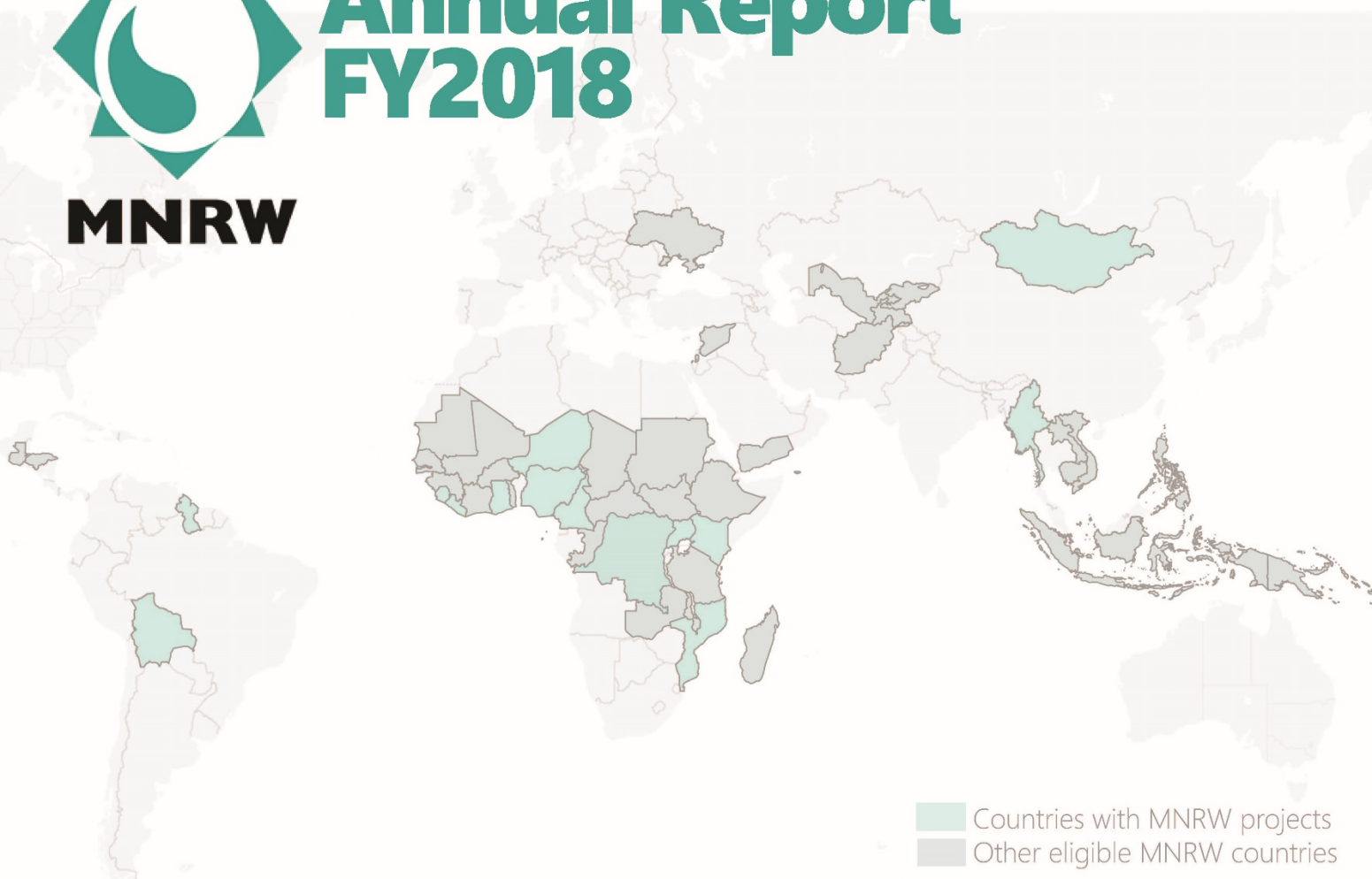




# Annual Report FY2018



## MANAGING NATURAL RESOURCE WEALTH



An IMF Initiative implemented in partnership with:



Australia



European Commission



Netherlands



Norad

Norway



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
Swiss Confederation

Federal Department of Economic Affairs FDA  
State Secretariat for Economic Affairs SECO

Switzerland



**MANAGING NATURAL RESOURCE WEALTH  
THEMATIC FUND**

**FY 2018 ANNUAL REPORT**

**JUNE 27, 2018  
Washington, D.C.**



**MNRW**

Managing Natural Resource Wealth Thematic Fund is financed by:

**The European Union**



**Australia**



**Norway**



**Switzerland**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
**State Secretariat for Economic Affairs SECO**

**The Netherlands**



Ministry of Foreign Affairs of the  
Netherlands

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## ACRONYMS

AFR	African Department
CD-PORT	Capacity Development Portal
CEMAC	Central African Economic and Monetary Community
CMR	Cameroon
COB	Democratic Republic of Congo
CSO	Civil Society Organization
ECOWAS	Economic Community of West African States
EI	Extractive Industries
EITI	Extractive Industries Transparency Initiative
FAD	Fiscal Affairs Department
FARI	Fiscal Analysis for Resource Industries
FX	Foreign Exchange
FY	Fiscal year
GFSM	Government Finance Statistics Manual
GHA	Ghana
HQ	Headquarters
IMF	International Monetary Fund
KEN	Kenya
LBR	Liberia
LTX	Long-Term Expert
MCD	Middle East & Central Asia Department
MNG	Mongolia
MNRW	Managing Natural Resource Wealth
MNRW-TF	Managing Natural Resource Wealth Thematic Fund
MOOC	Massive Open Online Course
MOZ	Mozambique
RBM	Results-Based Management
SLE	Sierra Leone
SPOC	Small Private Online Course
STX	Short-Term Expert
TA	Technical Assistance
UGA	Uganda
UN	United Nations

## EXECUTIVE SUMMARY

**This is the first annual report of the Managing Natural Resource Wealth Thematic Fund (MNRW-TF) phase II prepared for the annual meeting of the Steering Committee.** The report covers activities in fiscal year 2018 (FY18) from May 2017 to April 2018.

**Project implementation has been satisfactory in the first full operational year of phase II with an increase in spending compared to the annual average during phase I.** The higher spending reflects generally solid project implementation across all modules and fund activities. The increased emphasis in phase II on cross-country training has also had a positive impact on fund implementation. That said, there are a few projects where the start of implementation was delayed or it has proven difficult to establish traction. Reflecting the more dynamic approach to resource allocation in phase II, some adjustments to project budgets are warranted to ensure efficient fund implementation.

**Demand for technical assistance and training across all modules and activities of the thematic fund remains high.** Many countries with projects in phase I have continued to broaden their reform efforts with an increased emphasis on capacity building; some countries that did not previously benefit from thematic fund support have more recently initiated reforms supported by the fund. To respond most effectively to this demand, the portfolio of projects will continue to be gradually built up across the modules of the thematic fund.

**The financial status of the thematic fund remains solid.** The committed funds are sufficient to cover the implementation of the approved work program and the anticipated short-term demand for new projects. Nonetheless, the funding level remains slightly below the targeted program envelope and there is scope to continue fund-raising activities to ensure that the targeted US\$30 million fund size is ultimately achieved.

**The reporting for the Steering Committee is organized as follows:** The main report provides an overview of the MNRW-TF program performance at the aggregate module level. The technical annex contains information on project level implementation and provides details on matters submitted to the MNRW Steering Committee seeking endorsement.

**Figure 1. Managing Natural Resource Wealth Thematic Fund – At a Glance**

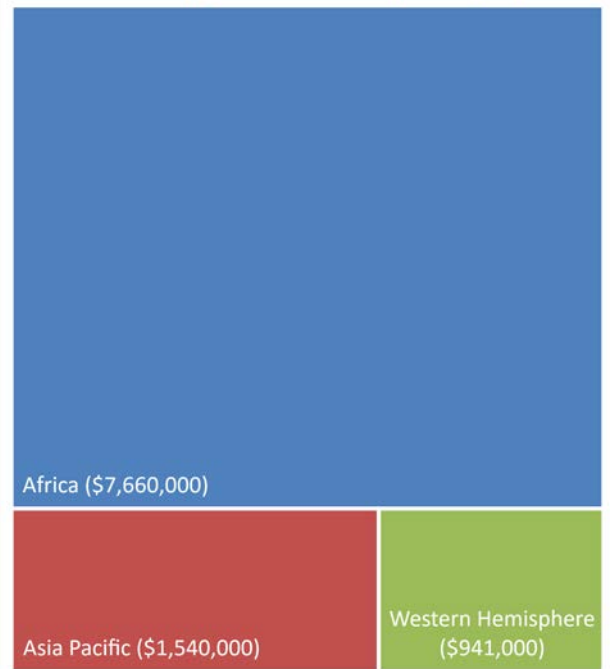
The program portfolio is broadly allocated across all five modules on resource revenue management...

...with country-level activities concentrated in sub-Saharan Africa but with activities in Asia and Latin America.

**MNRW II Approved Work Program by Module**



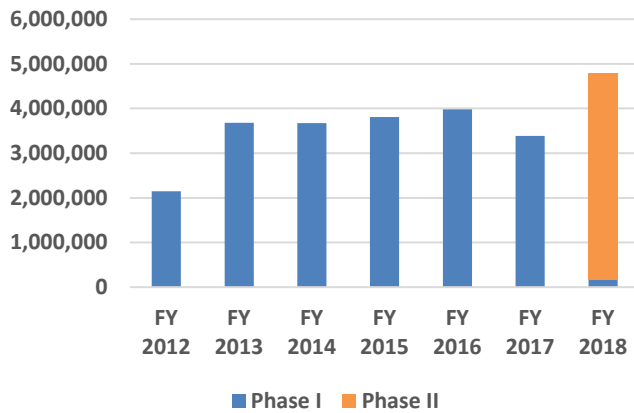
**MNRW II Approved Work Program by Region**



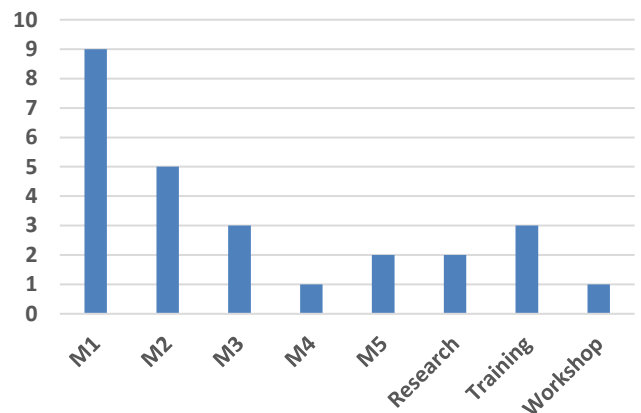
The pace of project implementation has picked up in Phase II.

The number of projects differ across modules.

**MNRW-TF: Annual Spending**



**Number of Active Projects by Module**



## I. INTRODUCTION

**1. The external environment for natural resource dependent economies improved following the partial recovery in commodity prices in 2018.** This has led to a more favorable fiscal outlook for MNRW-eligible countries dependent on revenue from mining and petroleum with some pick up in natural resource exploration and development activities in other countries.

**2. The recent external commodity price decline and the associated fiscal pressures in many countries with natural resources highlighted the importance of managing these resources well to realize sustained developmental benefits.** In many countries, this led to an intensified focus on strengthening the capacity for fiscal regime analysis, revenue administration risk management, macro-fiscal frameworks, improved exchange rate management, and better statistics on natural resources. This effort has been reinforced by country authorities benefiting from additional opportunities for training on managing natural resource wealth. The MNRW-TF is well-placed to provide expertise and capacity building in these areas.

## II. OVERVIEW OF THE MNRW-TF

**3. The MNRW-TF leverages IMF expertise to provide technical assistance and capacity building on managing natural resource wealth in low- and lower-middle income countries.** The implementation is done in partnership with Australia, the European Union, the Netherlands, Norway, and Switzerland. The thematic fund was launched in April 2011 with the second phase initiated in FY17. The first full operational year of the second phase of the fund was in FY18.

**4. The thematic fund has five modules addressing resource revenue management in a holistic manner.** There is a strong emphasis on capacity building with country-specific technical assistance projects (most integrating policy advice and customized training) being reinforced by multi-country training, workshops and applied research. The country-specific projects are organized across five modules, with increased emphasis on realizing synergies between these.<sup>1</sup>

- Module 1: Extractive industries fiscal regimes (tax policy)
- Module 2: Extractive industries revenue administration and risk management
- Module 3: Extractive industries macro-fiscal and PFM
- Module 4: Exchange rate regimes and macro-prudential policies
- Module 5: Statistics for managing natural resources

**5. The program portfolio is broadly allocated over the five main modules and training.** The thematic fund has endorsed projects amounting to US\$19.1 million with allocations

---

<sup>1</sup> An example of synergies between modules is capacity development on fiscal modeling supporting the implementation of FARI applications on fiscal regime analysis (module 1), revenue risk assessment (module 2), and macro-fiscal revenue forecasting (module 3).



across the five technical assistance modules, training and workshops, and research activities. The country-level activities are concentrated in sub-Saharan Africa, although there are also significant activities in Asia and Latin America (Figure 1).

**6. By the end of FY18, country-level technical assistance projects have reached broad geographic coverage.** A total of 13 beneficiary countries in Africa, Asia-Pacific and the Western Hemisphere are currently benefitting from the assistance financed by MNRW-TF (Figure 2).

**Figure 2. MNRW-II: Country-level Technical Assistance (as of April 30, 2018)**



### III. FINANCIAL PERFORMANCE OF THE MNRW-II

**7. All agreements for donor contributions have now been finalized.** Following the signing of donor agreements with Australia and the European Commission during FY18, the confirmed commitments for phase II of the MNRW have risen to US\$26.6 million (Table 1); a total of US\$15.5 million has been disbursed to the thematic fund account.

**8. Continued fund-raising efforts are needed to reach the targeted size of the thematic fund.** Compared to the targeted program budget of US\$30 million, there is a remaining funding gap of US\$3.4 million. This will be partly closed by two donors (the Netherlands and Switzerland) that are able to roll over residual funds from phase I (US\$1.1 million) and add these to their phase II contributions. In addition, it is expected that Australia will be able to scale up its contribution by AUD1.4 million. Discussions continue with other partners to seek to close the remaining funding gap.

**Table 1. MNRW-II: Financial Contributions, FY2017-FY2022**

(As of April 30, 2018, In U.S. dollars)

Agreement Information					Contribution Received		Contribution Expected (U.S. Dollars)	
Partners	Signed Date	Currency	Amount	U.S. Dollars	Agreement Currency	U.S. Dollars	Requested	Future Request
<b>Partners</b>								
Australia	05/25/2017	AUD	2,350,000	1,752,162	2,350,000	1,747,601	-	-
European Commission	10/14/2017	EUR	7,000,000	8,282,063	5,600,000	6,522,320	-	1,759,743
Netherlands	04/21/2017	USD	4,400,000	4,400,000	1,500,000	1,500,000	-	2,900,000
Norway	10/07/2016	NOK	40,000,000	4,974,073	4,500,000	544,873	-	4,429,199
Switzerland	09/13/2016	CHF	7,000,000	7,195,724	5,000,000	5,143,200	-	2,052,524
<b>Partners Total</b>				<b>26,604,022</b>		<b>15,457,994</b>	-	<b>11,141,467</b>
Program Document Budget				<b>30,000,000</b>				
<b>Funding Gap</b>				<b>(3,395,978)</b>				

**9. The projected cashflow position in the MNRW-TF phase II is satisfactory and allows for uninterrupted delivery of capacity development that is currently in the pipeline.** Under the disbursement schedule agreed with partners, there are sufficient cash balances to ensure uninterrupted delivery of the endorsed work program (Table 2). Through FY2022, the currently programmed expenditure of US\$17.2 million can adequately be accommodated within the expected cumulative cash availability of US\$26.6 million.<sup>2</sup> The positive cash balance supports further expanding the project portfolio in the thematic fund to meet the continued high demand for capacity building from beneficiary countries.

**Table 2. MNRW-II: Cash Flow Projection, FY2017-FY2022**

(As of April 30, 2018, in thousands of U.S. dollars)

	FY2017 FY1	FY2018 FY2	FY2019 FY3	FY2020 FY4	FY2021 FY5	FY2022 FY6	Totals
Contributions <sup>1/</sup>	<b>4,129</b>	<b>11,329</b>	<b>4,704</b>	<b>2,771</b>	<b>3,151</b>	<b>400</b>	<b>26,485</b>
Australia	-	1,748	-	-	-	-	1,748
European Commission	-	6,522	-	-	1,656	-	8,179
Netherlands	-	1,500	1,500	500	500	400	4,400
Norway <sup>2/</sup>	545	-	2,176	1,244	995	-	4,959
Switzerland	3,585	1,559	1,028	1,028	-	-	7,199
Interest Earned	12	131					144
<b>Total Cash Available</b>	<b>4,142</b>	<b>11,460</b>	<b>4,704</b>	<b>2,771</b>	<b>3,151</b>	<b>400</b>	<b>26,628</b>
Expenses Paid <sup>3/</sup>	-	<b>4,625</b>	<b>6,965</b>	<b>4,067</b>	<b>1,053</b>	<b>530</b>	<b>17,240</b>
<b>Cash Balance</b>	<b>4,142</b>	<b>10,977</b>	<b>8,715</b>	<b>7,420</b>	<b>9,518</b>	<b>9,388</b>	<b>9,388</b>

<sup>1/</sup> Contributions are net of transfers and return of funds.

<sup>2/</sup> FY19 Installment includes residual funds to be transferred from MNRW phase 1 and bilateral project Norway – Oil for Development.

<sup>3/</sup> Expenses paid include the 7% Trust Fund Management Fee. FY19 onwards are estimates based on endorsed workplans.

**10. As reported in the December 2017 completion report, there were remaining balances at the end of phase I of the MNRW-TF.** The total remaining balance amounted to US\$3.8 million (Table 3). Depending on each donor practice, the remaining balances will either

<sup>2</sup> The cumulative cashflow total in Table 2 is likely slightly understated since the table includes actual spending in FY18 but indicative project budgets for future fiscal years, without any adjustment for project underspending in FY18 that may be shifted into future years.

be reimbursed, rolled over and applied against new funding commitments, or added to the new funding commitments. The necessary procedures will be finalized shortly.

**Table 3. MNRW-I: Remaining Balances, FY2011-FY2017**

(As of April 30, 2018)

Partners	Agreement Information				Received Contributions	Balance Distribution
	Signed Date	Currency	Amount	U.S. Dollars	U.S. Dollars	U.S. Dollars
Australia	06/08/2011	AUD	5,000,000	5,358,483	5,326,308	818,471
European Commission	12/08/2011	EUR	5,000,000	6,706,009	6,087,916	935,504
Kuwait	01/27/2011	USD	250,000	250,000	250,000	38,416
Netherlands	06/13/2012	USD	1,999,982	1,999,982	1,999,982	307,329
Norway	12/06/2010	NOK	30,000,000	5,038,545	4,830,177	742,233
Oman	06/27/2011	USD	1,000,000	1,000,000	1,000,000	153,666
Switzerland	02/14/2011	USD	5,000,000	5,000,000	5,000,000	768,329
<b>Grand Total</b>				<b>25,353,018</b>	<b>24,494,383</b>	<b>3,763,947</b>

#### IV. KEY ACHIEVEMENTS AND DEVELOPMENTS IN THE REPORTING PERIOD

##### A. Modular Overview

**11. There has been substantial progress across all modules in designing new projects and project implementation which began in the first full operational year of phase II.** Total approved projects across the thematic fund amounts to US\$19.1 million as of end-April 2018 (Table 4). With total expenditure in FY18 of US\$4.6 million, project implementation is well underway across all modules and on training and workshop delivery. With continued high demand for capacity building under the thematic fund, there is ample room to gradually increase the number of projects to align this with the target size of the program portfolio during phase II.

**Table 4. MNRW-II: Program Portfolio by Module, FY2017-FY2022**

(As of April 30, 2018, in thousands of U.S. dollars)

	Indicative Expenditure Envelope, per 2016 Program Document	Approved Budgets, as of April 30, 2018	Actual Expenses, as of April 30, 2018	Share of Total Indicative Expenditure Envelope	Share of Total Approved Budgets	Share of Total Actual Expenses	Actual Expenses Relative to Approved Budgets
<b>Direct Technical Assistance</b>	<b>17,351</b>	<b>13,808</b>	<b>2,724</b>	<b>58%</b>	<b>72%</b>	<b>59%</b>	<b>20%</b>
Of which:							
Module 1: Fiscal Regimes	4,164	4,476	1,049	14%	23%	23%	23%
Module 2: Revenue Administration	5,032	3,162	487	17%	17%	11%	15%
Module 3: Macro-Fiscal	3,123	1,925	505	10%	10%	11%	26%
Module 4: Exchange Rate and Macroeprudential	2,082	1,195	103	7%	6%	2%	9%
Module 5: Statistics	2,950	3,051	581	10%	16%	13%	19%
<b>Scoping Missions</b>	<b>728</b>	<b>355</b>	<b>294</b>	<b>2%</b>	<b>2%</b>	<b>6%</b>	<b>83%</b>
<b>Research Projects and Analytical Tools</b>	<b>2,177</b>	<b>1,242</b>	<b>44</b>	<b>7%</b>	<b>7%</b>	<b>1%</b>	<b>4%</b>
<b>Workshops &amp; Training</b>	<b>7,120</b>	<b>2,891</b>	<b>1,350</b>	<b>24%</b>	<b>15%</b>	<b>29%</b>	<b>47%</b>
<b>Small Projects</b>	<b>0</b>	<b>48</b>	<b>14</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>28%</b>
<b>Project Management</b>	<b>2,627</b>	<b>723</b>	<b>200</b>	<b>9%</b>	<b>4%</b>	<b>4%</b>	<b>28%</b>
Staff Costs	2,215	629	200	7%	3%	4%	32%
Steering Committee	214	94	0	1%	0%	0%	0%
Independent Evaluation	198	0	0	1%	0%	0%	0%
<b>Total</b>	<b>30,000</b>	<b>19,068</b>	<b>4,625</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>24%</b>
<b>of which Trust Fund Management Fee</b>	<b>1,963</b>	<b>1,247</b>	<b>303</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>24%</b>

- Module 1 has nine approved country-level projects on fiscal regime design and implementation with a total endorsed budget of US\$4.5 million (Table 4). Total spending in FY18 reached just over US\$1 million (23 percent of total approved projects).
- Module 2 has five approved country-level projects on revenue administration with a total endorsed budget of US\$5.0 million. Project implementation has gradually ramped up during FY18 with total spending of US\$0.5 million (15 percent of approved budgets).
- Module 3 has three approved projects with total budgets of US\$3.1 million. With total spending in FY18 of US\$0.5 million (26 percent of approved budgets), the pace of project implementation is a bit faster than in other modules.
- Module 4 on exchange rate regimes has one umbrella project approved with a budget of US\$1.2 million. Project implementation is now beginning with an initial US\$0.1 million spent in FY18 (9 percent of total budget), with the pace expected to be accelerated going forward.
- Module 5 on natural resource statistics has two multi-country projects with a total budget of US\$3.0 million, with total spending in FY18 of US\$0.6 million (19 percent of approved budgets).
- There are three training projects with a total budget of US\$2.9 million (with a significant amount allocated for the development of new online training on macroeconomic management of natural resources) and expenditure in FY18 of US\$1.3 million (47 percent of approved budgets).
- There are two analytical projects with total approved budgets of US\$1.2 million with expenditure of only US\$0.06 million (4 percent of approved budgets). A total of US\$0.3 million was spent on scoping missions.

**12. The pace of spending has picked up compared to the annual average in MNRW phase I (Figure 1).** This demonstrates a positive trend yet the FY18 outturn is still a bit short of the annual delivery volume of over \$5.0 million per year that has been envisaged in the MNRW phase II program document, leaving room for continued improvement.<sup>3</sup>

### **B. Progress on Activities and Results**

**13. During FY18, there were activities across all areas of MNRW operations.** Nearly 40 HQ missions and STX visits were delivered. A total of 11 conferences, training courses, and stand-alone workshops were completed, with over 515 individuals successfully completing the courses (Table 5).

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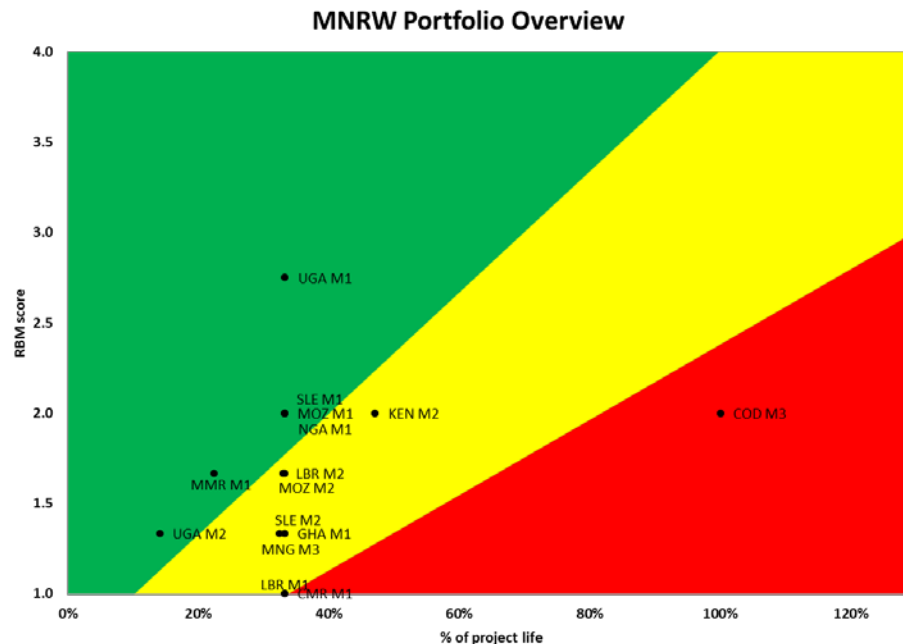
<sup>3</sup> All FY17 expenditures under the MNRW-TF have been reported to the International Aid Transparency Initiative. FY2018 data is currently being entered and will be available for public use shortly.

**Table 5. MNRW-II: Summary of FY18 Outputs**

	FY2018
Number of TA missions completed (total missions and stand-alone STX visits)	39
Module 1	18
Module 2	10
Module 3	7
Module 4	n/a
Module 5	4
Number of TA reports produced (total)	13
Number of conferences/training courses/workshops completed	11
Number of people trained (total)	515

Note: Module 4 work program is backloaded by design: TA missions, reports, and other outputs are planned for the latter stages. The work to date has been carried out by an HQ-based Advisor

**14. Progress on results are monitored through the CD-PORT project data.** As most projects are multi-year activities, it is expected that progress on achieving project outcomes is initially limited, but that this improves over time. Figure 3 summarizes the average Results-Based Monitoring (RBM) score per project (an average across rated results per project). For the majority of projects, there has been initial progress. A few projects that have not yet moved fully toward implementation has achieved only modest progress toward meeting the targeted results.

**Figure 3. MNRW-II: Summary of RBM Scores in Country-Level Projects**

Note: The acronyms used in the figure are the following: CMR is Cameroon; COD is Congo, DR; GHA is Ghana; KEN is Kenya; LBR is Liberia; MMR is Myanmar; MNG is Mongolia; MOZ is Mozambique; NGA is Nigeria; SLE is Sierra Leone; UGA is Uganda.

**15. With project implementation of only one year or less, the achievement of key results is still relatively modest.** Nonetheless, Table 6 summarizes some key results from the country-level projects with further details provided in the one-page project summary reports included in the Technical Annex. Box 1 reports on the outcome of the expert workshop conducted under the MNRW FARI project in January 2018.

**Table 6. MNRW-II: Summary of Key Results, FY18**

<b>Project</b>	<b>Key Results</b>
Ghana (M1)	Progress was made in establishing sound modeling and forecasting processes for the 2018 petroleum benchmark revenue calculation.
Guyana (M1)	The authorities are using a petroleum revenue forecasting framework developed under the project to finalize a petroleum revenue management framework and legislation.
Kenya (M2)	The authorities have commenced developing risk matrices and compliance strategies for the extractive industries.
Myanmar (M1)	An interagency modeling group has been established and foundational skills in petroleum fiscal regime analysis developed. Interagency dialogue has facilitated progress in drafting the extractive industries chapter of the new Income Tax Law.
Mongolia (M3)	The practice of issuing promissory notes to fund public investment has been stopped and off-budget public investment spending has been brought into the budget.
Mozambique (M1 & M2)	An inter-agency modeling team for mining and petroleum has been formed, with some improvements in the underlying data collection as an input for modeling. The recent amendment (Law No. 14/2017) improved the NR fiscal regime in line with FAD recommendations.
Nigeria (M1)	Capacity for petroleum fiscal policy analysis and modeling has been strengthened working with an interagency team.
Sierra Leone (M1 & M2)	An extractive industries modeling taskforce has been established, and a delineation of responsibilities across ministries and agencies have been established. Development of a risk matrix and compliance strategy for the extractive industries has commenced.
Uganda (M1)	Progress was made on resolving outstanding taxation issues affecting the development of the upstream and midstream oil sector and on setting up a methodology to determine the pipeline tariff.
Uganda (M2)	Development of risk matrices and compliance strategies for the extractive industries has commenced.
Exchange rate regime and macro-prudential policies (M4)	An LTX has been hired and preparation of the handbook has commenced.
Capacity for compiling statistics - GO	Government officials and EITI representatives have been trained in applying the resource revenue template at two regional workshops.
Capacity for compiling statistics - RE	Capacity was enhanced on natural resources in national accounts through two regional workshops and four country-specific missions (Lao, Nigeria, Tanzania, and Uganda).
CEMAC project	Capacity was developed at the country-level in Central African Republic and Republic of Congo on developing and operating macro-economic frameworks in the context of resource-rich countries.
FARI analytical project	A strategy has been prepared for further developing the FARI tool and methodology, and pilot applications for fiscal regime analysis, revenue forecasting, and revenue risk assessment prepared for Ghana, Guyana, Nigeria, and Mozambique.

West Africa Conference	The conference was successfully conducted with about 70 officials from 14 West African countries in a peer-learning environment discussing fiscal management issues for mining and petroleum.
Energy subsidy reform MOOC	The MOOC offering attracted 267 active participants with 125 completing the course with a 27-percentage point learning gain. Thirty-five percent of officials were from MNRW-eligible countries.
Training in macroeconomic management in resource-rich countries	Two face-to-face trainings to about 70 government officials (35 percent and 45 percent from MNRW-eligible countries). A seven-week online course was developed and launched as a Small Private Online Course (SPOC) with some 600 government officials registered.

Source: Project progress summaries.

### **Box 1. A Strategy for Reforming the FARI Framework**

The Fiscal Analysis for Resource Industries (FARI) model has provided a framework for extractives fiscal regime policy advice and generated strong interest from government counterparts in developing capacity to use this approach to enhance the quality of policy-making. The FARI tool and methodology has become a core plank of FAD's technical assistance and training: It underpins policy advice and capacity building and has attracted great interest from country authorities, CSOs and other donors; with some IMF area departments teams integrating the model in their country work. The model has its own module in the online course on macroeconomic management of natural resources that was launched on April 4, 2018.

An expert workshop in January 2018 developed a draft strategy to develop and use FARI for the next decade. In an increasingly crowded modeling field, the strategy envisages that FAD would consolidate its role as a public model standard setter. This will primarily be done by making model templates available reinforced with more limited engagement with other technical assistance to adopt and use the FARI methodology.

A key innovation would be to develop separate standardized templates for fiscal regime analysis, revenue forecasting, and revenue risk assessment. The model architecture and modeling approach will be modernized, including using dashboards and data tables. This provides a more efficient and user-friendly model structure. Broadly adhering to public modeling standards will increase user friendliness and make it easier for counterparts to work with a suite of models.

The mining and petroleum fiscal regime library underpinning the model is comprehensive, and is essential to provide value added analysis in particular for international comparisons and benchmarking of fiscal regimes. A more efficient data and information management approach will preserve the integrity of the library.

FAD is placing increasing emphasis on capacity building using the FARI model as a tool to strengthen capacity for EI fiscal policy and revenue management. This will continue to be an integrated component of policy advice, with consideration being given on how the effectiveness of the capacity building can be enhanced.

There is also potential for more outreach with other TA providers and users of models including CSOs and donors.

## Appendix A. List of MNRW-II Projects

Project Name	Project Start Date	Project End Date	Project Status
Bolivia (MNRW II, M3)	3/1/2018	12/31/2020	Approved
Cameroon: (M1) - Extractive Industries Fiscal Regimes, Licensing and. (MNRW II)	5/1/2017	4/30/2020	Approved
CEMAC Training on Developing and Operating Macroeconomic Frameworks in Resource	5/1/2017	4/30/2020	Approved
Congo, DRC (MNRW II, M3)	6/1/2017	4/30/2018	Approved
Developing Capacity for Compiling Statistics for MNRW - GO	5/1/2017	4/30/2020	Approved
Developing Capacity for Compiling Statistics for MNRW - RE	5/1/2017	4/30/2020	Approved
Development of New Fiscal Transparency Guide (MNRW II)	7/1/2017	4/30/2018	Approved
ECOWAS (MNRW II, Conference)	8/1/2017	7/30/2018	Approved
FARI (MNRW II)	7/1/2017	4/30/2022	Approved
Ghana (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Ghana: MNRW II Scoping Visit	4/1/2018	6/30/2018	Approved
Guyana: (MNRW II, M1)	9/1/2017	4/30/2020	Approved
Guyana: MNRW II Scoping Visit	5/1/2017	4/30/2018	Approved
Kenya: Extractive Industry Revenue Administration (MNRW II, M2)	12/1/2016	11/30/2019	Approved
Liberia (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Liberia: (MNRW II, M2)	11/1/2017	4/30/2019	Approved
MNRW - Strengthening Exchange Rate Regimes and Macprudential Policies	10/1/2017	9/30/2020	Approved
MNRW II General Program Management	6/16/2016	4/30/2022	Approved
Mongolia (MNRW II, M3)	5/15/2017	4/30/2020	Approved
Mozambique (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Mozambique (MNRW II, M2)	5/1/2017	4/30/2020	Approved
Myanmar: (MNRW II, M1)	10/1/2017	4/30/2020	Approved
Niger: MNRW II Scoping Visit	5/1/2017	4/30/2018	Completed
Nigeria (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Online Course on Energy Subsidy Reform MNRW II	5/5/2017	4/30/2022	Approved
Papua New Guinea: MNRW II Scoping Visit	5/1/2017	4/30/2018	Approved
Sierra Leone (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Sierra Leone (MNRW II, M2)	5/1/2017	4/30/2020	Approved
Training in Macroeconomic Management in Resource-Rich Countries (MNRW II)	5/1/2017	4/30/2019	Approved
Uganda (MNRW II, M1)	5/1/2017	4/30/2020	Approved
Uganda: (MNRW II, M2)	11/1/2017	4/30/2021	Approved
Uganda: MNRW II Scoping Visit	5/1/2017	7/31/2017	Completed



## Appendix B. MNRW TF Strategic Log Frame<sup>4</sup>

<b>STRATEGIC OBJECTIVE: Assist low and lower-middle income countries to derive maximum benefit from their oil, gas and mineral resources</b>		
<b>Impact Outcome</b>	<b>Impact Indicators</b>	<b>Progress</b>
1. Increased resource revenues for low and low-middle income countries	<p>Average resource revenues as a share of GDP increases in MNRW-TF countries</p> <p>Average potential government take for a standard resource revenue project in MNRW-TF countries</p>	
2. Better management of EI revenues in MNRW-TF countries	<p>A significant majority of participating countries implement reforms to improve management of EI revenues by having the following:</p> <ul style="list-style-type: none"> <li>• Medium term expenditure estimates;</li> <li>• Coverage and comparability of in-year budget reports:</li> <li>• Budget classification;</li> <li>• Information on revenue collections;</li> <li>• Consolidation of cash balances;</li> <li>• Reporting of contingent liabilities and other fiscal risks.</li> </ul>	
3. Effective exchange rate and macroprudential policies in MNRW-TF countries	<p>A significant majority of participating countries have improved their exchange rate regimes and macroprudential policies by:</p> <ul style="list-style-type: none"> <li>• Having an exchange rate that responds to changes in supply and demand, and having tools and operational procedures in place to facilitate price discovery while managing financial stability risks; and</li> <li>• Establishing a macroprudential policy body with the mandate to implement macroprudential policy, and having a legal framework in place.</li> </ul>	
4. Improved statistics for natural resources	<p>A significant majority of participating countries have improved their statistics for natural resources by:</p> <ul style="list-style-type: none"> <li>• Publishing EI revenue data in line with the IMF template;</li> <li>• Publishing resource and non-resource GDP separately, in line with the IMF's Statistics Manual and Compilation Guide.</li> </ul>	

1/ WORLD – IMF World Revenue Longitudinal Dataset

<sup>4</sup> After only one full year of implementation, it is still premature to report on progress against the strategic objectives for the MNRW-TF. However, the strategic log frame for the program is included here as a record of the strategic objectives guiding the thematic fund.

<b>OBJECTIVE 1: IMPROVED EI FISCAL REGIMES</b>		
<b>EI fiscal regimes in participating countries improve potential revenue flows to host governments over project life-cycles, while providing predictability and stability to EI companies, and preserving attractive returns to investment and production</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 1.1: Adoption of amended EI fiscal regimes that improve host government revenues, either through changes to laws, contracts, or other means</i>	<ul style="list-style-type: none"> <li>• 10 participating countries have amended their fiscal regimes broadly in line with IMF advice</li> <li>• Using the FARI model, estimated EI revenue potential is improved due to fiscal regime reforms in participating countries</li> </ul>	
<b>OBJECTIVE 2: ENHANCED EI REVENUE ADMINISTRATION AND COLLECTION</b>		
<b>Better administration of EI fiscal regimes and efficient collection of EI revenues in participating countries</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 2.1: Organizational arrangements enable more effective delivery of strategy and reforms</i>	<ul style="list-style-type: none"> <li>• 8 participating countries with a clear organizational structure along functional lines and/or taxpayer segments established and operating, for the EI sector</li> </ul>	
<i>Result 2.2: Development of effective risk management for the EI sector</i>	<ul style="list-style-type: none"> <li>• 8 participating countries that have compliance risks identified, assessed, ranked, and quantified for the EI sector</li> <li>• 8 participating countries that have compliance improvement program in place to mitigate identified risks for the EI sector</li> </ul>	
<b>OBJECTIVE 3: BETTER MANAGEMENT OF EI REVENUES</b>		
<b>Development of effective Public Financial Management (PFM) systems in participating countries for managing EI revenues and the expenditures arising from those revenues</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 3.1: Management of EI revenue and expenditures is accomplished through a credible medium-term fiscal framework integrated with the budget, and strengthened budget execution and control</i>	<ul style="list-style-type: none"> <li>• 10 participating countries that have revised or introduced a credible medium-term fiscal framework integrated with the budget that includes EI revenues</li> <li>• 10 participating countries with better controls over EI revenues and expenditure commitments and payments</li> </ul>	

<i>Result 3.2: Improved coverage and quality of fiscal reporting of EI revenues and expenditures and related financial assets and liabilities</i>	<ul style="list-style-type: none"> <li>• 10 participating countries that have budget classifications and charts of accounts incorporating specific EI details in line with international accounting standards</li> </ul>	
<i>Result 3.3: Effective asset and liability management framework for EI revenues, including strengthened fiscal risk management related to EI operations</i>	<ul style="list-style-type: none"> <li>• The EI revenues and expenditures are progressively conducted through a treasury single account consistent with international best practices in 10 participating countries</li> <li>• 10 countries that disclose and manage contingent liabilities and other fiscal risks related to EI operations more comprehensively</li> </ul>	
<b>OBJECTIVE 4: EFFECTIVE EXCHANGE RATE AND MACROPRUDENTIAL POLICIES</b> <b>Effective exchange rate and macroprudential policies in participating countries to smooth the macroeconomic and financial impacts of volatile commodity prices</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 4.1: The degree of exchange rate flexibility is consistent with the desired FX and monetary policy regime, and does not give rise to undue financial stability risks.</i>	<ul style="list-style-type: none"> <li>• 4 participating countries in which: <ul style="list-style-type: none"> <li>○ The exchange rate fluctuates—within the bounds of any explicit policy on leaning against short-term volatility—with changes in the demand and supply of FX, and appropriate instruments and operational procedures exist for the conduct of FX intervention.</li> <li>○ The transition plan to a more flexible exchange rate regime is appropriately sequenced, and prudential regulations are developed to ensure FX risks are adequately monitored and managed in the financial sector.</li> </ul> </li> </ul>	
<i>Result 4.2: Macroprudential framework is established, and policy tools are implemented to mitigate specific systemic risk.</i>	<ul style="list-style-type: none"> <li>• 4 participating countries in which: <ul style="list-style-type: none"> <li>○ Legislation is enacted to establish an institutional framework granting the mandate and powers over tools to conduct macroprudential policy to a particular body or committee.</li> <li>○ A systemic risk monitoring framework is established and implemented, and the authorities have established a framework to map the assessment of risk into policy action.</li> </ul> </li> </ul>	

<b>OBJECTIVE 5: IMPROVED STATISTICS FOR NATURAL RESOURCES</b>		
<b>Development and maintenance of improved national statistics on natural resource activities in participating countries, with respect to both government finance and national account statistics</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 5.1: Improved quality of data on government revenues from natural resources</i>	<ul style="list-style-type: none"> <li>Participating countries have charts of accounts and budget classifications that provide the detail necessary to complete the EITI summary data template in line with <i>GFSM 2014</i> recommendations</li> </ul>	
<i>Result 5.2: Enhanced capacity to compile national accounts for natural resource industries</i>	<ul style="list-style-type: none"> <li>Pilot countries have developed capacity for compiling national accounts covering natural resource industries.</li> <li>A workshop conducted in collaboration with EITI counterparts to support monitoring of the UN's Sustainable Development Goals, particularly Goal 17 on strengthening domestic resource mobilization</li> </ul>	
<b>OBJECTIVE 6: TOPICAL RESEARCH AND ANALYTICAL WORK</b>		
<b>Identification of good or best practice approaches, and distillation of lessons learned, on managing natural resource wealth, including development and implementation of TA enhancing tools</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 6.1: Good or best practice approaches are identified and lessons learned from experience are distilled</i>	<ul style="list-style-type: none"> <li>3 publications are produced setting out good or best practices and lessons learned in relation to topics related to managing natural resource wealth</li> </ul>	
<b>OBJECTIVE 7: CAPACITY DEVELOPMENT THROUGH LEARNING OPPORTUNITIES</b>		
<b>Capacity is developed in participating countries on managing natural resources wealth through the effective use of horizontal and peer learning opportunities</b>		
<b>Outcomes (expected results)</b>	<b>Verifiable indicators</b>	<b>Progress</b>
<i>Result 7.1: Capacity is developed in MNRW eligible countries on managing natural resource wealth, through IMF training</i>	<ul style="list-style-type: none"> <li>Number of participants from MNRW eligible countries in online or face-to-face IMF courses relating to management of natural resource wealth.</li> <li>Number of women, and percentage of participants who are women, participating in these courses.</li> </ul>	
<i>Result 7.2: Shared learnings by senior officials from eligible MNRW countries on the fiscal challenges and macroeconomic considerations in relation to natural resources</i>	<ul style="list-style-type: none"> <li>At least one regional/international conference or workshop per year for MNRW eligible countries to exchange views and experiences in managing natural resources wealth</li> </ul>	