

Enhanced Quality Assurance Mechanism for PEFA Assessments

(PEFA CHECK)

The PEFA Partners are planning to extend the PEFA program by five years starting July 2012 (Phase IV). Whilst the current activities and services of the program will continue, a number of new initiatives will be introduced. Among these, an enhanced mechanism for confirming adequate quality assurance processes of the individual PEFA assessments, called '*PEFA CHECK*', will take effect from May 1st, 2012 with the following features:

1. Objective: To Improve confidence in PEFA assessments through a 'process endorsement'. In order to enhance the trust of users outside the lead agency¹ in the quality of individual assessment reports and address past quality concerns, the PEFA Partners have decided that an indication of quality be openly attached to the PEFA reports. As the PEFA Secretariat can assess if the PEFA methodology has been used appropriately or not, but may not be in a position to exercise a judgment on the quality of the technical content due to resource and time constraints, **compliance with good practices in the process of undertaking an assessment** is seen as an acceptable proxy for the quality of the report. Hence the Secretariat will check that published good practices in the process of implementing a PEFA assessment (covering both the planning and implementation phases) have been followed, and if so, will issue a '*process quality endorsement*' to be known as the 'PEFA CHECK'. The demand for such an endorsement by users other than the lead agency will provide a specific incentive to ensure adherence to PEFA good practices.

2. Criteria for issuing the process endorsement will be based on the good practices agreed by the PEFA partners and published through guidance notes and similar material available on the PEFA website. The following six criteria must be met:

- 1) A quality review of the Concept Note (or similar document if there is no CN) and the assessment report is requested from reviewers representing at least four, PFM engaged institutions² including the PEFA Secretariat³ and the government assessed. The reasons for deviating from this criterion should be noted in the description of the quality assurance arrangements (see criterion 6 below).
- 2) The draft CN (or similar document) is submitted to the confirmed reviewers for review before the assessment work starts.

¹ In this note, 'lead *agency*' may be an international development agency, a partner government or any other party commissioning a PFM assessment based on PEFA methodology.

² The four institutions should be mutually independent and may include the lead agency as one of the four institutions. An independent, individual expert may fulfill the role of such an independent institution.

³ The PEFA Secretariat is able to endorse the process only if it has been invited to participate in the quality assurance process.

- 3) A revised CN (or similar document), if necessary, is forwarded to all reviewers and includes a table⁴ showing the response to all comments raised by the reviewers.
- 4) The complete draft assessment report is submitted to all the reviewers for their review. All reviewers are invited to participate in the report finalization process⁵.
- 5) A revised final draft assessment is forwarded to reviewers and includes a table showing the response to all comments raised by all reviewers.
- 6) The management and quality assurance arrangements are described in the report in accordance with the relevant template available on the PEFA website (see Annex 1).

3. Issuing the process endorsement: role of the PEFA Secretariat. Verification and facilitation of compliance with the criteria require that the Secretariat is invited to participate in the quality assurance of an assessment as reviewer⁶. The Secretariat will issue the PEFA CHECK at the stage of providing its review of the final draft report, if the assessment has fulfilled the six criteria.

The Secretariat will formally distinguish endorsed from non-endorsed PEFA reports by:

- Issuing a statement to the lead agency that the report is the end result of a PEFA assessment process that has met the six criteria and therefore qualifies for the PEFA Program's process endorsement;
- Authorizing the use of a specially designed stamp or logo on the report's front page – while displaying on the PEFA website the exact requirements for obtaining this stamp/logo.
- Prominently marking reports that have obtained process endorsement
 - on the PEFA website hyperlinks of published report
 - in the assessment database,
 - on the status list of PEFA assessments (finalized).

4. Transition Arrangements. The new mechanism will apply to assessments for which the Concept Note or similar document have been finalized by the lead agency after May 1st 2012.

Completed assessment reports and reports from assessments that had commenced prior to May 1st, 2012 are not subject to the PEFA CHECK endorsement even if they meet the six criteria above. On the PEFA website, the assessment status list and the assessment database, such reports will be marked 'not applicable' or 'NA' in the appropriate field.

⁴ For minor comments such as typographical errors and language, a revised version of the document with tracked changes may suffice.

⁵ The report finalization process will follow the lead agency's procedures.

⁶ The Secretariat provides the quality reviews on request, in line with the existing target of delivering Secretariat comments within 10 business days of formal receipt of the document for review.

In addition, there will be a transition period from May 1st to December 31st, 2012 to accommodate the situation where a CN or similar document has been prepared before this date but the assessment is only completed after May 2012. In such cases it is unlikely that the six criteria could be satisfied, and hence the PEFA Check will also be marked 'not applicable' (rather than 'not awarded').

After January 1st 2013, the new mechanism will be applied to all assessments reviewed by the Secretariat, and they will be marked as either 'PEFA Checked' or 'Not PEFA Checked'.

More information will be available on the website (www.pefa.org) and any query can be addressed to services@pefa.org.

ANNEX 1: Template for Disclosure of Quality Assurance Mechanism

The template below has been developed in order to provide sufficient and consistent information on the quality assurance aspects of the PEFA assessment reports. It covers the upstream and downstream issues which the PEFA program believes provides a framework for the successful implementation of an assessment. It is suggested that the quality assurance arrangements be included in the final assessment report, either before the summary assessment section or as an annex, according to the following template:

Template: Disclosure of Quality Assurance Mechanism

PEFA Assessment Management Organization

- Oversight Team – Chair and Members: [name and organization of the chair; names and organizations of OT members]
- Assessment Manager⁷: [name and organization]
- Assessment Team Leader⁸ and Team Members: [name and organization for each]

Review of Concept Note and/or Terms of Reference

- Date of reviewed draft concept note and/or terms of reference:
- Invited reviewers: [name and organization for each one, or as group e.g. the Oversight Team]
- Reviewers who provided comments: [name and organization for each one, in particular the PEFA Secretariat and date(s) of its review(s) or as group e.g. the Oversight Team]
- Date(s) of final concept note and/or terms of reference⁹:

Review of the Assessment Report

- Date(s) of reviewed draft report(s):
- Invited reviewers: [name and organization for each one, in particular the PEFA Secretariat and date(s) of its review(s) or as group e.g. the Oversight Team]
- Reviewers who provided comments: [name and organization for each one]

⁷ The Assessment Manager would typically be a member of the OT and the principal author of the CN/TOR

⁸ The assessment team leader would be the principal author of the assessment report

⁹ Preferably to be included as annex to the assessment report