

Indicator description	<i>"Number of countries supported by DFID to manage their public finances (including natural resources and extractives) more transparently".</i>
Indicator Type	Output Indicator
Rationale	DFID funds PFM work through a range of channels. This includes direct funding via almost all of our bilateral programs, and indirect funding via a number of centrally managed programmes (CMPs). The vast bulk of PFM work improves transparency, as most PFM improvements are based on improving the consistency and availability of information on use of public resources to the public, the legislative, supreme audit institutions, or to civil servants themselves.
Technical definition	<p>The Organisation for Economic Cooperation and Development-Development Assistance Committee (OECD_DAC) classifies "Public Financial Management" as support for (code: 15111):</p> <p style="padding-left: 20px;"><i>"Fiscal policy and planning; support to ministries of finance; strengthening financial and managerial accountability; public expenditure management; improving financial management systems; budget drafting; inter-governmental fiscal relations, public audit, public debt."</i></p> <p>DFID funds Public Financial Management (PFM) work in almost all countries in which we have a bilateral program. We also centrally fund a number of global programs focusing on transparency of public resource use.</p> <p>Countries will be counted towards the indicator <i>if</i>:</p> <ul style="list-style-type: none"> <li>(1) There is evidence that public finances are, at least to some extent, managed transparent/publicly available;</li> </ul> <p style="text-align: center;"><b><u>And</u></b></p> <ul style="list-style-type: none"> <li>(2) The outputs delivered by DFID funding support on PFM support increased transparency of these processes.</li> </ul> <p>When submitting a return spending departments should provide a very short statement of assurance that both conditions are met.</p> <p>Evidence for the first condition can be gauged by programme level or country level reports e.g. annual reviews, membership (and implementation) of relevant conventions and/or organisations (e.g. the Open Budget Initiative), and/or country scores on relevant transparency indices (e.g. Open Budget Survey etc.).</p> <p>Evidence for the second condition may be available from project documents (e.g. Business Case, Annual Reviews, independent evaluations whether their country has met the OGP minimum eligibility criteria on fiscal transparency , their country's assessment of Partnership Principles. The PPs on both anti-corruption and accountability will be relevant.</p>

	<p>An indicative, but not exhaustive list of PFM related activities that would count (assuming the programme increased their transparency) is provided by the Public Expenditure Framework Agreement (PEFA) and could include, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Budget Classification</li> <li>2. Budget documentation</li> <li>3. Central government operations outside financial reports</li> <li>4. Transfers to subnational governments</li> <li>5. Performance information for service delivery</li> <li>6. Public access to fiscal information</li> <li>7. Fiscal risk reporting</li> <li>8. Public investment management</li> <li>9. Public asset management</li> <li>10. Debt management</li> <li>11. Macroeconomic and fiscal forecasting</li> <li>12. Fiscal strategy</li> <li>13. Medium-term perspective in expenditure budgeting</li> <li>14. Budget preparation process</li> <li>15. Legislative scrutiny of budgets</li> <li>16. Revenue Administration</li> <li>17. Accounting for revenue</li> <li>18. Payroll controls</li> <li>19. Procurement Description</li> <li>20. Internal audit</li> <li>21. Financial data integrity</li> <li>22. In-year budget reports</li> <li>23. Annual financial reports</li> <li>24. External audit</li> <li>25. Legislative scrutiny of audit reports</li> </ol>
Data calculations	N/A
Data sources	Data will be drawn from DFID Analytics and country/regional/central office SO1 FCPD commission returns, with review of programs by GOSAC statistician
Reporting roles	<ul style="list-style-type: none"> <li>• DFID country, regional, and central offices will report whether they are supporting activities aimed at improving the transparency of a PFM process under the bi-annual SO1 FCPD commission.</li> <li>• The GOSAC Statistician and PFM leads review and quality assure submissions to ensure that both criteria are satisfied.</li> </ul> <p>FCPD receives the final list and uses this for reporting purposes.</p>
Worked example	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Baseline data	N/A
Return Format	Returns will be in text form as the nature of a programmatic intervention needs to be briefly explained.
Data dis-aggregation	N/A

Data availability	Bi-annually
Time period/ lag	N/A
Quality assurance measures	Returns will be quality assured by the PFM lead and statistics adviser in GOSAC in order to ensure that the qualitative criteria noted above are clearly met.
Interpretation of results	N/A
Data quality	Diversity of sources to satisfy criteria 1 and 2 above- especially if collected independently of the programme.
Data issues	N/A
Additional comments	N/A
Variations from standard methodology	N/A