



Asian Regional Conference on Public Financial Management

PFM Reforms: The lessons learnt -promises and tears

Session4: Diagnostic Tools and their contribution to PFM
reforms-what worked and what did not- Cambodia

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The background

- Last PEFA assessment 2006-08 (February 2010)
- Repeat Assessment planned for 2010-12
- 2 basic requirements:
 1. Develop internal capacity to undertake quality PEFA assessments independently in future & ensure that 2010-12 PEFA assessment is impartial and correct
 2. Input into CAP-3

The process

- Recruit and train team to undertake the assessment
- Gather data
- Undertake a preliminary internal assessment with IMF advice
- Preliminary assessment is reviewed by a team of external international experts to ensure credibility

Constraints faced

- Translation and appreciation of concepts by the team and data providers
- Data not readily available
- Data correctness took considerable time to ensure

Considered view that slow progress, with internal capacity developed simultaneously, is better than speed achieved with external advice alone

Learning from others-1



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Learning from others-2

As at June 2014:

- 377 assessments in 114 countries
- Including 43 Government led assessments
- 125 sub national assessments
- 70% of Central Government entities have pursued a repeat assessment

Cambodia is following this same path –we feel PEFA helps.

Yet some feel excessive reliance on PEFA leads to complications and could be misleading

Next steps-1

Recognizing the constraints of PEFA tool will:

- Assess areas of improvement /progress in the last decade (and 2 CAPs)
- Analyze the gaps using deeper analysis of causes for sub-optimal indicator performance
- Identify areas of focus over the next 5-6 years- prioritizing between indicators
- Feed into FMIS Phases 1 & 2 and CAP-3

Next steps-2

- Identify systemic bottlenecks/constraints that need to be removed:
 - legal
 - IT capacity
 - HR capacity
 - Coordinate TA and financial support
 - Focus on the soft side of PFM reform process
- Better phasing to ensure reforms are:
 - realistic in scope
 - realistic in timing
 - Cambodia specific
 - Ensure broad based support for the reform process
- Use as an input into development of the Consolidated Action Plan 3

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