

Unclassified

DCD/DAC/EFF(2006)16



Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

16-Jun-2006

English text only

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC/EFF(2006)16
Unclassified

Working Party on Aid Effectiveness and Donor Practices

JOINT VENTURE ON PUBLIC FINANCIAL MANAGEMENT
UPDATE ON WORK IN PROGRESS

To be held on 5-7 July 2006

This document is submitted to the WP-EFF meeting on 5-7 July as background for discussion under agenda item IV - D. Members are invited to address the issues raised in the last section.

The following document is a DRAFT. It will be updated following the next meeting of the JV-PFM on 29-30 June 2006.

Contact: Mr Simon Mizrahi (Email: simon.mizrahi@oecd.org; Tel: +33-1 45 24 78 41)

JT03210845

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Joint Venture on Public Financial Management

Status Report June 2006

Objectives

The Joint Venture supports activities relating to Public Financial Management issues aimed at (i) fostering implementation of commitments made at the High Level Forums in Rome and Paris, and (ii) sharing PFM knowledge and experiences among donors and partner countries. The JV will reconsider at the end of 2006 whether the JV should remain in existence.

Key activities

Task A: Monitoring adoption of performance measurement frameworks in PFM

► **Objective** – Review implementation of harmonised frameworks for measuring performance in public financial management notably the PEFA framework.

► **Output** – Report to the Working Party and provide feedback to the PEFA Secretariat.

► **Lead** – PEFA Secretariat with Denmark coordinating inputs from non-PEFA members.

► **Status** – **Work underway:** (i) Presentation of PEFA findings from review of early implementation experience of the performance measurement framework; (ii) Training on PEFA methodology for all JV-PFM members.

Task B: Good practice in supporting PFM reforms

► **Objective** – Identify good practice in designing and implementing PFM reform programmes drawing experience from case studies. Examine issues related to the provision of donor support including with regard to capacity development.

► **Output** – Good practice/lessons learned paper in providing support to reform programmes in public financial management.

► **Lead** – UK with active interest from Norway, AfDB, Sweden, Denmark, Canada, Japan, Belgium, UK, UNDP & Germany.

► **Status** – **Work underway:** Planned UK presentation of Ghana case study, tentative Norway presentation of Nepal case study.

Task C: Joint training in PFM and sharing information on training

► **Objective** – Encourage joint training in the area of public financial management including through the provision of better information on opportunities for training.

► **Output** – Establish a website dedicated to sharing information on training in the area of PFM.

► **Lead** – Netherlands with active interest from the World Bank and IMF.

► **Status** – **Work underway:** a dedicated website to share information on training on PFM has been established.

Task D: Accounting standards on external assistance

► **Objective** – contribute to work undertaken by the International Public Sector Accounting Standards (IPSAS) on establishing accounting standards for reporting of external assistance.

► **Output** – Provide feedback to the IPSAS board on its accounting standards.

► **Lead** – World Bank with active interest from IADB, AfDB, Canada & Sweden.

► **Status** – **Work underway:** Feedback provided to IPSAS on Exposure Draft 24.

Task E: Guidance on Paris indicators of aid effectiveness

► **Objective** – Provide guidance on the design and definitions of those indicators that are most relevant to PFM (Indicators 2a, 3, 5a & 7).

► **Output** – Comments and feedback on the 2006 Survey on Monitoring the Paris Declaration.

► **Status** – **Completed.** Guidance has led to the successful launch of the 2006 Survey on Monitoring the Paris Declaration.

Issues for discussion

► The JV-PFM and the JV-Procurement are actively working together through joint meetings of the chairs and cross participation at meetings.

► Following up links with other bodies including Harmonisation of Overseas Audit Practices (HOAP) and IFAC Developing Nations Committee.