Working Party on Aid Effectiveness and Donor Practices

DRAFT SUMMARY OF THE FIFTH MEETING OF THE JOINT VENTURE ON PUBLIC FINANCIAL MANAGEMENT

Held in Paris on 2-3 February 2006

This draft summary is submitted FOR APPROVAL to the Joint Venture on Public Financial Management on 29 June 2006.

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

Adoption of the agenda & summary record ................................................................. 3
Monitoring adoption of the harmonised PFM performance measurement frameworks .......... 3
Accounting standards on external assistance (IPSAS ED 24) .......................................... 4
Good practice in PFM reforms .................................................................................. 4
Joint training in PFM and sharing information on training ............................................ 4
Guidance on Paris indicators .................................................................................... 5
Next steps and other business .................................................................................. 5
Annex: List of Participants ....................................................................................... 6
JOINT VENTURE ON PUBLIC FINANCIAL MANAGEMENT
KEY ACTION POINTS AGREED AT THE FIFTH MEETING

Adoption of the agenda & summary record

1. The Co-Chairs (Gilles Hervio and Omowunmi Ladipo) welcomed participants to the fifth meeting of the Joint Venture on Public Financial Management. Members adopted the agenda of the current meeting and the summary of the last meeting.

Monitoring adoption of the harmonised PFM performance measurement frameworks

2. The PEFA\(^1\) Secretariat (Frans Ronsholt) made a presentation on the PEFA programme and the review that is underway in the implementation of the PEFA performance measurement framework at country level. Following this presentation, members were invited to examine how best to strengthen the JV relationship with PEFA in order to:

- Monitor and support the adoption of harmonised performance assessment frameworks for public financial management systems, notably the Public Financial Management Performance Measurement Framework developed by the PEFA programme.
- Collaborate in connection with: (i) Paris Indicators: approaches to shifting indicators from being anchored in CPIA ratings to those based on PEFA assessments; and (ii) PFM Reforms: collaborating in conducting studies and collecting of lessons learned and developing good practices based on experiences that are emerging as result of the application of harmonised performance assessment frameworks.

3. Following the ensuing discussion the Chair noted that there might be a need for a more in-depth discussion on some of the technical issues related to the PEFA performance measurement framework and how it is conducted at country level. It was agreed that ahead of the next JV-PFM meeting a day would be devoted to addressing these technical issues.

4. The second key question was how donors might provide feedback on the PEFA programme. To this end, it was agreed that Denmark would coordinate and collate the feedback JV members would provide to the PEFA Secretariat as input to the monitoring and review process. Specific interest on this topic was expressed by Sweden, Norway, Netherlands, France & Japan.

5. It was agreed that there would be real benefit in the PEFA Secretariat making available on its Website information (e.g. links, contact details, list of countries) on where finalised reports on PEFA country assessments are currently publicly available.

6. In response to questions on the linkages with the Joint Venture on Procurement, the Secretariat (Micheal Lawrance) updated members on work underway and focusing more specifically on the indicators being developed to measure performance of the countries’ procurement systems. It was suggested that at the next meeting of JV-PFM an agenda item would be devoted to this issue.

\(^{1}\) Public Expenditure and Financial Accountability Programme (PEFA).
Accounting standards on external assistance (IPSAS ED 24)

7. The Chair reminded members that following an initiative taken by the JV-PFM and the Multilateral Development Banks (MDBs) the IPSAS Board had elaborated an exposure draft (ED 24) on accountings standards for recipients of external assistance. The ED had been presented at the last meeting of the JV in November 2004 and it had been agreed that there would be benefit in field testing the ED. Following this brief introduction, the Chairman of the IPSAS Board, Philippe Adhémar, provided more information on the ED and the process leading to its elaboration.

8. While there was broad support for the initiative and its field testing, members generally thought these standards were very complex and expressed concerns about the cost of compliance. It was also suggested that there would be value in merging two standards: the standards on cash basis and the standards on external assistance.

9. The JV agreed to establish a technical sub-group including two multilateral development banks (African Development Bank & IADB), two bilaterals (Canada & Sweden) and two partner countries (to be suggested by the Co-Chairs). The group’s task would be to propose to the JV a position on the standard (including a set of specific amendments) to be agreed upon and delivered to the IPSASB.

Good practice in PFM reforms

10. The Chair introduced this topic by stressing the importance and the complexity of introducing reforms in public financial management. Members were reminded that the JV had already elaborated a good practice paper on capacity development in PFM and the PEFA strengthened approach.

11. The importance of this topic was emphasised by most members and interest in contributing to this agenda was specifically expressed by the African Development Bank, Sweden, Denmark, Canada, Japan, Belgium, UNDP, UK (on stock-taking) and Germany. In concluding this agenda item the chair noted the importance of being simple, pragmatic and taking non-prescriptive approaches in moving this agenda forward. It was suggested that one way of taking this agenda forward would be examine the scope of application of the already agreed good practice in PFM in order to have a better understanding of why it has, or has not, been implemented. The Chair also signalled the importance of consulting partner countries and suggested that there might be value in hosting a future JV session (or a dedicated technical workshop) in a partner country.

12. Members were invited to send specific proposals by 4 March 2006 as well as suggestions concerning partner country cases (and officials to be contacted). On these bases, the Chairs would submit to the JV an inclusive and specific working proposal.

Joint training in PFM and sharing information on training

13. The Netherlands (Henk van Trigt) introduced the agenda on joint training and sharing information on training. In response to this, the OECD Secretariat agreed to establish a dedicated website for the JV-PFM in order to share information on training initiatives and events. The Netherlands would take leading responsibility for this task with the active participation of the World Bank (liaising with the World Bank Institute) and the IMF (liaising with the IMF Institute).

---

2 Good Practice in PFM reform and sharing information on training were covered under the same agenda item at the meeting on 2-3 February. For the sake of clarity, this summary covers them under two separate headings.
Guidance on Paris indicators

14. The OECD Secretariat briefed members on on-going work the aid effectiveness indicators agreed in Paris. Members’ guidance was invited on four of the indicators (Indicators 2a, 3, 5 & 7) that have special relevance for the Joint Venture.

15. On Indicator 2a (Quality of Country PFM systems) and the linkage between the CPIA ratings (CPIA rating 13) and the PEFA framework, the Chair noted that currently PEFA did not provide a feasible alternative to CPIA ratings. However, there was a general agreement on the need to look at the possibility of using the PEFA framework at some future stage. On Indicator 3 (aid on budget) it was suggested establishing the indicator on the basis of actual disbursements rather than on planned disbursements. On Indicator 5a (use of country systems — % of aid) it was agreed that in an effort to simplify the methodology the disaggregation would not be based on funding modalities (budget support, sector support or project support). Relative thresholds should be adopted and a descriptive table should be used for the purpose of Indicator 5a.

16. Members were invited to send additional comment or proposals to the OECD Secretariat by 4 March. These comments would inform final version of the framework to be released on 2 May 2006.

Next steps and other business

17. It was agreed that the co-chairs would seek expressions of interest from a group of potentially interested PFM experts from partner countries. The next meeting of the JV would be scheduled at the end of June.
ANNEX

FINAL LIST OF PARTICIPANTS

CO-CHAIRS OF THE JOINT-VENTURE

Mr. Gilles HERVIO
Head of Economic Cooperation and PRSP Unit
European Commission
1049 Brussels Belgium
Tel: +32 2 296 3700
Fax: +32 2 299 2896
Em: gilles.hervio@cec.eu.int

Ms. Omowunmi LADIPO
Acting Director, Public Financial Management
The World Bank
1818 H Street, NW
20433 Washington, DC United States
Tel: +1 202 458 2369
Em: oladipo@worldbank.org

CHAIR OF THE WORKING PARTY

Mr. Michel REVEYRAND
Conseiller Financier pour l'Afrique
MINEFI
75572 Paris Cedex 12 France
Tel: +33 1 44 87 72 09
Fax: +33 1 44 87 20 10
Em: michel.reveyrand@dgtpe.fr

OECD MEMBER STATES OR PERMANENT DELEGATIONS

ALLEMAGNE/GERMANY

Mr. Matthias WITT
Senior Planning Officer/Head of Project
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn Germany
Tel: +49 61 96 79 16 43
Fax: +49 61 96 79 61 04
Em: matthias.witt@gtz.de

Mr. Nassir DJAFARI
Principal Economist
Development Policy Department
Kreditanstalt fur Wiederaufbau (KfW)
Palmengartenstr. 59
D-60325 Frankfurt-am-Main Germany
Tel: +49 69 74313516
Fax: +49 69 74 31 37 46
Em: nassir.djafari@kfw.de

Mr. Josef FUELLENBACH
Counsellor
Permanent Delegation
9, rue Maspéro
75016 Paris France
Tel: +33 1 55 74 57 06
Fax: +33 1 55 74 57 40
Em: josef.fuellenbach@germany-oecd.org
BELGIQUE/BELGIUM

Mr. Johan DEBAR
Attatché Coopération Internationale - Appui à la Politique
Direction Générale de la Coopération au Développement
6 rue Brederode
B-1000 Bruxelles Belgium
Tel: +32 2 519 02 11
Fax: +32 2 519 05 85
Email: johan.debar@diplobel.fed.be

Mr. Geert JENNES
Public Finance and Budget Support Advisor
Belgian Technical Cooperation
Hoogstraat 147
1000 Brussels Belgium
Tel: +32 2 505 3785
Fax: +32 2 502 9862
Email: geert.jennes@btcctb.org

CANADA

Mr. Dominic BOURCIER
Financial Management Advisor
Canadian International Development Agency
200 Promenade du Portage
K1A 0G4 Gatineau, Quebec Canada
Tel: +1 819 953-0694
Fax: +1 819 994-6174
Email: DOMINIC_BOURCIER@acdi-cida.gc.ca

Mr. Gregory GRAHAM
Director General of Finance
Canadian International Development Agency
200 Promenade du Portage
K1A 0G4 Gatineau, Quebec Canada
Tel: +1 819 994 1318
Fax: +1 819 994 2601
Email: gregory_graham@acdi-cida.gc.ca

CE/EC

Mr. Riccardo MAGGI
DG Development
European Commission
Economic Cooperation and PRSP Unit
1049 Brussels Belgium
Tel: +32 2 296 3890
Fax: +32 2 299 2896
Email: Riccardo.MAGGI@cec.eu.int

Mr. Antoine GILBERT
European Commission
1049 Brussels Belgium
Tel: +32 2 298 67 64
Email: Antoine.Gilbert@cec.eu.int

Mr. Franco CONZATO
Consellor
Permanent Delegation
12, av d’Eylau
75116 Paris France
Tel: +33 1 44 05 31 64
Fax: +33 1 44 05 31 79
Email: franco.conzato@cec.eu.int

DANEMARK/DENMARK

Ms. Jytte LAURSEN
Senior Technical Advisor
Royal Danish Ministry of Foreign Affairs
2, Asiatisk Plads
DK-1448 Copenhagen K Denmark
Tel: +45 33 92 02 20
Fax: +45 33 92 07 90
Email: jytlau@um.dk
ETATS-UNIS/UNITED STATES

Mr. George CARNER Tel: +33 1 45 24 74 34
U.S Representative to the DAC Fax: +33 1 45 24 74 89
Minister Counselor Em: gcarner@usaid.gov
Permanent Delegation
12, Avenue Raphaël
75016 Paris  France

FINLANDE/FINLAND

Ms. Outi KORKEALA Tel: +358 9 160 56234
Department for Development Policy Em: outi.korkeala@formin.fi
Ministry of Foreign Affairs
Katajanokanlaituri 3
P.O. Box 176
Helsinki Finland

Mr. Max VON BONSDORFF Tel: +358-9-160 56453
Economic Advisor Fax: +358 7 160 56108
Ministry of Foreign Affairs Em: Max.vonbonsdorff@formin.fi
P.O. Box 176
00161 Helsinki  Finland

FRANCE

Mr. Alain VERNINAS Tel: +33 1 53 69 42 50
Chef du Bureau Fax: +33 1 53 69 43 97
Ministère des Affaires Etrangères Em: alain.verninais@diplomatie.gouv.fr
20, rue Monsieur
75700 Paris France

Ms. Alexandra GABAY Em: alexandra.gaby@diplomatie.gouv.fr
Bureau de governance financiers
Ministère des Affaires Étrangères
20, rue Monsieur
75770 Paris Cedex 07 France

Ms. Marie-Odile BLANC Tel : +33 1 53 69 30 69
DGCID/DPDEV Fax : +33 1 53 69 41 02
Ministère des Affaires Étrangères Em: marie-odile.blanc@diplomatie.gouv.fr
20 rue Monsieur
75351 Paris Cedex 07 France

Mr. Jean-François ALMANZA Tel : +33 1 53 69 42 28
Ministère des Affaires Étrangères Fax : +33 1 53 69 43 97
20, rue Monsieur Em : jean-francois.almanza@diplomatie.gouv.fr
75351 Paris  France

IRLANDE/IRELAND

Mr. Gerard CONSIDINE Tel: +353 1 4082942
Senior Development Specialist – Economics Fax: +353 1 4082884
Development Cooperation Ireland Em: gerard.considine@dfa.ie
Bishop's Square
2 Dublin  Ireland
Ms. Anne-Marie CALLAN  
Deputy Permanent Representative  
Permanent Delegation of Ireland to OECD  
12 Avenue Foch  
75116 Paris  France  
Tel : +33 (0) 1 44 17 67 18  
Fax : +33 (0) 1 44 17 67 70  
Em: anne-marie.callan@dfa.ie

Mr. Eigo AZUKIZAWA  
Representative  
Japan Bank for International Cooperation (JBIC)  
21, boulevard de la Madeleine  
75008 Paris  France  
Tel: +33-(0)1-47-03-61-90  
Fax: +33-(0)1-47-03-32-36  
Em: e-azukizawa@jbic.go.jp

Ms. Yoko KAMADA  
Programme Analyst  
Japan International Cooperation Agency (JICA)  
8, rue Sainte Anne  
75001 Paris  France  
Tel: +33 1 40 20 04 21  
Fax: +33 1 40 20 97 68  
Em: kamada@jica.fr

Ms. Reiko KAWAMURA  
Advisor  
Permanent Delegation to the OECD  
11, avenue Hochemailto:tsugawara@deljp-ocde.fr  
75008 Paris  France  
Tel: +33 1 53 76 61 59  
Fax: +33 0 1 45 63 05 44  
Em : kawamura@deljp-ocde.fr

Ms. Tone TINNES  
Senior Adviser  
Ministry of Foreign Affairs  
Oslo Norway  
Tel : +47 22 24 38 09  
Fax: +47 22 24 95 80  
Em : tone.tinnes@mfa.no

Ms. Tori HOVEN  
Senior Adviser, Head of PFM Unit  
Norwegian Agency for Development Cooperation  
Oslo  Norway  
Em: tori.hoven@norad.no

Mr. Henk VAN TRIGT  
Senior Adviser on Public Financial Management  
Department for Effectiveness and Quality  
Ministry of Foreign Affairs  
PO Box 20061  
Bezuidenhoutseweg 67  
2594 AC The Hague  Netherlands  
Tel: +31 070 348 6659  
Fax: +31 070 348 4803  
Em: henk-van.trigt@minbuza.nl

Ms. Caroline RICKATSON  
Head of Financial Accountability and Anticorruption Team  
Department for International Development (DFID)  
Abercrombie House (AH130)  
East Kilbride  Scotland G75  
Em: c-rickatson@dfid.gov.uk
DCD/DAC/EFF/M(2006)4/PROV

**SUEDE/SWEDEN**

Mr. Sven OLANDER
Advisor on Public Financial Management
SIDA
10525 Stockholm Sweden
Tel: +46 8 698 4539
Fax: +46 8 698 5643
Em: sven.olander@sida.se

**SUISSE/SWITZERLAND**

Mr. Mickie SCHOCH
Consultant
Public Sector Finance and Management Programme
Oxford Policy Management
6 St Aldates Courtyard
38 St Aldates Oxford
OX1 1BN London United Kingdom
Tel: +44 1865 207 345
Fax: +44 1865 250 580
Em: mickie.schoch@opml.co.uk

**PARTNER COUNTRIES**

**SENEGAL**

Mr. Thierno Seydo NIANE
Coordinator
Cellule de Suivi du Programme de Lutte contre la Pauvreté
Ministère de l'Economie et des Finances
Dakar Senegal
Tel: +221 889 2166 (cell)
Fax: +221 821 1630
Em: tsniane@yahoo.fr

**INTERNATIONAL ORGANISATIONS**

**BANQUE AFRICAINE DE DEVELOPPEMENT/AFRICAN DEVELOPMENT BANK**

Mr. Charles MUTHUTHI
Principal Governance Expert
Governance Division (POPR3)
African Development Bank
B.P. 323
1002 Tunis Belvedere Tunisia
Tel: +216 71 10 2398
Fax: +216 71 10 3772
Em: c.muthuthi@afdb.org

**BANQUE INTERAMERICAINE DE DEVELOPPEMENT/INTERAMERICAN DEVELOPMENT BANK**

Mr. Ronaldo ROTTER
Project Financial Management and
Fiduciary Risk Assessment Division
Inter-American Development Bank (IDB)
1300 New York Avenue N.W.
Washington, D.C. 20577 United States of America
Tel: +1 202 623 2182
Fax: +1 202 623 3747
Em: ronaldor@iadb.org

**FMI/IMF**

Mr. Elliott HARRIS (video link)
Advisor
Policy Development and Review Department
International Monetary Fund
700 19th Street NW
Rm. 5 713A
Washington, DC 20431 United States
Tel: +1 202-623-6621
Fax: +1 202-623-4231/+1 202 589 6621
Em: EHARRIS2@imf.org
Mr. Stephen MAYES (video link)  
Technical Assistance Advisor  
Fiscal Affairs Department  
International Monetary Fund  
700 19th Street NW  
Washington, DC 20431 United States

Ms. Claire LIUKSILA  
Director  
International Monetary Fund  
Room 4-302  
700 19th Street NW  
Washington, DC 20431 United States

Mr. Pierre EWENCZYK  
Economist  
Paris Office  
66 avenue d’Iéna  
75016 Paris France

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT/  
FONDS INTERNATIONAL POUR LE DEVELOPPEMENT AGRICOLE

Ms. Carla DELLENAVE  
Loan Officer  
International Fund for Agriculture Development  
Via del Serafico 107  
Rome Italy

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD

Mr. Philippe ADHEMAR  
Chairman  
IPSASB – Cour des Comptes  
13, rue Cambon  
75001 Paris France

PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) SECRETARIAT

Mr. Frans RONSHOLT  
Consultant  
PEFA Secretariat  
World Bank Offices  
1818 H Street NW  
Washington, DC 20433 United States

PNUD/UNDP

Mr. Antoine HEUTY  
Policy Finance Economist  
UNDP  
304 East 45th Street, 11th Floor  
New York, New York 10017 United States
## CONSULTANT

Mr. Charles COE  
Independent Consultant  
International Financial Management  
3586 West 43rd Avenue  
Vancouver, British Columbia V6N 3J9 Canada

<table>
<thead>
<tr>
<th>Tel: +1 604 266 2845</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax: +1 604 264 0776</td>
</tr>
<tr>
<td>Em: <a href="mailto:ccoe@canada.com">ccoe@canada.com</a></td>
</tr>
</tbody>
</table>

---

## OECD SECRETARIAT

2, rue André Pascal  75016 Paris France

| Mr. Christian LEHEMBRE  
Head  
Aid Effectiveness Division (DCD/EFF)  
| Tel: 33-1 45 24 83 72  
Fax: 33-1 44 30 61 27  
Em: christian.lehembre@oecd.org |
|--------------------------|
| Mr. Simon MIZRAHI  
Administrator, DCD/EFF  
| Tel: +33 1 45 24 78 41  
Em: simon.mizrahi@oecd.org |
|--------------------------|
| Mr. Micheal LAWRANCE  
Advisor, DCD/EFF  
| Tel: +33 1 45 24 14 25  
Em: micheal.lawrance@oecd.org |
|--------------------------|
| Mr. Kei YOSHIZAWA  
Administrator, DCD/EFF  
| Tel: +33 1 45 24 93 37  
Em: kei.yoshizawa@oecd.org |
|--------------------------|
| Ms. Kjerstin ANDREASEN  
Assistant, DCD/EFF  
| Tel: +33 1 45 24 89 80  
Em: kjerstin.andreasen@oecd.org |