise the risks by galvanising more effective PFM systems’ (Killick and Lawson, 2007). Further empirical analysis is certainly needed for more conclusive findings to emerge.

The World Bank evaluation of support to PSR argues that ‘expectations and objectives [of budget reforms] tend to be more ambitious and global, reflecting the donors’ list of things that need fixing rather than the government’s list of things it is ready to do’. The insistence on a full array of public reforms means that World

Bank staff ‘often lack the time and resources to develop a fully tailored product. So the result is likely to be one size fits all, off the shelf’ (World Bank, 2008).

This view is corroborated by Andrews (2007; 2008). He observes that reforms promoted by donors throughout Africa overlap at least 60% with a stylised pattern of common PFM reform elements. This suggests that an external ‘best practice’ model may well be implicit (and unacknowledged) in most PFM reform programmes. The observed similarity between reform measures for the top and bottom of Andrews’ five ‘performance leagues’, along with his analysis of significant variations across countries, clearly suggests that reform package composition tends not to be contingent on country context (Andrews, 2008).

Three challenges are apparent. First, features of country context that may be conducive to PFM reform are ambiguous. Second, the political, institutional and organisational factors underlying the reform process itself are complex. Finally, the degree of standardisation that is emerging in approaches to technical advice by donors may be excessive. What, we ask, does the evidence suggest might be superior approaches?

The final section of this Background Note considers the way forward.

## Implications for reform design and donor support

Translating the findings and hypotheses from our analysis of PFM assessment data and the review of historical PFM reform patterns into policy recommendations for future reform design and donor support is a difficult enterprise. The lack of adequate data in existing analyses prevents meaningful conclusions. Nevertheless, two common findings can be identified. First, contextual factors do matter and are likely to shape the feasibility and likelihood of PFM reforms and their success in ways that are more important than is normally recognised. Second, the nature and typology of PFM reforms also affects their potential outcomes. Donor interventions seem to be based on an implicit model of PFM ‘best practice’. This is driving the design and sequencing of PFM reform across countries but may actually undermine its effectiveness.

In response to this challenge, and based on his analysis of PEFA data, Andrews (2008; 2009) proposes four ‘adjustments’ to current PFM reform approaches:

**First, a critical focus of initial reform efforts should be on creating ‘reform space’** rather than pushing technical reforms. For reforms to be internalised and changes to enter the core of an organisation, new ideas must be ‘accepted’, ‘authorised’ (by formal and infor-

mal mechanisms), and ‘enabled’ (by people within the organisation). A four-stage change management process will comprise conceptualisation, initiation, transition and institutionalisation. It is argued that ‘isomorphic’ approaches associated with imitating best practice models are unlikely to succeed beyond the first two stages and a concentrated group of actors. Thereafter, much deeper and wider internal acceptance of the reform is needed for it to proceed and be sustained. This might involve measures such as developing and expanding professional associations.

**Second, PFM reform engagement should be extended more systematically beyond concentrated groups of actors at central government level,** typically within departments of the finance ministry. It is argued that a dialogue-based and consultative approach with multiple stakeholders should replace prescriptive and externally-driven reform efforts as a means to garner reform commitment. A corollary is that wider engagement with a broader set of actors, including sector ministries, local government and accountability institutions could stimulate stronger support and demand for PFM reforms.

**Third, PFM reforms need to be more distinctive, according to the country context.** Given the substantial diversity across Andrews’ five leagues of PFM performance, greater contingency to specific needs and challenges is more likely to offer an effective response to PFM weaknesses. For example, the differences in policy context and PFM capacity among countries may influence which PFM objective is given priority (Campbell, 2001). The core PFM objectives are typically aggregate fiscal discipline, strategic resource allocation and operational efficiency (Schick, 1998).

**Finally, PFM reforms should link to domestic policy objectives over and above international donor imperatives.** Measures that target primarily or exclusively improved external legitimacy for PFM systems may focus too narrowly on financial accountability to international donors. Such measures may, therefore, neglect the central role of strong budgeting and PFM to deliver domestic economic and fiscal policies for macroeconomic stability and improved public services.

## Conclusions

Analysis of the available evidence from PFM assessment methodologies has generated some interesting insights, but does not yet permit clear operational guidance to be developed for the design and implementation of PFM reform programmes. Longer country-specific time series for the assessment data and a stronger empirical evidence base are needed to test further the hypotheses presented in this Background Note. Nevertheless, existing evidence does confirm

the validity of certain approaches and measures. Some of these are already in use and may be summarised as follows:

- Pay attention to context, especially institutional and incentive issues, and avoid the mechanistic application of pre-defined or ‘standard’ reform objectives, packages, sequences or plans. This includes adapting reform approaches and expectations to broad country characteristics (such as economic growth rate, stability of public governance, and profile of the revenue base) and the independent targeting of those factors.
- Garner and, better still, follow and channel political and technocratic support for reforms. This means identifying potential entry points, including those outside the government and beyond the PFM sphere, and promoting a shared diagnosis of PFM system weaknesses to build the ‘space’ for reforms, as much as supporting the reforms themselves.
- Distinguish consciously between different types of reform and possible reform measures, according to criteria such as: *de jure* versus *de facto*; upstream versus downstream; ‘concentrated’ versus ‘de-concentrated’. Adjust expectations about PFM reform outcomes accordingly.
- Pay close attention to organisational and cultural change management issues alongside technical processes and systems.
- Build and use an empirical evidence base to inform and influence dialogue with country stakeholders on reform measures. This approach should take advantage of standardised assessment tools such as PEFA which provide a shared diagnosis of performance.

This is an area that ODI is continuing to research. Those interested in the issues raised in this Background Note may wish to sign up to the Newsletter produced by ODI’s Centre for Aid and Public Expenditure (CAPE) by sending an email to [capeadmin@odi.org.uk](mailto:capeadmin@odi.org.uk).

Written by Edward Hedger, ODI Research Fellow, Centre for Aid and Public Expenditure ([e.hedger@odi.org.uk](mailto:e.hedger@odi.org.uk)) and Paolo de Renzio, ODI Research Associate ([p.derenzio.ra@odi.org.uk](mailto:p.derenzio.ra@odi.org.uk)).

## References

- Andrews, M. (2009) *Isomorphism and the limits to African public financial management*. Harvard Kennedy School Faculty Research Working Paper Series RWP09-012.
- Andrews, M. (2008) ‘PFM in Africa: Where are we, how did we get here, where should we go? – Lessons from recent PEFA data and World Bank Public Financial Management Performance Reports’. Research study for Brookings Institution and World Bank.
- Andrews, M. (2007) ‘What would an ideal public finance management system look like?’, A. Shah (ed.). Washington, DC: World Bank Institute.
- Booth, D. (2008) ‘Aid effectiveness after Accra: How to reform the Paris agenda’. ODI Briefing Paper 39. London: ODI.
- Booth, D. (2007) ‘Aid absorption, aid quality and institutions: Recasting the debate’. Unpublished draft. London: ODI.
- Campbell, C. (2001) ‘Juggling Inputs, Outputs, and Outcomes in the Search for Policy Competence: Recent Experience in Australia’, *Governance: An International Journal of Policy and Administration* 14 (2), April.
- de Renzio, P. (2009) *Taking Stock: What do PEFA Assessments tell us about PFM systems across countries?* ODI Working Paper 302. London: ODI.
- de Renzio, P. and Dorotinsky, B. (2007) ‘Tracking Progress in the Quality of PFM Systems in HIPCs: An update on past assessments using PEFA data’. Report for the PEFA Secretariat.
- Diamond, J. (2006) *Budget system reform in emerging economies: the challenges and the reform agenda*. IMF Occasional Paper No. 245. Washington, DC: IMF.
- Hedger, E. and Kizilbash Agha, Z. (2007) ‘Reforming public financial management when the politics aren’t right: A proposal’, ODI Opinion 89. London: ODI.
- International Development Department and Associates (2006) ‘Evaluation of General Budget Support: Synthesis Report’. Birmingham: University of Birmingham IDD.
- International Monetary Fund (2007) *Fiscal Policy Response to Scaled-Up Aid: Strengthening Public Financial Management*. Washington, DC: IMF.
- International Monetary Fund and World Bank (2005) *Update on the Assessments and Implementation of Action Plans to Strengthen Capacity of HIPCs to Track Poverty-Reducing Public Spending*. Washington, DC: IMF.
- Killick, T. and Lawson, A. (2007) ‘Budget support to Ghana: A risk worth taking?’ ODI Briefing Paper 24, London: ODI.
- Lienert, I. (2003) *A comparison between two public expenditure management systems in Africa*. IMF Working Paper No. 03/2. Washington, DC: IMF.
- PEFA Secretariat (2005) *Public Financial Management Performance Measurement Framework*. Washington, DC: World Bank.
- Schick, A. (1998) *A Contemporary Approach to Public Expenditure Management*. Washington, DC: World Bank Institute.
- Stevens, M. (2004) *Institutional and Incentive Issues in Public Financial Management in Poor Countries*. Washington, DC: World Bank.
- van Eden, H. (2009) ‘Program budgeting without institutional reform – why it doesn’t work’. IMF PFM Blog posting 28 August. Washington, DC: IMF.
- World Bank (2008) *Public Sector Reform: What Works and Why? An IEG Evaluation of World Bank Support*. Washington, DC: World Bank.

Overseas Development Institute, 111 Westminster Bridge Road, London SE1 7JD, Tel: +44 (0)20 7922 0300, Email: [publications@odi.org.uk](mailto:publications@odi.org.uk). This and other ODI Background Notes are available from [www.odi.org.uk](http://www.odi.org.uk).



Readers are encouraged to quote or reproduce material from ODI Background Notes for their own publications, as long as they are not being sold commercially. As copyright holder, ODI requests due acknowledgement and a copy of the publication. The views presented in this paper are those of the authors and do not necessarily represent the views of ODI or DFID. © Overseas Development Institute 2010. ISSN 1756-7610.