INDEPENDENT EVALUATION

IMF-SECO CAPACITY DEVELOPMENT PROGRAM

MAY 2014 TO JUNE 2019

Institute for Capacity Development

CONTENT

Evaluation Report

Independent Evaluation: Switzerland Technical Assistance Subaccount, State Secretariat for Economic Affairs (SECO)

Submitted to:

International Monetary Fund and SECO, Switzerland

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Acronyms

AFW2	African Regional Technical Assistance Center in West Africa
CARTAC	Caribbean Regional Technical Assistance Center
CB	Central Bank
CD	Capacity Development
CEF	Common Evaluation Framework
DAC	Development Assessment Committee
DP	Development Partner
EDP	Excessive Deficit Procedure
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EQ	Evaluation Question
EU	European Union
FAD	Fiscal Affairs Department
FOTEGAL	Foro de Tesorerías Gubernamentales de América Latina
FSAP	Financial Sector Assessment Program
FTE	Fiscal Transparency Evaluation
GFS	Government Finance Statistics
GIZ	German Development Agency
HQ	Headquarters
IDB	Inter-America Development Bank
ICD	Institute for Capacity Development
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KI	Key Informant
KII	Key Informant Interview
LOP	Life of Project
LOU	Letter of Understanding
LTX	Long-term Expert
MCM	Monetary and Capital Markets Department
METAC	Middle East Technical Assistance Center
MoF	Ministry of Finance
MTBF	Medium Term Budget Framework
NA	Not Applicable
NDA	Non-Disclosure Agreement
OECD	Organization for Economic Co-operation and Development
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PIMA	Public Investment Management Assessment
PM	Project Manager
PSDS	Public Sector Debt Statistics
QPSD	Quarterly Public Sector Debt Database
RA	Resident Advisor
RAP	Resource Allocation Plan
RBM	Results Based Management
RBS	Risk Based Supervision
RCDC	Regional Capacity Development Center

RTAC	Regional Technical Assistance Center
SBA	Stand-By Arrangement
SECO	State Secretariat for Economic Affairs
STA	Statistics Department
STX	Short-term Expert
SUNAT	Superintendencia Nacional de Aduanas y de Administración Tributaria
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TOR	Terms of Reference
USAID	United States Agency for International Development
WB	World Bank

Executive Summary

Context for the evaluation

DevTech Systems, Inc. was commissioned by the International Monetary Fund (IMF) to conduct an independent evaluation of the IMF's Swiss Technical Assistance Sub-Account, through which the Swiss State Secretariat for Economic Affairs (SECO) finances the IMF to provide capacity development (CD) through long and short-term technical assistance (TA) to its 19 priority and constituency countries under a Letter of Understanding (LOU). The evaluation covered projects financed under East, South and Global LOUs (the "Program") between May 1, 2014 and June 30, 2019. The last external evaluation was conducted in late 2014. The purpose of the evaluation is to facilitate learning from the implementation of the current programmatic approach to CD planning and implementation and to improve the future CD initiatives under the partnership of the IMF and SECO. The evaluation has two main objectives: (i) to provide advice on ways to improve the strategic nature of SECO support, in particular by focusing on the efficiency of the programming process, the transmission of information, and lessons learned from the bilateral cooperation between the IMF and SECO; and (ii) assess, at project level based on OECD DAC criteria, the relevance, effectiveness, impact, efficiency and sustainability of the TA projects under each LOU, with a particular attention to the relevance and design of interventions. The evaluation also assessed the use of Results Based Management (RBM)/Logical Framework Analysis, and the extent to which relevant lessons learned, including from the last evaluation, have been taken on board. To this end, the evaluation team purposefully selected a sample of 19 interventions participating across 13 discrete single and multi-country projects. All findings, conclusions, and recommendations presented in this evaluation report are informed by desk review of project- and entity-level documents, an online survey of beneficiary authorities, and key informant interviews (KIIs) with authorities, IMF Headquarters (HQ) staff, SECO HQ and in-country staff, and other regional providers. The evaluation team reviewed 81 documents and interviewed 59 individual stakeholders over the course of 44 KIIs.

Evaluation findings

The evaluators awarded SECO-funded IMF CD projects an overall average score of **Good - 2.7**, reflecting the aggregation of all five OECD DAC criteria. Assessing each criterion in turn reveals the Program's strengths and areas for possible improvement. The highest rated OECD DAC criteria was relevance, for which the Program received a mean score of Good – 3.08. The available evidence indicates that SECO-funded IMF CD interventions are, with few exceptions, highly relevant, a result of the strong collaboration between country authorities, and IMF HQ functional and area departments to jointly identify priorities and develop appropriately tailored workplans to address those priorities. Efficiency was also high across the sampled country objectives, with a mean score of Good - 3.0. Country authorities involved with SECO-funded IMF CD programming overwhelmingly describe it in very positive terms and generally rate its overall quality higher than cognizant IMF officials. The project-level assessment of OECD DAC criteria identified effectiveness and impact as areas to strengthen. Both criteria rely on country authority commitment and post-TA action to receive high scores. The IMF and SECO both have a strong interest in and shared responsibility to foster effectiveness through ensuring that country authorities are committed to reforms and several recommended changes will help ensure the Program is better *supporting* the commitment of country authorities to implement TA recommendations and thus contribute to enhanced effectiveness and impact. Sustainability ranked in the middle of the range with average score of 2.59. The two projects with the highest scores, both 4, were the two with the highest overall scores. Each also had high relevance and impact scores. The evaluators conclude that sustainability is driven by these factors.

The evaluators found at the IMF-SECO program or strategic (i.e., LOU) level that: (i) the Operational Guidelines do serve to clarify respective roles and responsibilities, but they are not as comprehensive as needed and could be followed more consistently; (ii) the programming process, while now better defined, could be better operationalized; (iii) project design and the use of the Logical Framework Analysis ("Logframe") has improved, but use of the Logframe and RBM more generally remain "works in progress;" (iv) SECO and IMF adoption of new information transmission approaches is partial at best, and as such cannot be said to be contributing to a more efficient programming process; and, (v) while lessons learned from their bilateral cooperation are appreciated by the IMF and SECO, the LOU is not the best vehicle to capture and operationalize the new knowledge.

IMF-SECO has done a good job implementing the 2014 evaluation recommendations. The Operational Guidelines are the most notable evidence of this finding. However, there is limited evidence that the Program fully utilizes learning to enhance performance in this manner. In terms of RBM, three key issues should be considered: (i) the need to more fully integrate risk and performance management; (ii) the importance of associating outputs and outcomes with the responsible parties; and (iii) recognizing that many RBM "verifiable indicators" are inherently subjective measures assessed by IMF managers and require more rigor.

Evaluation recommendations

The evaluators identified eight recommendations based on a comprehensive synthesis of the evaluation findings and their implications for IMF-SECO partnership processes and governance, as well as project performance under the Swiss Technical Assistance Sub-Account. Further detail on each recommendation is provided in the Section on Conclusions, Lessons Learned and Recommendations and is followed by a recommendations table (Table 5) that provides the expected result of recommendation implementation, target audience (i.e., responsibility for action), priority and time horizon, and cost implications.

Partnership Processes and Governance

REC 1. Update the IMF-SECO Operational Guidelines to reflect selected evaluation recommendations and appropriate adaptations from the proposed mid-LOU "stocktaking" exercise examining project assessment "lessons learned;" and, more consistently follow Guidelines in project design, implementation, and assessment.

REC 2. Design "major" projects to highlight both the "what" (captured in the Logframe) and "how" the intervention will be implemented, including the use of RBM to monitor performance and risks in the operating environment, and adaptive management techniques to respond to collected data and information; improve Logframe utility for RBM by consistently including all required inputs for achievement of sought results and indicator baseline and end-line targets (quantifiable if possible); and further encourage and support the use of RBM among TA providers and country authorities as a performance management and reporting tool during project implementation in line with the new RBM Governance Framework.

REC 3. When a long-term expert (LTX) Resident Advisor is deployed, **require meetings with local SECO/Swiss Cooperation** staff at least semi-annually. All short-term expert (STX) and IMF HQ staff missions should **send a description of the mission's objectives and main tasks in advance of travel** and then, if requested, debrief local Swiss officials at the conclusion of the mission. Use these opportunities to discuss progress based on RBM monitoring as well as any possible shifts in risk assessment and Logframe assumptions.

Project Assessment

REC 4. Consider the **designation and design of "major projects"** with a five-year life-of-project (LOP), or alternatively 3-year IMF-SECO interventions with a planned hand-off to Swiss bilateral assistance to support implementation and institutionalization of reforms. Aside from involving "significant change" and a five year period of performance, other "major project" criteria might involve multi-country and multi-topic efforts which tend to be more complex, and/or countries with low absorptive capacity which have special challenges.

REC 5. Move project design beyond the current nearly sole focus on TA, especially for "major projects," to develop recommendations to actively support great country ownership/agency, and implementation capacity through actions such as use of tools like political economy analysis to better understand the interests, obstacles and possible incentives associated with the desired change; support country authority understanding of, commitment to, and greater responsibility for RBM as well as capacity development of recipient institution staff to operationalize recommendations linked to the reform program; Emphasize coherence along with other OECD/DAC criteria when designing, implementing, and evaluating projects. When projects with significant CD requirements are linked to a Fund program, and when the need for CD is macro-critical in association with IMF programs, then include CD as a structural benchmark in the program. An additional option to safeguard sufficient resources in the budget for implementation and sustainability of CD is close coordination between the Area Department for the country and the CD delivery teams for resource intensive projects to avoid insufficient resources for implementation of the intervention's recommendations. Foster closer coordination (i.e., coherence) of IMF-SECO and Swiss Cooperation programming in the provision of post-IMF-SECO intervention implementation support.

REC 6. Identify and tie projects to demand drivers linked to both internal and external drivers that not only increase relevance but lead to greater impact and sustainability. Internal factors include political support, building on past CD investments, and current absorptive capacity. External factors involve meeting international standards including those associated with membership in international bodies (e.g., the EU, OECD), IMF programs, and Article 4 surveillance. Market attractiveness (for investment in government securities) is a demand factor driven by both internal and external interests. Do not extend projects to salvage earlier investments absent demonstrated demand and therefore continued relevance.

REC 7. Include costed implementation plans which identify both IMF and partner authority responsibilities in all major project proposals and expand project manager responsibilities to cover technical tasks of management as well as administrative tasks. For major projects with a longer LOP, include an inception phase during which assessment of institutional needs and absorptive capacity can be conducted.

REC 8. Projects, especially "major projects," should conduct thorough needs assessments that identify root causes of capacity constraints. Design and implement interventions to address capacity gaps which must be filled to affect and sustain recommendations. Regularly reviewing and possibly updating the project risk assessment during implementation should be a standard operating procedure.

ADDITIONAL REC. While the value of this evaluation and others like it at the level of RTAC and bilateral subaccount level cannot be in doubt, some comments posed by reviewers of this (draft) report, from the perspective of a development practitioner, call into question whether program-level TA evaluation is sufficient to provide the learning required to significantly move the needle towards better outcomes. Experience from decades of developmental evaluation indicate that needed knowledge and understanding can only be gained through well-conducted evaluation at the project-level, from which findings, conclusions and recommendations can be applied to similar programming.
Recommendations: Conduct detailed project-level developmental evaluations using a case study method comparing similar paired projects to assess: (i) underlying country-specific political economies; (ii) the degree of country ownership during project formulation and implementation; (iii) project implementation efficiency; and (iv) the relationship of these factors to project achievements. **Conduct a stocktaking exercise of the Fund's recent use of RBM to inform actions undertaken to operationalize the new RBM Governance Framework** and update the associated Operational Guidance with lessons from experiential learning and examples of best practice.

Introduction

Evaluation purpose

This evaluation report covers the IMF's capacity development activities funded by the Swiss State Secretariat for Economic Affairs (SECO), based in Bern, Switzerland. The SECO-supported IMF activities evaluated include capacity development (CD) activities provided through technical assistance (TA) missions, trainings, and workshops. Since 1997 SECO has partnered with the IMF to finance CD and TA in its priority and constituency countries. The main goal of CD provided under the Subaccount (the "Program") is to promote economic stability and sustainable growth, thereby contributing to poverty reduction in the recipient countries. The intervention domains are delimited by the IMF's and SECO's strategic focus, namely: (i) public financial management; (ii) macroeconomic analysis and management; (iii) financial market development; (iv) central banking; and (v) economic and finance statistics.

The purpose of the evaluation is to facilitate learning from the implementation of the current programmatic approach to CD planning and implementation and to improve the future CD initiatives under the partnership of the IMF and SECO. The evaluation identified relevant lessons learned from past and current SECO/IMF bi-lateral cooperation and makes recommendations for the IMF and SECO decision makers in Switzerland. The evaluation has two main objectives: (i) to provide advice on ways to improve the strategic nature of IMF-SECO support, in particular by focusing on the efficiency of the programming process, the transmission of information, and lessons learned from the bilateral cooperation between the IMF and SECO; and (ii) assess, at the project level based on OECD DAC criteria, the relevance, effectiveness, impact, efficiency and sustainability of the TA projects under each Letter of Understanding (LOU), with a particular attention to the relevance and design of interventions. The OECD criteria are defined within the Common Evaluation Framework (CEF), which guides all external evaluations for the IMF.

The evaluation findings were synthesized into conclusions, which in turn serve as the basis for recommendations for the IMF and SECO decision makers in Switzerland at two levels: (i) the strategic (i.e., LOU) level; and (ii) at the project level (including the linkages between individual projects and the LOUs) related to the relevance, design and implementation of TA.

Evaluation scope

The evaluation scope covers the two objectives noted above. The evaluation also examined the status of the recommendations resulting from the last IMF-SECO subaccount evaluation completed in early-2015. The project-level portion of the current evaluation (i.e., the second objective) covered a sample of 19 interventions, involving 13 single-country and multi-country CD projects[1] in 12 different countries financed under the East, South and Global LOUs (the "Program") between May 1, 2014 and June 30, 2019.

Project Evaluation

Scope

[1] Out of a total of 17 projects

The evaluation covered a sample of 19 interventions, involving 13 single- and multi-country CD projects in 12 different countries financed under the Program between May 1, 2014 and June 30, 2019.[2] (See Table 1) The evaluation selected a purposeful, manageable sample size (n=19)—to allow for meaningful evaluation of each intervention—which weighed toward projects that are complete or relatively close to completion and captured the geographic and topical scope of SECO-supported IMF activities. Purposeful selection ensured coverage of all five intervention domains and included two-thirds of SECO Global LOU countries. (Please see Annex II – Methodology for further information.)

Table 1 Project Sample

ALL PROJECTS (N=13)	Number of Projects in Sample
Total projects	13
Latin America	5
Central Asia	3
Southeast Europe	3
Africa / North Africa	2
FAD	6
MCM	4
STA	3
Single Country Project	9
Mixed Country Project	4

The evaluators planned to visit four countries (Peru, Colombia, Albania, Tajikistan) for an in-depth field investigation of the selected Program CD projects to supplement the desk review and other means of data collection. The COVID-19 pandemic required that the planned field work be conducted remotely. While some stakeholders could not be contacted remotely, respondents were generally reachable and amenable to using remote platforms. More information on the impact of COVID-19 on data collection can be found in Annex II - Methodology.

The majority of KIIs with IMF HQ staff were conducted prior to the COVID-19 pandemic and were held in-person at IMF HQ between October and December 2019. In total, the evaluation team interviewed 56 individuals over the course of 44 KIIs. (see Box, below) An online survey, intended to expand the scope of stakeholders consulted, was sent to 32 authorities in Program priority and constituency countries. The online survey was sent through the CVent online survey tool and was managed exclusively by the IMF. Despite reminder emails, only nine of the 32 targeted authorities responded to the survey request, yielding a response rate of 28 percent. However, the online survey and the KII questionnaire for authorities were, by design, identical. Online survey results were thus combined with authority KII responses to provide a fuller, *although not representative*, set of beneficiary country perspectives. More information about the online survey is presented in Annex II under the heading Methodological Constraints and Data Limitations. In addition to the online survey and KIIs, the evaluation team further analyzed 81 sample project-specific, Program documents. The desk review provided a foundation to assess all OECD DAC criteria and answer all non-project related questions. Findings from the desk review, KIIs, and online survey were triangulated to ensure the reliability of all findings, conclusions, and recommendations presented in this report.

Table 2: Completed Key Informant Interviews

56 Completed Key Informant Interviews by Stakeholder Group	
IMF Staff	14
Country Authorities	23
LTX	3
SECO	16

[2] The number of interventions counted in the sample is the sum of all countries participating in one of 13 discrete projects.

Assessment and Analysis

Table 3 Aggregated DAC Scores of Sampled Projects

PERFORMANCE ASSESSMENT CRITERIA	AVERAGE SCORES	HIGHEST SCORES	LOWEST SCORES	STND. DEVIATION FROM MEAN
Relevance	3.08	4	1	0.95
Effectiveness	2.46	3.5	1	0.84
Efficiency	3	3.5	1.5	0.97
Sustainability	2.59	3.5	1	0.67
Impact	2.41	3.5	1	0.94
Overall Scores	2.71	3.60	1.10	0.89

The evaluation and scoring of Program projects along the five OECD DAC criteria followed a bottom-up approach (see Annex II, Methodology). Each of the 13 sampled projects was assessed and scored along the five criteria based on findings from the desk review, including key informant interview (KII) notes, and online survey results. Findings and scores for each of the 13 projects were then aggregated to reflect overall Program performance.[3] The aggregated findings are presented in Table 3 by DAC criteria. When the highest and lowest scoring are considered, the criterion of Efficiency is the most robust among all criteria. This is significant because it is the criteria on which the Program has the greatest influence. Although the overall scores are lower in this present evaluation, ordering of the criteria scores generally coincides with that of the last evaluation.[4]

Table 4 illustrates the score aggregations by region, sector and single or multi-country project. Projects in Latin America stand out, likely due to the more advanced nature of the country economies. It is notable that one country in Southern Eastern Europe (SEE) scored consistently high as well, but other country scores in the region lowered the average. STA

Table 4 DAC Scores by Region, CD Topic, Single/Multi-Country

ALL PROJECTS (N=13)	REV	EFF	IMP	EFC	SUS	Total Average Score	Number of Projects in Sample
SCORE AVERAGE	3.08	2.46	2.41	3	2.59	2.71	13
Latin America	3.2	2.7	3	3.25	3.25	3.08	5
Central Asia	2.5	2.17	2	2.83	2	2.3	3
Southeast Europe	3.67	2.33	2.33	3.00	2.67	2.8	3
Africa / North Africa	2.75	2.5	1.5	2.75	1.5	2.2	2
FAD	3.17	2.3	2.5	2.8	2.75	2.70	6
MCM	2.75	2.5	2.25	3	2.13	2.53	4
STA	3.33	2.67	2.5	3.33	3	2.97	3
Single Country Project	2.89	2.5	2.5	2.94	2.5	2.67	9
Mixed Country Project	3.50	2.38	2.25	3.13	2.75	2.80	4

[3] Country-specific interventions themselves were not individually scored, although in multi-country projects when a particular country intervention was notable, this was discussed in the narrative.
[4] The higher scores assessed during the last evaluation may be attributed to the fact that they were based on case studies of just seven projects which included field visits. Another possible reason is that the current evaluators were more critical. Most likely the scores differ due to a combination of both reasons.

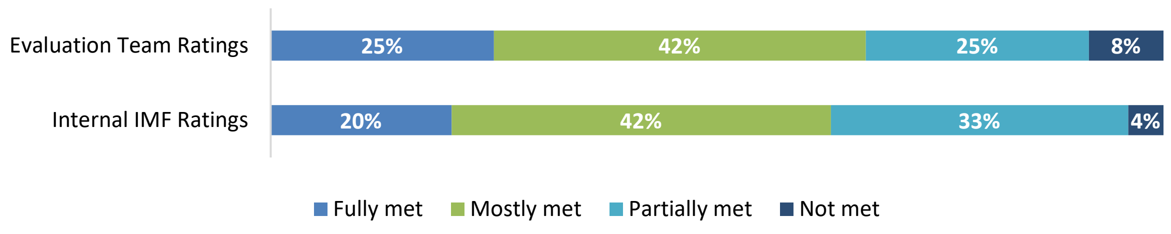
projects in the sample scored higher than other sectors possibly because the work involved is more straight forward and less dependent on political commitment. There is also evidence that monetary policy and banking sector reform projects require stronger political backing which was lacking in some sampled countries. PFM projects are typically more technically complex.

IMF-SECO project assessments, conducted annually and at the end of the intervention, contain the Logframe developed at the project proposal stage and within it a performance rating for each Outcome and Milestone which include: fully achieved; largely achieved; partially achieved; and, not achieved. The evaluators have aligned these adjectival ratings with the numeric ratings used in this evaluation per the Inception Note as follows: Excellent (3.5-4); Good (2.5-3.4); Modest (1.5-2.4); and Poor (1-1.4). Thus, in this evaluation the score given for effectiveness is closely aligned but not necessarily identical to the scores contained in the IMF-SECO project assessment. One reason justifying an independent assessment is that the evaluators reviewed documentation stating the ratings, but this did not indicate a standard procedure for the rating process, nor an indication of who is responsible to determine the rating. The evaluators assume, within the Program, the IMF project manager has a leading role and confirmed that SECO officials are not involved in any way with project assessment preparation.

The **total** of all project scores (**160.5**)[5] was compared to the maximum possible score of **236**. For two of the 13 sample projects, there was insufficient information to score one or more criteria.[6] The overall project scores range widely from 1 to 19. The average score for all (including the two projects with three N/A) sampled projects is just under 12 (out of a possible perfect score of 20).

The average scores for each criterion range between 3.08 (relevance) and 2.41 (impact). The conclusion that is drawn is that projects as a whole are relevant and efficiently implemented, but have modest effectiveness, sustainability and ultimately impact. Figure 1 illustrates the divergence between the evaluation team and the IMF's own scoring of project outcomes related to the *single DAC criterion of "effectiveness."* The evaluator's higher assessment of interventions that were "fully met" is attributable to data obtained from non-IMF sources, notably country authorities.[7]

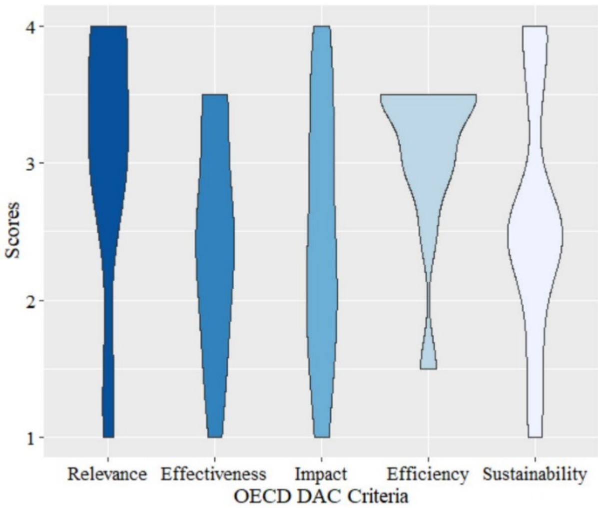
Figure 1 Comparison of Project Scoring for Effectiveness



[5] The two projects with three "N/A" are not included in the total. The maximum possible total (236) thus reflects 11 projects. The aggregate score does not reflect assessment of individual country interventions in multi-country projects against the DAC criteria.
[6] One project started in March 2019 and has had delays with LTX placement. The second project had planned FY 2020 activities suspended.
[7] The 2015 evaluation scored effectiveness 3.5, a more positive assessment than more recent IMF internal ratings or the current evaluation. The overall average score in 2015 was 3.3, compared with 2.7 for this evaluation.

The evaluation team took into particular account both the quality of the CD intervention, particularly in terms of Efficiency since this criterion is primarily the responsibility of the IMF, as well the impact of exogenous events such as a change in government or unanticipated banking crisis. The assessment also considered the extent to which project design *and* implementation identified, assessed, and managed risks, many of which are exogenous – a process which is an integral part of RBM practice including the development and use of Logframes. The explanation spread of scoring across the five criteria is the subject of the first question in this evaluation Terms of Reference (TOR),

Figure 2 Distribution of Project Scores



Why is the DAC criterion rating low/high and what factors explain it? This is explored below criterion-by-criterion, and in Annex I with the project-by-project presentation and analysis of the findings. Assessment scores consider all applicable criteria sub-questions per TOR Table 1 (see Annex II, Methodology). Assessment score distribution (Figure 2) reveals that all interventions had some degree of Relevance and that most scored well in terms of Efficiency – reflecting the high quality of TA provision. Interestingly, significant Impact and Sustainability are possible even without perfectly efficient or effective interventions. This finding is largely associated with an intervention with strong (3.5) scores for these two criteria that nevertheless contributed to a single country's accession to the OECD[8] – with corresponding very high (4.0) Impact and Sustainability scores. The corresponding lesson is the key importance of the intervention's initial relevance.

The second question in the TOR, ***What alternative interventions, if any, would have provided better results?*** is also addressed below and in Annex I. In both aggregate and project-specific cases the evaluators have assessed the extent to which the project adequately identified risks and established risk mitigation strategies, and the quality of the project's log frame in terms of its clarity, measurability, verifiability and ambition of the objectives and outcomes contained in it.

Relevance

Aggregated Project Results and Factors Affecting Rating

Relevance was the highest scoring OECD/DAC criteria among the project sample, *with an average score of 3.08.*

The evaluators found ample evidence that IMF project designers generally ensured relevance by conducting needs assessments, albeit of varying thoroughness, consulting with authorities, building new interventions to an existing foundation such as a TADAT or PEFA, linking the intervention to an IMF program or surveillance, and/or compliance with international standards such as Basel III. In one case, a Fiscal Transparency project, the explicit

[8] The project objective noted that the CD will assist the government to "bring it closer to the OECD standards."

benchmark was advancing towards standards associated with OECD membership. In another two cases, achievement of objectives was linked to alignment with EU accession requirements.

There were some exceptions to the usual meaningful consultations with country authorities. An IMF official recalled, "The inception of the project was not demand driven because of the nature of the bilateral donor situation. The project was designed (following a series of diagnostic missions) and then sold to the countries."[9] This project received a modest score from the evaluators; almost all outcomes for this project were assessed by the IMF itself as "partially achieved." In contrast, authorities in one country involved in a multi-country tax administration project recalled that, "Before the assistance we conducted a (TADAT) evaluation to develop a strategic plan and schedule for what we'd achieve in 3-4 years. Also, an action plan with the IMF TA incorporated in it. We already knew what we were going to achieve and how we were going to do it, and how the TA would help in achieving those objectives. This was worked out as part of open discussions with IMF representatives."[10]

Exogenous events may render a project irrelevant, and project adjustments to account for these events do not always happen. It is important to note that another sample project in the same country involving revenue administration, implemented at roughly the same time, also originally had high relevance. However, foreseen presidential elections occurred in the midst of implementation and the relevance of the revenue project was questioned by the new administration with the ultimate result that it was suspended by the IMF. This accounts for the low overall score of 1. The recently revised DAC criteria definitions and guidance notes for relevance that its assessment "…requires analyzing any changes in the context to assess the extent to which the intervention can be (or has been) adapted to remain relevant." [11] In this case, poor relevance was reflected in the seriously diminished political interest in the project's objectives. The IMF project assessment (May 2019) notes, "It is a political decision and not a technical issue to implement the IMF recommendations to deal with the situation." The January 2017 project proposal's risk assessment noted political instability but rated it as "low" in spite of the fact that the election was scheduled before the mid-point of the three-year project.

Shortly after the new government took office, FAD staff had a mission to engage with the new authorities. The project risk assessment or mitigation plan does not appear to have been modified as a result of this visit. Six months later another IMF HQ mission assessed project status and found that the tax authorities had made little progress implementing previous STX and HQ-mission recommendations. According to an IMF project official, there were coordination issues with the World Bank (WB) and particularly Inter-American Development Bank (IDB).[12] The same official and the Interim Project Assessment reported that the previous administration found the project relevant, but the new administration found the IDB intervention more relevant to their perceived need.[13] The IMF responded by suspending activities planned until the tax authorities developed a plan on how they will address their main constraints. The plan was to be prepared with the IDB. The project assessment noted

[9] From key informant interview SECO_41
[10] From key informant interview SECO_16
[11] (OECD, Dec. 2019)
[12] From key informant interview SECO_10
[13] From key informant interview SECO_10

that IMF/FAD would liaise closely with the IDB to coordinate the plan. From the evidence available to evaluators, it does not appear IMF took steps, short of suspension, to adapt the project to remain relevant in face of the changed context.

When an intervention is focused on implementation of recommendations, then their importance is evidenced. A Monetary Policy Design and Implementation project offers a good example to better understand the explanatory factors associated with a high relevance score including very strong alignment with country needs and priorities and demonstrated flexibility and responsiveness as new priorities emerged. In this case at least, the match of the TA modality (LTX) was not only highly appropriate to achieving the original project objectives but appears to have facilitated the identification and subsequent support of relevant government priorities which emerged during implementation.[14] The central bank (CB) requested the project and designed it to extend a successful intervention involving TA offered by an LTX who was an experienced central banker. IMF and the CB key informants corroborated the Project Proposal indicating that the project objective consolidated the accomplishments to date and centered on full, successful implementation of the recommendations with which the CB had agreed. The high project relevance was also directly linked to the European Commission's (EC) recommendation to develop a strategy dealing with "euroization" as a key component of monetary policy, which the authorities expressed commitment to address. The original period of performance was 12 months, but SECO supported the 6-month extension based on strong performance and the emerging need to assist development of the government securities market "as lynchpin of a broader financial system development effort."[15] The Project Assessment identified a good set of lessons learned, several of which relate to relevance—evidenced when authorities take *ownership* of project objectives, in this case demonstrated through joint development of an action plan.

In summary, with two notable outliers, most scores on this dimension are quite high – there are even three perfect scores of 4—which contribute to the **3.08** average score for Relevance.

Alternative Approaches to Improve Relevance

Relevance may be improved by aligning interventions even more closely to: (i) the highest country priorities reflected by political will to advance reforms and commitment to allocate resources necessary to implement recommendations (ii) IMF programs and Article 4 surveillance; (iii) past CD programming and related investments such as PEFA, TADAT and FTE; and (iv) achievement of international standards associated with OECD and EU membership, and the market (for bond holders). In cases where initial relevance is high but diminishes as a result of new political leadership or other external factors, efforts should be made to renegotiate and/or redesign the intervention to better reflect new conditions and maintain strong relevance.

Efficiency

Aggregated Project Results and Factors Affecting Rating

Efficiency was the second highest scoring DAC criteria among the sample with an average score of ***3.0.***

[14] In contrast, another project based on LTX suffered when the resident advisor could not remain focused on the project priorities, which lowered many DAC scores including relevance.
[15] (IMF, July 2018)

This DAC criteria is defined as, "The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way," and has traditionally been associated with economic cost-benefit analysis. The definition properly defines "economic" as the conversion of inputs (e.g., funding, TA, training, time, etc.) into outputs and outcomes (i.e., results). The conversion process is project implementation, which the DAC refers to as "operational efficiency (how well the intervention was managed)." Thus, if relevance is concerned with the design of the intervention, efficiency is concerned with the intervention's implementation as well as its traditional association with cost-benefit and/or cost effectiveness. Given the methodological challenge of ascribing costs beyond simply LOE, and particularly valuing benefits given the question of attribution (and often a time-lag before benefits accrue), the evaluators chose to focus on operational efficiency as a metric more properly evaluated.[16]

Factors or variables which influence efficiency include the choice of inputs (e.g., TA vs. training), delivery modality (e.g., STX vs. LTX, field missions vs. remote), and transaction costs (or benefits) associated with coordination (or not) with other input providers. Information regarding these factors were found in both project proposals and assessments, but primarily in TA/mission reports. Notes from KII with IMF project managers was also an important source of evidence.

While hard evidence is scant, as project proposals do not typically discuss implementation related decision making, it appears authorities play a key role in that they often may request LTX in the form of a resident advisor. The nature of the intervention also plays a role; advising on monetary policy may benefit from LTX, while development of PFM systems may more cost-efficiently be provided through STX (see Table 8). There is also a correlation between project type and country category. All six PFM (FAD) projects were in emerging markets, while three of four monetary policy (MCM) projects were in low-income countries (see Table 7). When it comes to input type, TA appears to be the *de facto* choice for IMF-SECO programming, although limited training may supplement this.

Coordination with other input providers (i.e., donors, including other IMF CD interventions) appeared to evaluators to be a significant factor in either improving or diminishing efficiency. When interventions were able to leverage the efforts of others in what amounts to collaboration towards a common objective then obvious efficiencies result. In contrast, such opportunities are lost when coordination is sub-optimal. This is exacerbated when different efforts are not de-conflicted when necessary, causing efficiency and other DAC criteria to suffer as an example revenue administration project shows.

Most of the projects examined scored well on this criterion; the lowest performer on this criterion was a project in a low-income country to strengthen bank supervision. In this case the low score of "1.5" was due to sub-optimal coordination between TA providers including the WB and IFC, interagency tensions within the central bank (CB), a non-disclosure agreement signed by the LTX which severely constrained information sharing even with the IMF, the CB staff overwhelmed by many projects "with the result that few were concluded" and lack of attention to implementation (including donor coordination) due to distraction caused by many non-project-related requests made of the LTX by senior central bank

[16] The OECD/DAC's change to the criterion definition acknowledges this while also noting that "…implementation processes and management issues are of great interest to evaluation stakeholders." (OECD, Dec. 2019, p. 10)

officials. Not surprisingly this project had the second lowest overall score of those examined because poor efficiency led directly to diminished effectiveness, impact and sustainability. This is reflected in the Project Assessment's effectiveness ratings: the majority of the outcomes were only "partially achieved" and two were assessed as not achieved.

Several projects received a strong score of "3.5" but it is instructive to examine one in particular, a bank supervision and regulation intervention very similar to the last case which was implemented during the same period in another fragile state.[17] An LTX resident advisor delivered TA over 18 months to implement the CB's Strategic Action Plan. The World Bank had a closely related program (also supported by SECO) and in this case, the IMF-SECO project assessment deemed the coordination and cooperation, led by the LTX, to be "excellent." Also notable is the IMF official's view that the LTX modality was more cost-effective than fly-in-fly-out STX missions. The modality was appropriate to the client's needs, which is a hallmark of both sound project design and implementation. In another case, a single-country PFM project, the official noted that, "Objectives were met and there were budget savings [so they] extended the project and designed new work to spend the funding. LTX is the most expensive, but also very beneficial to the project because of their ongoing engagement embedded in the Ministry of Finance. LTX is a good investment – the cost of one year [for an LTX] is equivalent to around 3.25 HQ missions."[18]

What factors may have contributed to the fact that these two bank supervision and regulation projects had dramatically different results in spite of their similar objectives and design?[19] First, the country with the successful project had an IMF Extended Credit Facility in place and had successfully completed six reviews. The banking sector had received support since 2010 including a 2013 FSAP which resulted in a Strategic Action Plan for 2017-2019 that would address the recommendations. The project was designed to support implementation of the Action Plan.[20] There was very high relevance and evidence of country commitment.

In contrast, the country with the unsuccessful project was seeking an IMF program and according to an individual close to the project, "country officials were getting nowhere." This informant also speculated that although the CB was not really interested in a CD project, officials agreed to the project and RA because they felt it would improve their chances of obtaining an IMF loan. There was also a recent history of sector support, but it was uncoordinated and as a result "there was no systematic approach to banking supervision."[21] Perhaps most significantly, country commitment was lacking. The CB was not considered independent but rather captured by members of the oligarchy with stakes in banking.

A SECO official familiar with both projects noted that coordination with other donors in the sector, particularly the World Bank, was fruitful in the case of the successful project and problematic in the case of the other intervention where there was overlap, a point confirmed by a cognizant CB official.[22] The IMF actually asked the RA to help the CB coordinate the

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[17] Both projects had the same SECO project manager (interviewed by evaluators) which aids the comparison.
[18] From key informant interview SECO_41
[19] The first project lasted two years and was budgeted at $968K ($40K/mn) while the second project lasted only 18 months and was budgeted at $786K ($43K/mn).
[20] The RA actually assisted the CB to develop the Action Plan.
[21] KII conducted June 29, 2020
[22] KII conducted June 12, 2020

World Bank assistance and its response to its recommendations. Unfortunately, the Bank's STX did not recognize the burden on and limited adsorptive capacity of CB staff.[23]

These two projects illustrate the importance to Efficiency (i.e., implementation) of the skill sets brought to a project by either LTX or STX, as well as the operating approach of the TA provider. In remarking on the approach and work of the two LTX, the SECO official noted that in the case of the successful project the RA developed the capacity of CD staff, "She didn't do the job, but showed them how to do it" while the unsuccessful project RA was largely engaged in supplementation work, "He just did what they asked him to do."[24] A Central Bank official reported the quality of the RA was very high, although CD efforts suffered because the individual only spoke English. On the other hand, the RA with the more successful project spoke Turkish, understood by many counterparts in Kyrgyzstan, and according to the SECO official was praised by the country authorities.[25] The SECO official noted the importance of language skills.[26] Evidence indicates that both RAs were highly qualified and committed to their tasks; the primary factors responsible for achievements in one country and not the other, in spite of similarities between the two projects, were in the successful case stronger high level political commitment combined with middle management implementation skills.

Another notable example of why the efficiency criteria is scored high is the Central Asia Fiscal Transparency project, a multi-country effort involving three countries. The intervention displayed a number of innovative and efficient actions during implementation including a good mix of STX missions and regional training workshops at the IMF's Joint Vienna Institute, use of Russian-speaking STX, and the use of remotely delivered TA during a five-day "mission" made possible by the excellent relationship between the STX assigned to a country and country officials. Not incidentally, that relationship largely accounts for the higher intervention effectiveness ("3.0") than those in the other countries within the project.

Alternative Approaches to Improve Efficiency

Give implementation greater consideration when designing interventions, recognizing that weak implementation usually results in less-effective projects. Carefully consider the choice of modality in light of intervention objectives and sequencing, including the mix of STX and LTX and in-country vs. remotely delivered TA – which has advanced in the COVID-19 era.

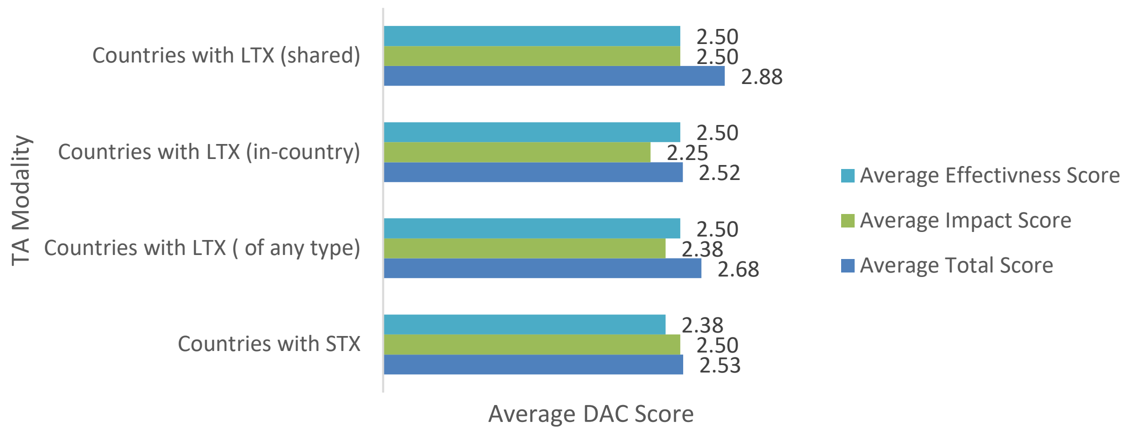
Figure 3 illustrates an analysis of the correlation between TA modality and the average DAC criteria composite, Effectiveness, and Impact score averages. Within the IMF-SECO sample of interventions, use of LTX is associated with better outcomes, although STX did have a somewhat higher score for the Impact criterion.[27] Only three projects did not utilize LTX delivery of TA in conjunction with HQ and STX delivery. While the STX-only projects were

[23] KII conducted June 29, 2020
[24] KII conducted May 19, 2020. It is worth noting that the RA noted to the IMF at the end of the first year that he was making no progress and suggested leaving, but both the IMF and SECO urged him to remain in the hope things would turnaround in year 2.
[25] This RA is now on IMF staff
[26] The official also noted that SECO insisted on these skills and that initially the IMF "didn't listen."
[27] See footnote above regarding relative modality costs and Table 8 in Annex I which illustrates the correlation between modality type and average monthly project costs. In no KII were concerns expressed regarding the cost of LTX. The (high) Impact scoring was somewhat skewed due to two projects associated with accession to the OECD and EU.

below the average per-month cost of all projects, the lowest cost project in the sample involved LTX with very little HQ/STX. That low-cost project also scored better than any of the three STX-only projects as well as was superior to the overall average score.

This cost-effectiveness analysis appears to belie the impression that LTX is both more expensive and less cost effective than STX. Having said this, it is worth noting that the primary modality for the best-scoring project was IMF HQ delivered TA (with a moderate per-month cost).[28] One can only speculate concerning the correlation between excellent project performance and significant HQ staff TA delivery. This finding regarding LTX value aligns with stakeholder feedback from KIIs such as a country authority's view, "He (the LTX resident advisor) helped us take actions that were difficult to take. He helped us to coordinate between the institutions and try to find the contact points between the different areas…he was able to articulate all the areas."[29] A SECO official also noted, "I think RAs [LTX], if they do their job well, are more cost effective than these fly-in-fly-out missions. They are working on a daily basis with the people who actually do the work…it is on the job training to a certain degree."[30] When LTX are used, ensure the TOR considers the avoidance of serial supplementation to the detriment of CD.[31] In addition to technical competency, ensure LTX have necessary language skills. Whenever possible use the same STX providers recurrently over the life of the intervention.

Figure 3 TA Modality and Project Scores



Finally, give additional consideration in the intervention design to ensure the coherence of related donor partner efforts, including the commitment of both IMF, SECO and partner country human resources to enhance coordination. Internal coordination between institutions within a country, referred to as internal coherence, is also very important for efficiency, albeit an aspect of implementation that is frequently overlooked. As noted in the KII quote above, this is an area where a RA can be of important assistance. Country authority KIIs frequently mentioned improved inter-institutional relationships as an important intervention outcome.

[28] This was the only case in the sample where HQ-delivered TA was the largest TA budget element.
[29] From key informant interview SECO_25
[30] From key informant interview SECO_12
[31] "Serial supplementation" is performing "CD" work for the recipient, often because the institution lacks qualified staff. The project with poor performance highlighted in the previous section is an example. Supplementation is a common risk to any CD effort. In a concurrent evaluation of an IMF RTAC program the evaluators found evidence of the practice (as had the previous evaluation team). Most key informants that raised the issue said it is at times needed and justifiable.

For example, an IMF official noted, "The project is done by two institutions, so coordination needs to happen at the highest level. We formed a steering committee with high level people from all the agencies that are required. We've learned that if we don't have a committee then things fall apart."[32] The evaluators took this type of feedback on internal coordination as evidence of efficiency, impact and a greater likelihood of sustainable achievements.

Effectiveness

Aggregated Project Results and Factors Affecting Rating

*Effectiveness across the Program was assessed to be modest with an average score for the sample of **2.46**.*

This DAC criterion is aligned with results achievement and in the IMF's RBM framework this is assessed in terms of project outcomes and objectives. Milestones are measures of progress towards results achievement and thus do not factor into assessment of effectiveness. Analysis of effectiveness involves taking into account the relative importance of the results. A project may have 2-3 objectives, each with several outcomes. Not all may be achieved, but if very important results were achieved, then the overall project should receive a higher score. Achievement of important results is often associated with the DAC criteria of "impact."

High effectiveness scores should reflect important outcomes. A good example among the sample is a multi-country project to "develop capacity to compile sectoral accounts and balance sheets in select emerging market economies" using intermittent STX to provide TA and in-country training. Outcomes were particularly important because they, *inter alia*, supported IMF surveillance, the IMF's G-20 Data Gaps Initiative, and in the case of two countries OECD accession. Each country intervention had the same two project objectives, outcomes and milestones; only the achievement target dates for the latter differ. The interim project assessment noted, "both project objectives have been successfully implemented to a large extent." Notably, using its RBM system the IMF rated every outcome as fully or largely achieved, and this was 12 months before the project end date. What accounts for the high effectiveness of this project?

Strong effectiveness is generally correlated with high relevance, i.e., project design, and sound efficiency, i.e., project implementation. It is no coincidence that the project's relevance score was a perfect "4" and that efficiency received a strong "3.5." Overall, the project received the second highest overall score, "18.5," within the sample. As we will see, effectiveness is also correlated with impact and sustainability.

Projects with a low scoring effectiveness criterion often, but not always, suffer from weaker relevance and poor efficiency. A revenue administration project provides an instructive case which also illustrates that project effectiveness can be undermined by exogenous events such as a change in government, implementation which does not respond nimbly to the need to re-examine intervention modalities, and implementation-related capacity requirements.

This example is in contrast to the high-effectiveness case presented just above, where authorities grasped the significant scale of the required reforms and provided strong leadership in the change management effort. The 12-month intervention involved three countries with planned outcomes which were to support preparation for EU accession. Past

[32] From key informant interview SECO_35

IMF investments including TADATs, good past country efforts, and strong support of reform efforts earned a perfect relevance score of "4." The efficiency score of "2.5" reflects a mixed record across the intervention and between countries. Overall, the project received an effectiveness score of "1.5" because in only one of the three countries were outcomes largely or partially achieved. Even in this case, although progress was made the project assessment Logframe contained comments such, "…however, the skills level of auditors must be improved." In one country, several recommendations were not followed. For example, the Logframe in the project assessment noted, "The RMU (Risk Management Unit) has been established, however is not operational." Progress was also slowed by a change in government. An IMF HQ mission found that reform implementation in the third country had stalled, in spite of the intervention being developed with LTX support. The final project assessment found that the presence of this LTX was "very valuable" for the leadership team in the early stages of the intervention, but over time his value was not optimized by the country authorities. Yet a change in the arrangements was not planned until a follow-on EC/SECO program. Perhaps more importantly, the assessment found that in spite of the LTX support, the leadership team within the recipient institution had taken a "largely passive role in leading reform efforts" and that overall scale of the change reform program was not fully appreciated.[33]

Alternative Approaches to Improve Effectiveness

Give due consideration in project design to the ability of the beneficiary government to implement TA recommendations in terms of human and other resources. If possible, estimate the cost of implementation. Improvements to the RBM framework discussed below, particularly regarding the explicit designation of responsibility for milestones, will help all stakeholders track progress and identify blockages. For example, the beneficiary institution may be fully committed to the recommended reforms and achieve the milestones relating to drafting and submission of new legislation. The implementation of those reforms, however, may first require the country's legislative body to pass new legislation, which is outside the hands of the beneficiary institution. Clearer identification of responsible parties will allow more judicious assessment of progress by stakeholders and easy identification of the source of the delay.

Stakeholders were asked if the government agency effectively implemented the actions required to achieve the desired project outcomes. Most informants cited similar challenges. The following response highlights why actions are not taken is indicative, "Certainly insufficient resources to implement is the main reason, but (also) sometimes insufficient high-level support in the sense that at this management level they don't understand the importance of certain things or the focus has shifted to other priorities."[34] When the need for CD is macro-critical in association with IMF programs, then include CD as a structural benchmark in the program. An additional option to safeguard sufficient resources in the budget for implementation and sustainability of CD is close coordination between the Area Department for the country and the CD delivery teams for resource intensive projects to avoid insufficient resources for implementation of the intervention's recommendations.

Impact

[33] Final Assessment Report, pg. 15
[34] From key informant interview SECO_39

Aggregated Project Results and Factors Affecting Rating

*Impact across the Program was assessed to be modest with an average score for the sample of **2.41.*** Compliance with international standards and particularly those with membership in a major international or regional organization as an incentive are correlated strongly with impact. In one country categorized by the IMF as an emerging market, high impact of a project was associated with greater attractiveness to foreign investment in government bonds.

This DAC criterion covers the extent to which the intervention has or is expected to generate significant effects beyond the immediate results (objectives and outcomes). These can be positive or negative, intended or unintended, or direct or indirect. The significant high-level effects must be attributable to the intervention, although there may well other factors which also contribute to the impact. The intervention must be necessary but may not alone be responsible for the impact.

The most notable intervention to demonstrate impact is a Fiscal Transparency project. The purpose of the 3.5-year effort was to assist the Ministry of Finance strengthen its PFM system and bring it closer to OECD standards and thus meet OECD membership requirements. The project succeeded in achieving that objective and the country joined the OECD. The PFM work and other IMF CD intervention achievements contributed to this remarkable impact, which received a perfect score of "4."[35] All-in-all, this project placed first for the highest overall score within the sample – "19" out of a possible "20." The other two highest impact-scoring interventions involved advancing a country towards EU membership. Projects without these factors scored lower, even those with a good project effectiveness score. The best example is a bank regulatory and supervisory capacity project. This intervention has an effectiveness score of "2.5" but for impact only "1.5" because of both modest achievements[36] and questions concerning sustainability.[37]

As the OECD's Better Criteria publication notes, interventions without sustainable benefits cannot be said to have impact.[38]

The evaluation assessed the degree to which beneficiary country officials associated IMF-SECO assistance with Impact. *Findings illustrate the general high esteem held for the Program and the potentially transformational nature of the assistance.* Key informants were asked to note reasonably clear cases in which the intervention outcomes/objectives would likely not have occurred in the absence of the IMF-SECO supported CD. A MoF official who worked closely with the LTX on a successful PFM project offered a representative response, "What we wanted to do was shown to us by the IMF in order to understand and implement it. If the guidance wouldn't have appeared, then we would have continued with the traditional

[35] In this and one other case the project impact was scored higher than effectiveness. This somewhat counterintuitive finding is based on the fact that while the specific project objectives may not all have been achieved, thus lowering the effectiveness score, the overall impact of the project was significant in terms of higher-level effects. While this situation is rare it is possible because the two criteria measure different results. As the OECD/DAC definition of impact states, it covers effects that are broader in scope than "those already captured under the effectiveness criterion."

[36] According to the Project Assessment, of seven outcomes only one was fully achieved. A policy was developed but its execution was delayed. The Assessment noted an extension of the project was being requested and during this period further achievements may be realized.

[37] See more in the Sustainability section beginning below about the reasons behind this project's low score. None of the factors were reflected in the Logframe risk assessment.

[38] See pg. 11, "Glossary definition of impact"

thinking. We wouldn't be discussing anything but improving a little bit the old system. We would be more concerned with IT than the content of the system itself."[39]

Alternative Approaches to Improve Impact

Findings based on KII data indicate that an alternative approach to improving impact would not involve TA being provided by another non-IMF source. No informants selected the multiple-choice answer, "Better results would have been achieved by CD from non-IMF providers" when asked to identify alternative sources of CD and to compare that source's quality of TA to the IMF. Some informants commented on this, one noting, "I think there is no alternative. My impression from experience (is) that the Fund is always providing guidance because they have an advantage…the Fund is watching what's taking place everywhere in the world so they can take the best lessons learned. That makes the Fund unique."[40]

In terms of IMF-SECO provided TA, initial and ongoing relevance and sustained effectiveness involving well-implemented reform recommendations all need to be recognized as contributing to Impact. As the OECD/DAC description of this criterion notes, Impact normally takes time to materialize and thus may not be reflected yet in the recently completed projects examined in this evaluation. For this reason, IMF-SECO should consider conducting ex-post evaluations of projects 2-3 years after their completion. These types of evaluations are increasingly recognized by donors as the primary means of assessing both sustainability and impact.

Sustainability

Aggregated Project Results and Factors Affecting Rating

Program Sustainability was assessed as modest, with an average score in the sample of ***2.59.***

The Sustainability criterion assesses the extent to which the net benefits of the intervention continue. Assessment of sustainability examines the resilience of capacities and systems underlying the continuation of benefits.

Evaluators found that the primary factors which influence sustainability include incentives and thus political will, as well as institutional capacity to implement reforms. Without political support it is less likely that the necessary resources will be made available for implementation and sustaining the benefits. Another factor which contributes to sustainability is the degree to which the CD builds and/or strengthens systems. When asked what are the benefits of TA that are likely to remain without continued support, an IMF/FAD KI noted, "[The] overall system is continuing since the LTX departed. Manuals, overhauled management structures, and procedures keep things moving forward. [The country authorities] ask for some support on discrete topics, but the overall framework has been institutionalized."[41]

Incentives include the prospect of further benefits including additional TA, increases in revenue and investment associated with international standards and membership in organizations like the EU and OECD. Such high-impact interventions are more likely to be

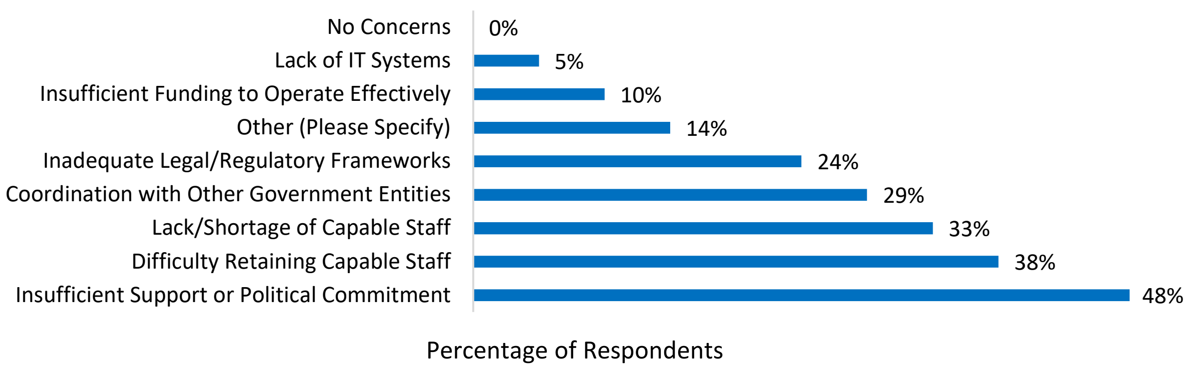
[39] From key informant interview SECO_42
[40] From key informant interview SECO_42
[41] From key informant interview SECO_5

sustained, and this is reflected in the scoring for this criterion. The three interventions with the highest scores are those associated with OECD and EU membership. Such affiliations are likely to help sustain benefits and impacts over time and across administrations since the benefits are widely felt and generally supported without regard to political affiliation.

The bank regulation and supervision project noted above received a lower sustainability score, “1.5,” due to several factors including organizational changes and shifting priorities within the Central Bank as well as limited absorptive capacity for CD support to strengthen implementation of reforms.[42] This is likely an example of Bank management not prioritizing the reforms nor addressing capacity constraints. The project with the lowest sustainability score, “10.5,” took place in an environment where the desired reform benefits were opposed by powerful vested interests within the banking industry. Given the political economy of the financial sector in the country, any benefits realized are at high risk.

Figure 4 illustrates what country authority key informants and survey respondents felt (per multi-choice categories) could hamper the sustainability of IMF-SECO CD interventions. The identification of “insufficient support or political commitment” aligns closely with the evidence evaluators found from document review and from IMF and SECO KIIs. It is also a common change management challenge to any development effort involving reforms. The issues often arise once IMF recommendations are made, and the time comes for country authorities to implement them. Waning support and commitment contribute to other factors such as staff shortages and insufficient funding. A high-level government official who led country efforts for a well rated PFM project put the issue well, “The challenge comes when you are implementing because the pace goes down, the [political leaders at top levels of the ministry] reduce the priority to the implementation of the changes.” The challenge is especially acute when the administration changes amid implementation. The same official noted in the case of her country’s project, “It would be important for the Fund to maintain this issue and talk with [the] new authorities about implementation of the reforms.”[43]

Figure 4 Challenges to Intervention Sustainability



Alternative Approaches to Improve Sustainability

Maintain attention to reform agendas during implementation when the tendency is for operationalizing reform measures to become a lower priority among political leadership. Publicize results, for example, before-and-after PEFA scores which will increase public

[42] (Nicholls S. , March 2018, p. 1)
[43] From key informant interview SECO_24

demand for maintenance of advances. Educate stakeholders on benefits of reforms and develop national constituencies to "lobby" for sustainment. Whenever possible link interventions to international standards, which once achieved are more likely to be sustained.

Assessment of RBM Logframes

The evaluation found that RBM remains a work in progress with regards to IMF-SECO programming.[44] Full benefits will remain unreached unless steps are taken for its more thorough and comprehensive implementation. Similar concerns involving RBM were also alluded to in the past evaluation findings and recommendations as well as SECO's management response. The earlier evaluation took place as RBM was being introduced within the IMF's CD work and noted it was "still in a pilot phase and cannot yet be properly assessed."[45] The current evaluation had the opportunity to take a fresh, close look at RBM and particularly the OECD evaluation criteria most closely tied to it – effectiveness and impact. The IMF has just released a "RBM Governance Framework" and associated operational guidance, but it is important to note that the evaluated projects did not benefit from this new effort to promote RBM practice within the Fund.

RBM is both a methodology to be applied to CD project design, monitoring and evaluation, and a complex system. Besides the Logframe with its causal chain and verifiable indicators at multiple levels, RBM involves associated systems (e.g., risk assessment, mitigation) and knowledge management. It also involves many stakeholders with different roles, responsibilities, and interests.

Given how integral RBM has become to the IMF's approach to its CD efforts, including those financed by SECO, certain key points should be addressed. First is the need to integrate risk and performance management. The Logframe is a key performance management tool and it contains a Risk Assessment and Mitigation section. This too is an important performance management tool, although evidence indicates it is primarily treated as just a table to fill in. In the case cited above of a banking supervision project confronting shifting priorities and adsorptive capacity constraints uncovered during a HQ mission, the findings were not reflected through an amendment to the risk assessment even though the constraints posed a risk to outcome achievement. In the cited earlier case of the project that was suspended due to political shifts in commitment, the Assessment found that the risk of "political instability" was low – in spite of the known forthcoming national election.

The second point is the importance of associating outputs and outcomes with the responsible parties. The issue is that in most Program Logframes, outcomes and outputs/milestones are treated the same with no differentiation between the responsible parties. For RBM to be meaningful it must assign responsibilities for the results to be achieved. At the present time governmental authorities, who need to take responsibility for the real results, i.e., outcomes, are not meaningfully included in development of the RBM Logframe, much less subsequent use of the tool for performance management.[46] There is little sense of RBM awareness much

[44] The issue is not one of just SECO-financed CD programming. Similar conclusions were reached in two other concurrent evaluations of IMF CD programs implemented by RTACs.
[45] (Hidalgo, April 2015, p. 41)
[46] See the "Results Chain" in the IMF's Results Based Management (RBM) – A Shorter Primer, which notes "The objective of RBM is to increase transparency and accountability of authorities to achieve tangible results with the TA provided by the Fund." There is little evidence of such accountability.

less buy-in by recipient countries. The system currently appears to be a Fund tool with little connection with beneficiaries who are critical to the proper functioning of the overall system.

This gap appears to have been recognized by the Fund and reflected in the new RBM Governance Framework. Under beginning section on RBM Vision and Overview, the framework notes "RBM data helps staff and *the authorities* plan, monitor, adapt and evaluate CD (italics added)." Box 2 in the framework document, Engagement with Authorities on RBM, lays out how this can be realized in practice. It notes, "…in line with current good practice, active partnership with the authorities is needed during the demand capture, project design and project implementation stages." The evaluators recommend that under the RBM Governance Framework the Logframe *always* be discussed with the authorities, but otherwise find the engagement noted in Box 2 reflect a significant step towards RBM awareness and buy-in on the part of beneficiary country authorities.

The final point is recognizing that many RBM "verifiable indicators" used by the Program are inherently subjective measures assessed by IMF mangers with limited rigor. No evidence indicated that country authorities were involved in this assessment process, although they are key partners and stakeholders in Program results achievement. The overall purpose of CD efforts is to improve/strengthen individual skills and organizational systems and processes to achieve better results. In the case of the Program this might be more accurate economic statistics or improved public financial management. Determining whether there has been positive change, and if so, its degree can be a challenge. The process requires time, effort, and resources to ensure an acceptable degree of rigor and confidence in the findings.

Available evidence from a review of IMF documents leaves doubt as to how rigorous RBM is applied in the practice of IMF-SECO programming. An example is provided in the RBM annex and the point in it, which is not uncommon in IMF-SECO and other IMF CD programs, is that the ambiguity of key outcome indicators calls into question the rationale of RBM. This is because the indicator itself is difficult to verify. Without appropriate parameters, "progress" becomes a subjective metric.

These critiques are not unique to IMF or IMF-SECO CD programming but rather are common among practitioners of RBM. It is a system with many complex elements. When parts of the system are not fully developed or applied, then outputs from the system suffer and it cannot realize its potential.

As noted earlier, the Fund has recently released a new RBM Governance Framework and associated operational guidance which addresses many of the points raised among the preceding issues. For example, the second issue concerning RBM responsibilities is, to a degree, covered in the Framework, including in Box 2 – Engagement with Authorities on RBM. *The fact that the evaluation identified these areas of improvement based on recent CD project design and implementation serves to validate the thrust of the new Framework.* However, this is not to say the evaluators found the Framework has adequately addressed all of the concerns summarized above and covered further in ANNEX IV Results Based Management.[47] The Fund is, however, moving in the right direction.

[47] The evaluators are concurrently conducting two other evaluations of IMF RTACs and all three assess RBM Log Frames. The findings and conclusions are quite similar in all three evaluations.

Non-Project Related Questions

Examining the question of IMF SECO Partnership Processes and Governance has the objective of providing findings and recommendations to improve the strategic nature of SECO support framed around the three thematic areas discussed below. Each area has at least one evaluation question (EQ) that was considered by evaluators in collecting data, developing findings, synthesizing conclusions, and formulating recommendations. Data was collected from document reviews, key informant interviews, and an online survey.

Document review was also the means of data collection for the direction in the evaluation TOR for evaluators to "consider the extent to which the relevant lessons learned have been taken on board." Within these lessons learned are the findings, conclusions and recommendations from the 2014 independent evaluation which are clearly reflected in the thematic areas for attention identified in this evaluation TOR. Data collection from key informants and survey respondents utilized an interview guide and a questionnaire, each containing the entity-level EQs associated with each of the three thematic areas.

Findings for the EQs under each of the non-project related questions are presented below. Conclusions (i.e., answers to the EQs), lessons learned, and recommendations drawn from the findings follow in the final section of the evaluation report.

Efficiency of IMF-SECO Partnership Processes

Have operational guidelines been established by SECO and the IMF which clarify contractual arrangements (e.g., respective roles and responsibilities)?

This was recommendation #4 of the prior evaluation. The IMF-SECO LOU signed in late 2015 and covering the subaccount during the period covered by the present evaluation refers to the Operational Guidelines, noting they would specify the project approval and reporting processes. The LOU itself contains an annex covering contractual arrangements, albeit prepared in a legalistic manner.

Operational Guidelines were prepared and became effective in July 2016 and were last revised in November 2018. They constitute the most tangible response to the evaluation with potential operational impact and thus were reviewed closely by the evaluators. The Guidelines cover in terms of roles and responsibilities work plans, project proposals and approvals, project revisions and reporting, other information exchange between the IMF and SECO, and evaluation of interventions conducted under the LOU. A work plan template and schematic of the SECO internal project approval process are annexed.

Key informants (KIs) within the IMF and SECO were directly asked about the Guidelines. SECO KIs noted the Guidelines were useful and that the process of developing them with the IMF was very collaborative. The only anticipated revision is to add Mozambique to the list of eligible countries. An IMF KI in ICD noted that operational guidelines are used for various IMF partners including SECO and they are intended to be a "down to earth" working document used by managers on a frequent basis and that they are "refreshed" when a bilateral agreement (the LOU) is updated.[48] The on-line survey did not directly ask about establishment of the Operational Guidelines but did cover items covered in them and these responses are noted below as appropriate.

[48] From key informant interview SECO_29

Is the programming process better defined and is it well operationalized (e.g., needs assessments, project selection)?

The Operational Guidelines note that the majority of projects financed under the LOU will be multi-annual, which aligns with an evaluation recommendation. The number of "priority and constituency" countries was, however, not reduced from the number (19) at the time of the evaluation per a recommendation. The Guidelines note, "For the first year of the LOU, emphasis will be placed on the assessment of needs in priority and constituency countries. Based on needs assessments, project ideas will be developed by the IMF and discussed with SECO." The Guidelines note that for multi-year projects "formal annual review and planning will be demand driven…" These steps, and indeed the entire Operational Guidelines process respond well to past evaluation recommendation #6, "A new programming process should be revised and agreed with the IMF."

The Operational Guidelines contain a section detailing the contents of "project proposals." These are to contain, *inter alia*, a short needs assessment, pre-established objectives, outcomes, means of verification and a project-specific risk analysis. Although the proposals themselves are not required to contain a Logframe, they "will contribute to the overall strategic objectives as outlined in the Program Log Frame."

Evaluators reviewed the project proposals for each of the 19 interventions in the sample. All presumably were prepared to follow the Guidelines and use a standard template. All contained a project-level Logframe and risk assessment and mitigation matrix. None contain a "needs assessment" but all lead with a "background and justification" section which can serve the same purpose.

KIs were asked for their views on this EQ. A senior SECO informant noted that most projects were continuations and thus the background is clear. However, when this is not the case SECO receives limited details on how or why selection occurred. Examples of new interventions in Mozambique and Ukraine were given. From SECO's perspective, needs assessment is not conducted in a systematic manner and project (design) details are typically minimalistic. "The design is rather lite."[49] From the perspective of a senior IMF/ICD informant, the programming process is "rather loosely defined," but this is done consciously for the benefit of SECO. The IMF's understanding is that SECO appreciates the flexibility to allow for "certain projects that are in their area of interest but not exactly envisaged at the beginning."[50]

While the evaluators found in general the project proposal format is a welcomed improvement which strengthens programming and project design processes in response to the last evaluations recommendations, the evaluators have two concerns. The background and justification are focused on a sector or thematic area such as public finance management or banking supervision and regulation, and within that needs are assessed.

The first concern is that it is not clear how, at a country level, overall needs are assessed and prioritized. Project proposals are already based on a type of sorting and decision-making concerning prioritization—seemingly done internally by the IMF—which is opaque. Evidence indicates more times than not a project proposal is based on continuation of past

[49] From key informant interview SECO_18
[50] From key informant interview SECO_29

efforts and/or a request from partner country authorities. Neither is necessarily a wrong approach, but neither is necessarily very strategic.[51]

The second concern is that needs assessment (i.e., justification) focuses on the sectoral problem to be addressed, which of course is important to understand, but not the operational needs that capacity development is intended to address. Frequently the results are thus a series of policy reform recommendations with insufficient consideration of how they are to be implemented and the capacity gaps that must be dealt with to put the recommendations into effect. While the on-line survey did not directly ask respondents about the programming process, evidence for this finding is found among the survey responses, in numerous project assessments, as well as KI feedback.

Has project design and the use of Logical Framework Analysis improved, and is it well aligned with the IMF's increased use of RBM?

This EQ follows recommendation #10 from the prior evaluation. Evidence to answer it was sought from survey respondents, key informants, and document review. Both project documents (especially proposals and assessments) and IMF documents pertaining to RBM were reviewed.

The on-line survey asked country authorities and SECO officials to answer the questions: (1) "What is the role, use and utility of RBM? and (2) How does RBM affect CD planning, delivery and results?" The authorities' response rate was poor and unrepresentative, but among those responding the general response was that RBM use was supportive and effective. The response by SECO officials was moderate. Two useful responses were, "If used consistently and seriously, it provides guidance for steering of projects and demonstrates results achievement" and "Tracking results is important to know whether adjustments are needed."

Key informants from IMF and SECO, including some project LTX, were asked, "Has project design and the use of the Logical Framework Analysis improved, and is it well aligned with the IMF's increased use of RBM?" Nearly all IMF and SECO informants responded that it is a work in progress. LTX informants, admittedly limited in number, largely dismissed the use of the Logframe as a tool to help support change and/or adaptive management efforts.[52] In contrast, a senior IMF respondent noted RBM's use has improved substantially in the past five years but is still not perfect.[53] The forthcoming CDMAP program was mentioned as a useful improvement at least in terms of reporting.[54] A senior SECO respondent said that people are using and taking RBM seriously. It is being used by some to manage for results. Given that the IMF official stated that SECO was one of the driving forces for the IMF to adopt RBM ("partners pushed us to adopt it"), it is interesting that the SECO official observed that the IMF is using RBM (and the Logframes) somewhat rigidly and in a "check-the-box" mechanical fashion. The informant said at times this can result in reporting against

[51] This concern was also expressed in the last evaluation report; (FISCUS Public Finanace Consultants , April 2015, p. 36)
[52] From key informant interview SECO_43
[53] From key informant interview SECO_9
[54] Details on CDMAP were not provided by the IMF to the evaluators. Thus, the evaluation can offer no opinion on whether the new system will adequately address any of the identified issues of RBM as practiced by the IMF. Evidence from other donor organizations that use a similar IT system to support performance management indicates that they are simply a management tool and cannot themselves dictate how a system like RBM is applied by practitioners (largely a function of mindset and behavior). In other words, IT systems are no panacea.

the wrong things as opposed to outcomes. [55] Indeed, the evaluators found this among the Program's evaluated projects.

ICD's September 2019 "Introduction to RBM" notes that almost all CD activities must be initiated and monitored using RBM Logframes which link inputs (e.g., TA and training) to milestones, outcomes, and the realizations of higher objectives. Milestones are essentially outputs to be monitored for progress towards outcomes, achievement of which is assessed through use of verifiable indicators. In order for RBM to function, milestones must have associated dates and indicators must have baselines, targets to be achieved as well as the actual result obtained. Introduction to RBM uses the example of the PEFA PI-14, FTC 2.1.2 verifiable indicator, "presentation and explanation of medium-term macroeconomic and fiscal forecasts".

The Operational Guidelines note that the project proposals will contribute to the "Program Log Frame." These are available in the SECO Annual Reports and for the Global LOU contain strategic objectives, outcomes, sample indicators, means of verification, and assumptions/risk. However, because the Logframes do not reflect actual results (e.g., there are no indicator targets or achievements recorded), it is not possible to assess whether any particular project contributed to it. As noted above, all proposals contain a project-level Logframe and these are updated and contained in project assessments. The evaluators found that few project Logframes fully comply with the IMF RBM guidance. In particular they typically omit indicator baselines or targets, and thus provide no basis for knowing when an outcome is achieved. Thus, when a project assessment notes that an outcome result is "not, partially, largely or fully achieved," there foundation for such judgement is weak.

The evaluators found no documentation on how the project assessments required by the Operational Guidelines are conducted. KII with senior IMF and SECO officials did, however, share the following. Annual project assessments are conducted by the CD and Area departments. The IMF said the donor then conducts a "critical review" of the draft assessment,[56] but this is refuted by SECO, which does not feel the process is a collaborative one. A senior SECO official noted in a KII, "SECO is not involved. It is not a collaborative process."[57] SECO's perception is that ICD views CD more as the provision of TA and training inputs, and less as a process that involves change management. The evaluators find this view is reflected in most of the project assessments that were reviewed. The IMF KI did acknowledge SECO's perception when stating that ICD was in the process of introducing "more rigorous accountability into the RBM framework."[58] This is done using CDMAP to move to a system that includes direct links to "documents that substantiate the [project outcome] rating."[59]

Transmission of Information

Has the transmission of information between SECO and the IMF become more formalized, and if so, what have been the effects?

[55] From key informant interview SECO_19
[56] From key informant interview SECO_9
[57] From key informant interview SECO_12
[58] From key informant interview SECO_9
[59] From key informant interview SECO_9

This was recommendation #11 of the prior evaluation. Evidence to answer it was sought from document review and key informants. The Operational Guidelines contain a significant section devoted to "information exchange" that provides evidence that the transmission of information has become more formalized. However, evidence also indicates that not all the exchange of information actions had been taken, or if they were sustained, and that some transmission of information between SECO and the IMF occurs through informal channels. With some exceptions, noted in the next EQ, the two parties seem to be satisfied with the current transmission of information arrangements.

The Guidelines discuss several mechanisms or means to exchange information more formally. The first mentioned are annual consultations on two levels – strategic and operational. The first was to take place in October, possibly by teleconferencing, while the second which take place with each TA department (e.g., FAD) were to be scheduled "at a mutually agreed time." According to a senior IMF key informant, the annual consultations are for raising high-level concerns, although the event is "more about the IMF generally and how we operate in the world."[60] The impression of a senior SECO informant is that there were many processes and agreements that were never formalized.[61]

Evidence indicates that the two-level annual consultations have not been used to formalize the transmission of information. Yet this finding seems to suit the two parties fine; indeed, the SECO representative prefers "less process and more informal communications."[62] The IMF representative concurs, noting, "We have a very pragmatic and practical way of exchanging views."[63] Since the related recommendation from the last evaluation was accepted and the Operational Guidelines prepared, experience has shown that more formal forms of communication can complicate matters.

Have SECO and the IMF adopted a new approach to coordination/consultation, reporting and knowledge sharing, and if so, has it contributed to a more efficient programming process?

The Operational Guidance also addresses this past evaluation recommendation in covering "communication with SECO HQ and Swiss country representatives." Evidence from the three primary data sources indicates that the "new" approach is working well HQ to HQ, but that many local SECO and/or Swiss Cooperation representatives feel they often lack basic information about IMF SECO programming and thus are poorly positioned to contribute to a more efficient programming process.

The Guidance states that at project commencement the SECO-financed LTX (if any) will "make a best effort to contact local SECO and/or Swiss Cooperation representatives… to inform them of the TA activities and exchange views." IMF HQ missions will contact the local representative(s) to arrange a meeting while in country. The LTX will also strive to keep SECO country offices updated on progress throughout the project. Evidence from all three sources indicates that this coordination/consultation/ communication, reporting and knowledge sharing is typically sparse and *ad-hoc*. The problem is particularly acute when there is not an LTX (resident advisor) leading TA delivery.

[60] From key informant interview SECO_9
[61] From key informant interview SECO_13
[62] From key informant interview SECO_13
[63] From key informant interview SECO_9

In responding to the online survey, SECO field representatives frequently mentioned this and answered the question, "How can the current level of reporting better provide SECO with the necessary information for strategic decision-making?" by suggesting IMF-SECO discussion of annual work plans and milestones and regular exchanges with IMF experts delivering assistance. They also suggested periodic reporting against the Logframe, with deviations better explained. This suggestion is what RBM is intended to do and is in fact done to varying degree in the annual project assessments. The challenge noted above is that the assessments are typically prepared with little or no SECO consultation.

IMF and SECO Bilateral Cooperation Lessons Learned

How do the current LOUs (in particular, the Global LOU developed since the last evaluation) and any new operational guidance reflect lessons learned on bilateral cooperation?

The evaluators find that the IMF and SECO have done a reasonable job complying with the past evaluation recommendations related to bilateral cooperation with which they formally agreed. The Operational Guidelines are perhaps the most notable evidence of this. Having said this, while creating a new framework such as the Guidelines is a very significant step, *consistently and well applying the improved procedures in practice is the ultimate evidence* that lessons learned are sought through diagnostic tools like evaluation and then influence and improve future programming.

Evidence to answer the EQ was gathered from key informants and document review, not least of which the prior evaluation. A senior informant told evaluators that SECO clearly has learned lessons through the course of its bilateral cooperation processes with the IMF. The lessons are collected and discussed annually with the IMF Board. SECO believes the discussions influence not only how LOUs are framed but IMF policy more broadly.[64] The past adoption of RBM is an example.

The IMF's Capacity Development Board, led by a Deputy Managing Director, is also an important venue to discuss lessons learned. SECO has been invited to speak before it on new (to the IMF) practices such as the use of theories of change and a project inception phase. SECO feels that an important lesson learned is that use of Logframes and RBM more broadly can lead to unhelpful rigidity during project implementation if, for example, initial assumptions and risk assessments are not monitored for change (see EQ I(3), above, on RBM). SECO believes the lesson learned is that properly conducted RBM should reflect more change and adaptive management principles and approaches.[65]

A senior IMF informant stated that he believes SECO is very satisfied with the Fund's adoption of RBM and use of standardized project proposal and project assessment formats. Development and adoption of CDMAP is, the KI noted, another example of lessons learned being captured and reflected in improved processes and systems. On a pragmatic note, the official related how although the Operational Guidelines call for annual IMF-SECO consultations, the parties have learned to be flexible. For example, recent IMF staff changes prompted delay in the meetings to allow a period of orientation. The consultations themselves have been split into two sessions, one in DC and the other in Bern, which has proved to be a more effective and efficient use of time. Overall, the senior official noted, the IMF

[64] From key informant interview SECO_13
[65] From key informant interview SECO_9

appreciates SECO's high-level, strategic focus on achievements under the IMF CD interventions it supports.[66]

While the current LOU does not reflect bilateral cooperation lessons learned, the Operational Guidelines that it references does, as noted above in terms of project design and approval, and reporting and information exchange. This EQ indirectly flows from the previous evaluation as the establishment of Operational Guidelines was an explicit recommendation, albeit not one that called for linking either the LOU or Guidelines to lessons learned. However, the evaluation itself is a rich source of lessons learned and thus in answering the EQ the evaluators assessed how the IMF and SECO responded to and complied with the recommendations over the past several years.

Other evidence surfaced during the course of the current evaluation that reflect on IMF-SECO bilateral cooperation. In at least one case, SECO is funding an IMF CD project and their own bilateral CD intervention in the same area (PFM). In some instances, country authorities received conflicting recommendations from the two SECO supported efforts, due in part to poor communication. A KII with a Swiss Cooperation official noted, "The (IMF) consultants don't always come and visit us to give an update. It's important for us to be well informed even if it's a short-term consultancy because we try to link this well with our other projects. Relevance could be improved if the IMF would visit us more/or call us more."[67] Such situations can hamper IMF-SECO bilateral cooperation.

Conclusions, Lessons Learned and Evaluation Recommendations

In the two previous sections evaluation findings were presented, first on project performance and then strategic questions involving IMF-SECO partnership processes and governance. Here the evaluation team presents the main conclusions and lessons learned drawn from the findings followed by a set of recommendations linked to the conclusions. The conclusions and recommendations are divided into two groups corresponding to the dual evaluation objectives: (i) to provide advice on ways to improve the strategic nature of SECO support; and (ii) assess based on OECD DAC criteria the relevance, effectiveness, impact, efficiency and sustainability of the CD projects, with particular attention to the relevance and design of interventions.

A common problem with evaluations is mixing of, if not confusion between, findings and conclusions. The findings presented above are data and information collected from various sources using varied means (e.g., project managers interviewed as key informants). Findings include facts, opinions or perspectives. Conclusions are drawn from multiple findings related to an explicit evaluation question, or in the case of project performance, implicit questions related to OECD DAC criterion scoring (i.e., how relevant was an intervention, and why?). The evaluators utilized the process of synthesis ("to draw together") to derive conclusions from findings.[68] The process involves interpretation of the meaning and significance of findings, and determination of how if at all they interact with each other. Conclusions involve

[66] From key informant interview SECO_9
[67] From key informant interview SECO_24
[68] Interestingly, synthesis is also at the heart of any sound design process, be it of a CD intervention or a new consumer product.

sense-making and for evaluators answer the "so what?" question. Most but not all conclusions imply a corresponding recommendation as illustrated in the paragraphs below.[69]

A final note before presenting the conclusions, lessons learned, and recommendations of the current evaluation. The evaluators have naturally become quite knowledgeable about current IMF-SECO programming and with previous programming through careful review of the last evaluation. We believe the recommendations offered in that evaluation, with few exceptions, were and remain very sound. This belief is reflected in several of the conclusions and recommendations resulting from the current evaluation.

NOTE: Following the evaluation TOR, there are a total of nine conclusions and eight recommendations. The discrepancy in the numbers is because the first and fourth conclusions share the same recommendation. The eight sets of conclusions, lessons learned, and recommendations below follow the order in which the evaluation findings are presented the prior sections of the report. In addition, the evaluators offer an additional conclusion-recommendation set which falls outside the TOR but is warranted based on comments received on the draft evaluation report. A recommendations table at the end of the section provides the result of recommendation implementation, target audience, priority and time horizon, and cost implication.

IMF-SECO Partnership Processes and Governance

REC 1. Conclusion. The programming process is now better defined and the IMF-SECO Operational Guidelines have been a valuable addition to the IMF-SECO partnership as they do serve to clarify respective roles and responsibilities. The programming process in general and the Guidelines in particular would be more useful if they: (i) included a more comprehensive needs assessment at the project design stage; (ii) were updated to reflect lessons learned (including from this evaluation); and (iii) applied more consistently.

Lessons Learned. Operational Guidelines are an important programming tool, but to remain the most useful they should be updated on a regular basis.

Recommendations. (i) Update the IMF-SECO Operational Guidelines to reflect selected evaluation recommendations and appropriate adaptations from a mid-LOU "stocktaking"[70] exercise examining project assessment "lessons learned;" and, (ii) More consistently follow Guidelines in project design, implementation and assessment.

REC 2. Conclusion. Project selection and design and the use of the Logframe Analysis has improved (since the last evaluation) as evidenced by current utilization of the standard project proposal template, **but further improvement is possible and needed**. Good project design and use of RBM more generally considers both *what* the achievements need to be and *how* they are most efficiently achieved. RBM practice by the IMF is very basic. While useful for better reporting, the management approach will do little to engender better CD results since its use is concentrated during front-end design and for back-end reporting. Use for implementation (i.e., the management it is intended for) is largely absent. Project TA providers' (STX/LTX) and partner country authorities' buy-in, knowledge of, and

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[69] Although uncommon, a recommendation may also reflect more than one conclusion.
[70] The mid-point stocktaking replaces the mid-term evaluation. It focuses on learning to date and adaptive management to guide the remainder of the effort.

contribution to RBM, including the Logframe, is limited, undermining its use for performance management and reporting especially during implementation.

Lessons Learned: Sound project design, most useful for RBM, consists of more than a justification for the effort and the intended results (i.e., the Logframe). The implementation approach to achieve the intended objectives must also be addressed. IMF-SECO project proposals discuss TA modalities and complementary TA from other providers, but little on how milestones ("what" statements) will be achieved (the "how"), much less the resource requirements to actually operationalize the TA recommendations. As historically used by other donors, these requirements are the *inputs* in the Logframe and without them the framework is incomplete. Inputs should include not only resources committed by the Program but also those required of beneficiary countries. While a complete cost estimate may not be known before a project is proposed and approved, a rough magnitude should be given and a thorough estimate completed early in the inception planning.[71]

Recommendations: (i) Design major projects to highlight both the "what" (captured in the Logframe) and "how" the intervention will be implemented, including the use of RBM to monitor performance and risks in the operating environment, and adaptive management techniques to respond to collected data and information; (ii) improve Logframe utility for RBM by consistently including all required inputs for achievement of sought results and indicator baseline and end-line targets (quantifiable if possible)[72]; and (iii) further encourage and support the use of RBM among TA providers and country authorities as a performance management and reporting tool during project implementation.[73]

REC 3. **Conclusion. Transmission of information has not become more formalized in practice and SECO and IMF adoption of new information transmission approaches is partial at best**. The less formal arrangement suits both SECO and the IMF; it is not the first time a well-intentioned evaluation recommendation turns out to be off the mark. Information transmission approaches cannot, however, be said to be fully contributing to a more efficient programming process as communication between project teams and SECO field staff could be improved. This is important because as a senior IMF official noted, "SECO helps the IMF become more effective especially in areas where they have local representatives and the IMF does not. SECO local officials help IMF project move forward."[74] For this support to occur, local SECO officials need to be kept in the loop.

Lessons Learned: Communication is the important factor, not how formally information is transmitted.

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[71] Logframes examined in the evaluation did not contain inputs, although the recent operational guidance – 2020 RBM governance framework does highlight their importance as the starting point in the causal chain (see pg. 3). However, the Fund's definition of inputs appears to include just the dollars and FTEs associated with the TA provision, and not the overall resource requirement for achieving the desired outcomes and objectives. By way of contrast, a USAID financial sector policy analysis and implementation capacity development project in Honduras estimated total inputs of $8.64 million. Of this figure, $6.0 million was contributed by the U.S. Government while non-USAID funding was provided by the Government of Honduras, the Honduran Central Bank and the country's association of commercial banks.
[72] Annual indicator targets (in addition to milestones) should be used for major projects.
[73] This recommendation fully aligns and endorses the application of RBM as outlined in the Fund's new RBM Governance Framework, and in particular Box 2, "Engagement with Authorities on RBM" and Section D "In-Depth Application of RBM During Project Implementation."
[74] From key informant interview SECO_42

Recommendations: (i) When a long-term expert (LTX) Resident Advisor is deployed, require meetings with local SECO/Swiss Cooperation staff at least semi-annually. (ii) All short-term experts (STX) and IMF HQ staff missions should send a description of the mission's objectives and main tasks in advance of travel and then, if requested, debrief local Swiss officials at the conclusion of the mission. Use these opportunities to discuss progress based on RBM monitoring as well as any possible shifts in risk assessment and Logframe assumptions.

REC (see REC 1). Conclusion. While lessons learned from their bilateral cooperation are appreciated by the two bodies, the IMF-SECO LOU is not the best vehicle to capture and operationalize the new knowledge. Conducting regular high-level bilateral discussions and periodically updating the Operational Guidelines to reflect learning are likely to be more effective means to achieve the desired objectives of CD interventions.

Lessons Learned: Bilateral cooperation lessons learned are best captured and reflected in Operational Guidelines, not LOUs.

Recommendation: None (covered under #1)

Project Assessment

REC 4. Conclusion. Many CD projects continue prior efforts that require additional time, effort, and resources. Reasons are generally either unanticipated challenges arose, the original scope was underestimated, or a desire to continue strong performance.

Lessons Learned: Some projects involve significant change that cannot be accomplished in a sustainable manner over three years.[75] Short, serial interventions are generally not efficient and should be avoided.

Recommendation: Consider the designation and design of **"major projects"** with a 5-year life-of-project (LOP), or alternatively 3-year IMF-SECO interventions with a planned hand-off to Swiss bilateral assistance to support implementation and institutionalization of reforms. For example, the Swiss have four current IMF projects in one country contained in the sample, including with SECO, involving PFM, tax administration, and statistics.[76] Swiss bilateral assistance in CD areas covered in the IMF-SECO Subaccount is similar and complementary. Aside from involving "significant change" and a 5-five year period of performance, other "major project" criteria might involve multi-country and multi-topic efforts which tend to be more complex, and/or countries with low absorptive capacity which have special challenges.[77]

REC 5. Conclusion. Projects as a whole are relevant and efficiently implemented, but have modest effectiveness, sustainability and ultimately impact. OECD criteria are inter-related, with some criterion scores dependent on others, as follows: Effectiveness is dependent on Efficiency; Impact is dependent on Effectiveness and Relevance; and Sustainability is dependent upon Relevance and Impact. Efficiency is generally strong, largely based the high quality of TA providers, and in many cases the strong professional relationships both STX and LTX have developed with beneficiary country counterparts.

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[75] See, for example, an ambitious PFM project (Annex I, pg. 39)
[76] From key informant interview SECO_24
[77] Based on such factors, possible examples of major projects from among the evaluation sample include FAD_PER_2017_04, MCM_TJK_2017_01 and STA_EUR_2017_01.

Efficiency can be further strengthened by putting greater attention on country-level constraints to project implementation and improving both external and internal coherence involving, respectively, other CD input providers and stakeholder agencies within counterpart governments. In short, the most productive way to improve modest project Effectiveness is to further strengthen Efficiency.

Lessons Learned: The best project performance is attributable to a number of factors but the most important are national conditions such as strong political leadership, committed national managers, and competent technical staff. Ensuring greater ownership/agency on the part of the beneficiary country and developing staff capacity to implement the CD recommendations at the recipient institutions are required to implement TA recommendations effectively and efficiently. Additionally, maintaining continued high-level political and management support is needed during the "slog" of implementation over months, and in some cases years, of effort. Another important factor is coherence – both internal and external – which include complementarity, harmonization, and co-ordination with others, while avoiding duplication of effort. IMF-SECO CD efforts are no different from the development efforts of other donors: As important as a solid project design based on RBM principles and well-done needs and risk assessments are to set the course, experience shows that ultimately implementation is most important for results achievement; i.e., effectiveness.

Recommendations: (i) In at least "major projects," move project design beyond the current focus of interventions on TA to develop recommendations to actively support greater country ownership/agency and implementation capacity through actions such as use of tools like political economy analysis to better understand the interests, obstacles and possible incentives associated with the desired change; (ii) support country authority understanding of, commitment to, and greater responsibility for RBM[78] as well as capacity development of recipient institution staff to operationalize recommendations linked to the reform program; (iii) Emphasize coherence along with other OECD/DAC criteria when designing, implementing, and evaluating projects. When projects with significant CD requirements are linked to a Fund program, and when the need for CD is macro-critical in association with IMF programs, then include CD as a structural benchmark in the program. An additional option to safeguard sufficient resources in the budget for implementation and sustainability of CD is close coordination between the Area Department for the country and the CD delivery teams for resource intensive projects to avoid insufficient resources for implementation of the intervention's recommendations. Foster closer coordination (i.e., coherence) of IMF-SECO and Swiss Cooperation programming in the provision of post-IMF intervention implementation support.

REC 6. Conclusion. The strongest Relevance is driven by demand for improvement, which is driven by interests both internal and external to the country. Internal factors include political support, building on past CD investments, and current absorptive capacity. External factors involve meeting international standards including those associated with membership in international bodies (e.g., the EU, OECD), IMF programs, and Article 4 surveillance. Market attractiveness (for investment in government securities) is a demand factor driven by both internal and external interests.

[78] In line with the IMF's new RBM Governance Framework, in particular "Engagement with Authorities on RBM" (Box 2).

Lessons Learned: As countries develop and become more integrated into the global economy, external demand drivers become more important to Relevance.

Recommendations: Identify and tie projects to demand drivers linked to both internal and external drivers that not only increase relevance but lead to greater impact and sustainability. Do not extend projects to salvage earlier investments absent demonstrated demand.

REC 7. Conclusion. Strong Efficiency is driven by the quality of project design and especially implementation. When efficiency, and therefore effectiveness, are sub-optimal it is typically due to weak implementation, insufficient donor coordination, and changes in the operating environment which are not addressed through risk assessment, adaptive management and building institutional absorptive capacity. Weak implementation is caused by sub-optimal project management both in terms of latitude and the skill range and knowledge of managers. Project management at the IMF tends to emphasize administrative tasks and short-change technical aspects of management, which includes the non-use of Logframes and risk assessments for performance management.

Lessons Learned: Strong project management requires the presence and use of both administrative and technical skills. Broad, proactive project management is associated with greater cost-efficiencies and likelihood of results.

Recommendation: (i) include costed implementation plans which identify both IMF and partner responsibilities in all major project proposals; (ii) expand project manager responsibilities to cover technical tasks of management as well as administrative tasks; and, (iii) for major projects with a longer LOP, include an inception phase during which an assessment of institutional needs and absorptive capacity can be conducted.

REC 8. Conclusion. To the extent they exist, project-level needs assessment efforts focus nearly exclusively on technical problems (e.g., poor quality statistics, or weak bank supervision) and not enough on the underlying reasons why problems exist due to capacity constraints or lack of political will for reforms. For RBM to work as intended with CD interventions, solid baseline and end-line needs assessments are required. Risk assessments using a standard format are routinely prepared as part of the Project Proposal Logframe but they do not appear to be reviewed and updated during implementation; e.g., as part of annual project assessments.

Lessons Learned: CD is difficult to achieve without an initial understanding of institutional needs gained through a thorough assessment. Risks are important to reassess during project implementation.

Recommendation: Projects, especially "major projects," should conduct thorough needs assessments that identify root causes of capacity constraints. Design and implement interventions to address capacity gaps which must be filled to affect and sustain recommendations. Regularly reviewing and possibly updating the project risk assessment during implementation should be a standard operating procedure.

ADDITIONAL REC. Conclusion. The IMF is the preeminent multilateral financial institution as its Articles of Agreement highlight in terms of promoting "international monetary cooperation." However, the IMF has always been to some degree, and increasingly serves as, a development organization as its CD programming illustrates. While the IMF's embracing of evaluation and RBM provide evidence that this role is acknowledged by some, the evaluators view that the full acceptance of the Fund's developmental role and the responsibilities associated with it is called into question by how deeply and widely these are actually practiced within the institution.

RBM provides a prime example. It is a complex approach that relatively few development organizations practice fully. In most instances, its promotion and use are aspirational. The Fund's new RBM Governance Framework and associated guidance is a well-intentioned and prepared effort to support wider and more informed use of the practice. However, it is not clear if the Fund has taken a close look at its experience with RBM over the past few years that could identify valuable lessons learned and best practice to inform future practice. The institutionalization of RBM within any organization, and not least the Fund, involves a significant change management effort which would greatly benefit from such a foundation.

There is ample evidence ranging from the 2016 CEF to the new RBM Governance Framework that the Fund is committed to evidence-based performance management and improving its achievement of CD results. There is also ample evidence from this evaluation that the systems put in place to support these objectives could work better. While the value of this evaluation and others like it at the level of RTAC and bilateral subaccount level cannot be in doubt, some comments posed by reviewers of this (draft) report, from the perspective of a development practitioner, call into question whether program-level TA evaluation is sufficient to provide the learning required to significantly move the needle towards better outcomes. Experience from decades of developmental evaluation indicate that needed knowledge and understanding can only be gained through well-conducted evaluation at the project-level, from which findings, conclusions and recommendations can be applied to similar programming.

Recommendations: (1) Conduct detailed project-level developmental evaluations using a case study method comparing similar paired projects to assess: (i) underlying country-specific political economies; (ii) the degree of country ownership during project formulation and implementation; (iii) project implementation efficiency; and (iv) the relationship of these factors to project achievements. **(2)** Conduct a stocktaking exercise[79] of the Fund's recent use of RBM to inform actions undertaken to operationalize the new RBM Governance Framework and update the associated Operational Guidance with lessons from experiential learning and examples of best practice.

FAD and MCM should lead the respective evaluations, with outside evaluation specialists on each team. ICDSE should lead the stocktaking exercise with the assistance of a reflective practice specialist. To ensure maximum utility, the exercise should involve a small sample of beneficiary country representatives.

[79] A learning-oriented assessment of a strategy, approach, system or project using a "reflective practice" methodology to answer a series of questions on fundamental issues such as the strength of the theory of change and validity of original assumptions with the benefit of some hindsight, as well as anticipated vs. actual performance. See (Schon, 1983) and https://en.wikipedia.org/wiki/Reflective_practice#:~:text=Reflective%20practice%20is%20the%20ability,examining%20practice%20reflectively%20and%20reflexively for information on reflective practice.

Table 5 Summary of Evaluation Recommendations

RECOMMENDATION	RESULT OF RECOMMENDATION IMPLEMENTATION	TARGET AUDIENCE	PRIORITY/TIME HORIZON	COST IMPLICATION
REC 1. Update the Operational Guidelines	Useful lessons learned are better reflected in programming processes resulting in performance improvement	IMF and SECO	High/Upon acceptance of evaluation recommendations	Insignificant
REC 2. Improve Project Design to cover "what" and "how"	Implementation is given greater attention resulting in greater project efficiency and effectiveness	IMF, LTX/STX and Country Authorities	Moderate/ Next update of Global LOU	Modest in terms of RBM capacity development for broader stakeholders
REC 3. Enhance IMF-SECO information exchange	With greater awareness and knowledge, SECO field staff can better support project outcomes	IMF and SECO	High/ Concurrent with update of Operational Guidelines	None
REC 4. Designate and design "major projects"	Better alignment between ambitious project outcomes and dedicated time and resources. Avoids inefficient serial project extensions.	SECO and IMF	Moderate/ Next update of Global LOU	None directly, but management costs could marginally increase
REC 5. Better support project implementation	Solves the problem of partner countries willing to undertake reforms but unable to mobilize resources to support required multi-year implementation. Addresses the critique that the IMF dispenses (good) advice, but then moves on.	IMF (Board) and SECO	Moderate/ Next update of Global LOU	Moderate-to-high in terms of IMF or SECO resources
REC 6. Tie projects to "demand drivers"	Responds to the evaluation conclusion that the most successful interventions are demand driven, including by the IMF (e.g., Article 4 surveillance), peer groups (e.g., the EU) and markets (e.g., purchase of government paper)	IMF	High/Begin with new project proposal in 2021	None
REC 7. Prepare costed project implementation plans	A basis is established for IMF-SECO and partner country authorities to consider cost-effectiveness and cost-efficiency when designing projects	IMF	Moderate/ Next update of Global LOU	Modest in terms of some additional LOE

REC 8. Conduct thorough needs assessments	A foundation is established for RBM to better support and measure capacity development	IMF	Moderate/ Next update of Global LOU	Modest in terms of some additional LOE
ADDITIONAL REC. Conduct project-level evaluations and RBM stocktaking	Provide the learning required to significantly move the needle towards better outcomes	IMF-SECO (evaluation) IMF (stocktaking)	Low (evaluations) Moderate (stocktaking)	Moderate-to-high (evaluation) Modest (stocktaking)

ANNEX I Individual Projects

Table 6 DAC Scores by Project, Average, and Aggregate

PROJECT ID	REV	EFF	IMP	EFC	SUS	TOTAL SCORE	AVERAGE SCORE
FAD_COL_2017_02	1.0	1.0	NA	NA	NA	**2.0**	**1.0**
FAD_COL_2017_04	4.0	3.5	4.0	3.5	4.0	**19.0**	**3.8**
FAD_EGY_2019_01	3.0	NA	NA	2.0	NA	**5.0**	**2.5**
FAD_EUR_2017_02	4.0	1.5	1.5	2.5	2.0	**11.5**	**2.3**
FAD_PER_2017_01	3.5	2.5	2.0	3.0	2.5	**13.5**	**2.7**
FAD_PER_2017_04	3.5	3.0	2.5	3.0	2.5	**14.5**	**2.9**
MCM_ALB_2017_03	4.0	3.5	3.5	3.5	3.5	**18.0**	**3.6**
MCM_GHA_2017_01	2.5	2.5	1.5	3.5	1.5	**11.5**	**2.3**
MCM_KGZ_2017_01	3.0	2.5	3.0	3.5	2.5	**14.5**	**2.9**
MCM_TJK_2017_02	1.5	1.5	1.0	1.5	1.0	**6.5**	**1.3**
STA_EUR_2017_01	3.0	2.0	2.0	3.0	2.5	**12.5**	**2.5**
STA_IMF_2017_04	4.0	3.5	3.5	3.5	4.0	**18.5**	**3.7**
STA_MCD_2017_01	3.0	2.5	2.0	3.5	2.5	**13.5**	**2.7**
SCORE AVERAGE	**3.08**	**2.46**	**2.41**	**3.00**	**2.59**	**160.50**	**Out of 236**

Table 7 Average DAC Scores by Workstream and Country Type[80]

CATEGORY	REV	EFF	IMP	EFC	SUS	TOTAL SCORE	AVERAGE SCORE	SAMPLE SIZE
FAD Projects	3.2	2.3	2.5	2.8	2.8	65.5	2.7	6
MCM Projects	2.8	2.5	2.3	3	2.1	50.5	2.5	4
STA Projects	3.3	2.7	2.5	3.3	3	44.5	3.0	3
Emerging Markets	3.3	2.6	2.7	3	3	114.5	2.9	9[81]
Low-Income Countries	2.3	2.2	1.8	2.8	1. 7	125	2.2	3[82]

[80] Only 12 out of the 13 sampled projects could be classified as supporting emerging markets vs. low-income countries. One project (STA_MCD_2017_01) was excluded. The three countries receiving support under this project—Azerbaijan, Kyrgyz Republic, and Tajikistan—fall in different economic groups. Azerbaijan is an emerging market while the latter two are low-income countries. This heterogeneity prevents the project's inclusion in either category.

[81] The emerging markets group was comprised of all six FAD projects in the sample, one MCM project (MCM_ALB_2017_03), and two STA projects (STA_EUR_2017_01 and STA_IMF_2017_04).

[82] The low-income countries group was comprised of three MCM projects (MCM_GHA_2017_01, MCM_KGZ_2017_01, MCM_TJK_2017_02).

The first six projects in the sample all involved CD to improve public financial management (PFM) and/or revenue administration. All but one project are single-country efforts overseen by IMF/FAD and executed using similar mix of STX and LTX TA modalities over timeframes ranging from 2 to 3 years. Several projects are linked to tools such as a PEFA and TADAT or Fiscal Transparency Evaluation (FTE). The two projects each in neighboring Colombia and Peru were similar and in one case shared LTX. One project in Colombia scored the highest within the sample, while the other scored the lowest. The low scoring project in Egypt only recently started but is getting off to a delayed and somewhat rocky start. A lesson learned from several countries but especially Colombia is the variation in the impact of national leadership transitions following elections and how these may be managed in project Logframes and risk assessments. Another lesson from the multi-country project in South Eastern Europe regards the importance of political commitment.

Table 8, on the following page, presents an analysis of the projects in the sample in terms of their TA modality, costs, and overall OECD score. A narrative describing the results of the analysis is contained in the main body of the report, under the OECD criterion of Efficiency.

Table 8 Project by Modality and Costs

PROJECT ID	HQ Delivery	STX	LTX	Seminars	Mis.	Project Management	Sub-Total	Trust Fund Mngmt Fee	Total Budget	Cost per Month	Overall Project Score
FAD_COL_2017_02	$354,515	$426,833	$0	$0	$0	$73,791	$855,140	$59,860	$915,000	$24,730	2
FAD_COL_2017_04	$547,590	$238,291	$259,396	$150,291	$0	$112,843	$1,308,412	$91,588	$1,400,000	$32,558	19
FAD_EGY_2019_01	$507,465	$358,762	$850,047	$177,324	$105,000	$222,988	$2,221,586	$155,511	$2,377,097	$66,030	5
FAD_EUR_2017_02	$861,296	$957,832	$816,360	$0	$16,871	$338,295	$2,990,654	$209,346	$3,200,000	$133,333	11.5
FAD_PER_2017_01	$421,960	$539,124		$230,199	$0	$117,127	$1,308,411	$91,589	$1,400,000	$35,000	13.5
FAD_PER_2017_04	$423,182	$308,011	$477,662	$197,459	$6,121	$155,860	$1,568,294	$109,780	$1,678,074	$46,613	14.5
MCM_ALB_2017_03	$33,425	$28,183	$313,672	$0	$0	$45,269	$420,548	$29,438	$449,986	$24,324	18
MCM_GHA_2017_01	$209,219	$0	$629,108	$0	$0	$123,834	$962,161	$67,351	$1,029,512	$28,598	11.5
MCM_KGZ_2017_01	$28,509	$25,116	$203,678	$0	$20,290	$36,297	$313,890	$21,972	$335,862	$12,439	14.5
MCM_TJK_2017_02	$43,684	$46,639	$688,384	$0	$0	$125,908	$904,615	$63,323	$967,938	$34,569	6.5
STA_EUR_2017_01	$162,122	$214,521	$988,341	$127,326	$0	$207,545	$1,699,854	$118,990	$1,818,844	$38,699	12.5
STA_IMF_2017_04	$222,300	$167,091	$309,376	$46,887	$0	$81,796	$827,450	$57,922	$885,372	$18,838	18.5
STA_MCD_2017_01	$163,165	$232,809	$0	$342,763	$0	$125,510	$864,247	$60,497	$924,744	$19,675	13.5
								Average Cost Per Month:		**$39,647**	

FAD Projects

The first six individual projects involve IMF FAD work streams of public financial management (PFM), revenue administration, fiscal transparency, and budget reform. Several projects built off PEFA or TADAT exercises and at least one, FAD_PER_2017_04, involved a Fiscal Transparency Evaluation (FTE). This is significant because these methodologies provide useful metrics upon which to base project designs. Among the FAD projects are found both the highest (FAD_COL_2017_04) and lowest (FAD_COL_2017_02) scoring efforts, both in the same country – Colombia. Another FAD project, in Egypt, was both just started and has had delays, thus resulting in several "N/A" scores due to lack of a track record.

FAD_COL_2017_02

Colombia Revenue Administration

Start and End Dates: February 6, 2017 to February 28, 2020

Status: As of April 30, 2019, activities planned for FY20 were suspended.

Colombia (COL)[83]				
OBJECTIVE: Strengthened revenue administration management and governance arrangements				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Corporate priorities are better managed through effective risk management	Not Achieved	1. Better mitigation of risks through a compliance improvement program (TADAT POA2-4) 2. Better identification, assessment and mitigation of institutional risks (TADAT POA2-6)	1. - The SSA and the GTA do not have in place any CIP. - The DIAN has in place a CIP; however, it needs to be updated to incorporate risk mitigation activities for key economic sectors and taxpayer segments. 2. None of the three agencies has formally identified its institutional risks.	1. 2.
Milestones	**Rating**	**Milestone Achievements**		
An action plan to develop a compliance improvement program is in place by the social security agency, the tax gambling agency, and the DIAN.	Not Achieved			
Institutional risk mitigation activities are monitored and evaluated by the DIAN	Not Achieved			
Compliance risk mitigation activities related to economic sectors, medium and small activities, taxpayer segments, and high net wealth individuals are monitored and evaluated by the DIAN.	Not Achieved			
Compliance risk mitigation activities related to base erosion, profit shifting, and aggressive tax planning are monitored and evaluated by the DIAN.	Not Achieved			
Institutional and compliance risk mitigation activities are monitored	Not Achieved			

[83] Logframe from- (IMF, Project Assessment Colombia: Revenue Administration Project, May 2019)

and evaluated by the social security and tax gambling agency.		
Reforms on corporate priorities and compliance are adopted by the authorities and aligned with the new compliance plan.	Not Achieved	

Colombia (COL)				
OBJECTIVE: Strengthened core tax administration functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A larger proportion of taxpayers meet their payment obligations as required by law	Partially Achieved	1. Management of refunds improved (TADAT POA8-24) 2. Management of tax arrears improved (TADAT POA5-15)	1. Baseline: status at end of December, 2016. 2. Baseline: status at end of December, 2016.	1. 2.
Milestones	**Rating**	**Milestone Achievements**		
A pilot for a new tax arrears process (it includes improving both administrative and enforced steps of arrears collection) is implemented.	Partially Achieved			
A pilot for new systems (for registering taxpayers, authorizing tax invoices, controlling suppliers, and registering taxpayers' noncompliant behaviors) is implemented.	Partially Achieved			
Reforms on tax arrears process are adopted by the DIAN.	Not Achieved			
Reforms on refunds process are adopted by the DIAN.	Not Achieved			
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Audit and other verification programs more effectively ensure accuracy of reporting	Partially Achieved	1. Automated cross-checking used to verify return information (TADAT POA6-16)	1. The DIAN use some basic automated cross-checking processes; however, they are not part of a comprehensive control strategy.	1.
Milestones	**Rating**	**Milestone Achievements**		
Reforms to improve quality, consistency, and opportunity of tax information are adopted by the DIAN.	Not Achieved			
A pilot for new processes (electronic invoices and high-coverage audits) is implemented.	Partially Achieved			
Reforms on electronic control strategy are adopted by the DIAN.	Partially Achieved			

Colombia (COL)				
OBJECTIVE: Improved customs administration core functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Customs control during the clearance process more effectively ensures accuracy of declarations	Largely Achieved	1. Risk-based control selectivity applied more consistently	1. The DIAN has in place a basic risk-based control selectivity process; however, it is not part of a comprehensive control strategy.	1.
Milestones	**Rating**	**Milestone Achievements**		

Reforms to improve quality, consistency, and opportunity of customs information are adopted by the DIAN.	Partially Achieved	
A pilot for a new risk-based system is implemented.	Fully Achieved	
Reforms on risk-based management for customs operations are adopted by the DIAN.	Fully Achieved	

The project targets resource mobilization and strengthening management in tax and customs administration. There were three project objectives: (1) better revenue administration, management and governance arrangements; (2) stronger tax administration core functions; and (3) strengthen core customs administration function, supported by a total of four outcomes. The TA modality was HQ and STX delivery.

The Interim Project Assessment (May 2019) found one outcome was not achieved, two were partially achieved, and the fourth outcome was fully achieved. The Assessment noted activities planned for FY20 had been suspended "until DIAN develops a plan on how it will address its main constraints." This assessment finding pertains to the unachieved outcome, "Corporate priorities are better managed through effective risk management," for which none of the six milestones were achieved.

Based on the findings elaborated below, the project received 2 points out of a possible 8, with three criteria receiving a "N/A" due to the suspension.

Relevance: "**1**" Original score was "4" but changed as a result of new presidential administration. New OECD/DAC guidance on the use of the evaluation criteria require "…analyzing any change in context to assess the extent to which the intervention can be (or has been) adapted to remain relevant." The adaptation taken was to suspend activities. The guidance also notes, "Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances."[84] The change in administration called into question the continued relevance of the original objectives. The political instability risk, "low," did not seem to be assessed fully.[85]

Effectiveness: "1" As a result of the April 2019 mission the last FY19 activity and all FY20 activities planned for FY20 **were suspended** until the (DIAN) authorities develop a plan to address its main constraints.[86] The final assessment noted that the plan is being prepared with support from the IDB, which is also working with the WB on addressing DIAN's IT deficiencies. KII within the IMF noted they started working with a champion and made a lot of progress… But then the new administration came in and priorities shifted.[87]

Impact: "N/A" Project was suspended.

Efficiency: "N/A" Project was suspended.

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[84] (OECD, Dec. 2019, pp. 7-8)

[85] (Rojas, Project Proposal for External Financing of TA Activities, 2017), (IMF, May 2019), (Rojas, SECO Colombia Revenue Administration Briefing Paper, August 2017)

[86] (IMF, Project Assessment Colombia: Revenue Administration Project, May 2019, p. 5)

[87] From key informant interview SECO_10

Sustainability: "N/A" Project was suspended.

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The initial relevance of the project was rated highly; however, the foreseen presidential elections occurred in May 2018 after a little over the first year of implementation. A reorientation of priorities by the new administration led to the suspension of the project by the IMF in April 2019. This accounts for extremely low overall score of 1 for the relevance criterion. The recently revised DAC criteria definitions and guidance[88] notes for relevance that its assessment "…requires analyzing any changes in the context to assess the extent to which the intervention can be (or has been) adapted to remain relevant." In this case, lack of relevance noted in the score was due to the shift in priorities by the new administration. The IMF project assessment (May 2019) notes, "It is a political decision and not a technical issue to implement the IMF recommendations to deal with the situation."[89]

What appears to have occurred is that the Santos administration found the project relevant, but the Duque administration which followed found the IDB intervention more relevant to their perceived need, at least in the shorter-term. The IMF questioned this decision, calling it "bad," noting the risk that if the IDB tried to create a new IT system without understanding the processes it would likely fail.[90] The response of the IMF was, in April-May 2019 to suspend activities planned for FY20 until the tax authorities developed a plan on how they will address its main constraints. The plan was to be prepared with the IDB, a process that could require a year. The project assessment noted that IMF/FAD would liaise closely with the IDB to coordinate the plan. From the evidence available to evaluators it does not appear IMF took steps to adapt the project to remain relevant in light of the changed context. Instead, the IMF suspended activities because although the IMF's own recommendations to rebuild IT systems requiring significant investment had not been foreseen in the original project design, it disagreed with the new Colombian administration's decision to let the IDB lead the IT upgrade in spite of the fact the bank had the resources available to cover costs.[91]

2) *What alternative interventions, if any, might have provided better results and why/how?*

The poor achievements were not on account of the design of the intervention itself, as the success of a very similar revenue administration intervention in Peru during the same period indicates.[92] The problem was the timing; i.e., that the intervention's design and negotiations with Colombian authorities took place under one administration but given elections and the change in administration, implementation was required under another. Many IMF CD interventions will occur over a period that may see a change in national administration. However, when that possibility comes in the first 18 months of implementation, the design should explicitly call for a pause to reassess relevance, and possible adaptation of the intervention, once any new administration is seated. Based on development best practice,

[88] (OECD, Dec. 2019)
[89] (IMF, May 2019, p. 4)
[90] From key informant interview SECO_10
[91] From key informant interview SECO_10
[92] (IMF, May 2019)

approving a new intervention within 12 months of a national election should generally be avoided due to the possibility of changed priorities.

Another problem was that advances in revenue administration required large investments in IT, not done by IMF nor funded by SECO, and thus Colombia turned to the IDB – which a KII termed a "bad decision," due to the potential for serious delays with the IT procurement. This development contributed to the IMF suspension of the intervention. This KII also revealed that the WB suspended their intervention for similar IDB coordination reasons.[93]

The January 2017 project proposal's risk assessment noted political instability but rated it as "low" in spite of the fact that the election was scheduled before the mid-point of the three-year project. Perhaps the assumption was that the then-supportive Santos administration would not change. However, the elections resulted in the administration of Ivan Duque Marquez taking office in August 2018. In October, a FAD staff visited Bogota to engage with the new authorities. The evaluators found no evidence the project risk assessment or mitigation plan was modified as a result of this visit.[94] In April 2019, an IMF HQ mission visited Bogota to assess progress and found that the tax authorities had made little progress in implementing previous STX and HQ-mission recommendations. According to the IMF project manager, there were coordination issues with the WB and particularly IDB.

Better results may have been achieved through an alternative intervention which required less coordination and was not so dependent on inputs (IT) from another source. The intervention's risk assessment did not serve its intended purpose.

FAD_COL_2017_04

Colombia Improving Fiscal Transparency

Start and End Dates: October 1, 2016 to April 30, 2020

Status: Ongoing; project extension to December 2020 requested to ensure continuity with planned SECO intervention(s)

Colombia (COL)[95]				
OBJECTIVE: Improved coverage and quality of fiscal reporting				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Partially Achieved	1. Fiscal reports' coverage of institutions (FTC 1.1.1) 2. Fiscal reports' coverage of stocks (FTC 1.1.2) 3. Fiscal reports' coverage of flows (FTC 1.1.3)	1. FTE indicators 1.1.1, 1.1.2 and 1.1.3 are at the "Basic" level.	Comprehensiveness, frequency, and quality of fiscal reports is enhanced
Milestones	**Rating**	**Milestone Achievements**		

[93] From key informant interview SECO_10
[94] It is important to note that another SECO project (FAD_PER_2017_01), see below, was also underway during this same period what was assessed as very successful. There was also some disruption as a result of the transition, but it was temporary. The problem with this project appears to be centered on new officials at the top of DIAN.
[95] Logframe from- (IMF, May 2019)

A uniform and harmonized definition of subsectors (entities, public corporations, subnational governments, off-budget accounts) is developed and adopted in main fiscal reports.	Partially Achieved	An action plan has been proposed to address some of the issues regarding the non-homogeneous-definition of the government accounting entities.		
The institutional coverage of the fiscal and accounting reports is enhanced to the general government sector.	Not Achieved	The General Account Office issued a regulation according to IPSAS for the public sector. The issuance of the first consolidated balance sheet of the Colombian public sector according to IPSAS and International Financial Reporting Standards (IFRS) is expected by May 2019.		
The coverage of financial and non-financial stocks and flows in the fiscal and accounting reports are expanded in progress towards compliance with IPSAS and GFSM 2014.	Partially Achieved	A law with a public sector coverage of the financial flows and stocks was passed by the legislature.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
The chart of accounts and budget classifications are aligned with international standards	Largely Achieved	1. Consistency and comparability of budget classification with international standards (PEFA PI-4, FTC 1.3.1)	1. Chart of Account is not fully compatible with IPSAS and GFSM 2014 (Basic).	
Milestones	**Rating**	**Milestone Achievements**		
Economic classification used in the budget and accounting systems, aligned with international accounting and statistical standards (IPSAS and GFSM 2014), developed and ready for implementation.	Largely Achieved	Inputs from other ongoing projects are needed to fully achieve it. The implementation of budget classifications in the local entities' IT system is still pending. It is planned to be ready by January 2020.		
An evaluation completed of the strategy to incorporate and update the new chart of accounts and the budget classifications in SIIF as proposed by the 'Strengthening the Public Financial Management of Colombia Project' financed by SECO	Fully Achieved	Three alternatives were proposed to update the IFMIS and incorporate the new budget classifications and chart of accounts.		
Reporting the implementation of the strategy adopted to update the IFMIS.	Fully Achieved	A report to monitor the implementation has been defined and is being produced quarterly since September 2017.		

Colombia (COL)				
OBJECTIVE: Strengthened core tax administration functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Disclosure and management of contingent liabilities and other specific risks are more comprehensive	Largely Achieved	1. Reporting specific fiscal risks (FTC 3.1.2)	1. Indicator 3.1.1 (Basic), 3.1.2 (Basic), 3.3.1 (Basic) and 3.3.2 (Basic).	
Milestones	**Rating**	**Milestone Achievements**		
Macroeconomic and specific fiscal risks from the main contingent liabilities are identified and where possible quantified.	Largely Achieved	The published FTE assessment is used as the baseline for the implementation of this milestone. PFM action plan based on PEFA and FTE results, which is pending approval, will provide strategic directions in this area. The March 2019 HQ mission identified the issues on macroeconomic risks and provided recommendations to address them.		

Colombia (COL)				
OBJECTIVE: Improved Asset and Liability Management				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**

Cash and debt management are strengthened and better integrated	Largely Achieved			

Milestones	Rating	Milestone Achievements
Treasury routinely prepares cash forecasts and cash plans.	Fully Achieved	Cash plans are routinely prepared.
Methodology, guidelines, and performance indicators are designed to promote a better integration of cash, debt, and fiscal risk management.	Fully Achieved	Missions' recommendations on cash and debt management integration have been included in the Treasury conceptual design.
Core business processes are improved to strengthen the asset and liability management and an adequate governance.	Largely Achieved	Missions' recommendations on core procedures of the treasury back office need to be implemented. The implementation of these measures will run in parallel with the acquisition of the new Treasury IT system.
The BCP/DRP is fully implemented in the MHCP and DGCPTN.		This milestone needs to be removed as it is no longer an area of responsibility for DGCPTN.
Active participation of the DGCPTN in the Latin American regional seminars is increased and a technical guidance document is prepared.	Fully Achieved	A workshop was delivered and a technical note was prepared and delivered.
Active participation of the DGCPTN in the Latin American regional seminars is increased and a technical guidance document is prepared.	Fully Achieved	A technical guidance document is being developed.
Active participation of the DGCPTN in the Latin American regional seminars is increased and one technical guidance document is prepared.		The seminar and technical guidance document are not yet started

The project assisted the Colombian ministry of finance (MHCP) to strengthen its main public financial management (PFM) systems. There were three project objectives: (1) improved coverage and quality of fiscal reporting; (2) strengthened identification, monitoring and management of fiscal risks; and (3) improved integration of asset and liability management, supported by a total of four outcomes. The TA modality was HQ and STX delivery, and a peripatetic LTX advisor (shared with an IMF-SECO PFM project in Peru).

The Interim Project Assessment (April 2019) found three outcomes were largely achieved and the final was partially achieved.

Based on the findings elaborated below, the project received 19 points out of a possible 20.

Relevance: "4" Closely aligns with top GOC priorities of OECD accession, meeting Pacific Alliance (of which Colombia is a member) PFM standards, and supporting foreign and domestic investment in government debt (bonds). Colombia is the only country in sample where private sector investment was identified as a motivating factor.[96]

Effectiveness: "3.5" IMF assessed all outcomes except one as largely achieved. Main GOC counterparts assessed objectives as "fully achieved." Only major effectiveness challenges involved coordination with other DP PFM-related interventions, including the WB effort to procure IT.[97]

Impact: "4" Colombia was admitted to the OECD in late-April 2020, ending a process which began in 2013. The PFM intervention contributed to this significant outcome.

[96] (Arcos, 2016),
[97] (IMF, May 2019)

Colombia is only the third country in Latin America to become an OECD member (others are Mexico and Chile).[98]

Efficiency: "3.5" Leveraging of prior investment in PEFA and FTE, participation in the Foro de Tesorerías Gubernamentales de América Latina (FOTEGAL), and the sharing of the LTX with Peru are notable. Although it caused some delay, shared outcomes with WB procurement of IT. Generally good DP coordination, except perhaps with the SECO bilateral PFM project which according to one KI gave conflicting advice. This Colombian official noted, "It was difficult because on the one hand you had the technical team from the IMF making recommendations, and on the other hand you had another team funded by SECO with a different recommendation."[99]

Sustainability: "4" Sustainment of reforms supported by OECD and Pacific Alliance memberships, IMF Article 4 surveillance and higher GOC bond investor expectations.

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The most significant factor explaining this intervention's very high score is likely the link to meeting OECD membership standards. This is one of very few interventions evaluated which was given a "4" for Impact, given that membership was recently obtained. This also accounted for the "4" given for Relevance due the very close alignment with a top GOC priority, and Sustainability given the presumption that achievements will be maintained as to not jeopardize membership. Efficiency was also rated highly due to leveraging other investments (PEFA and fiscal transparency assessment), good donor coordination and sharing the services of the LTX with a similar intervention in Peru (see FAD_PER_2017_04).[100]

2) *What alternative interventions, if any, might have provided better results and why/how?*

This intervention is a model for others conducted by the IMF, whether or not funded by SECO.

FAD_EGY_2019_01

Start and End Dates: March 1, 2019 to February 28, 2022

Status: Ongoing; start-up delayed due to difficulty in fielding the LTX

Outcomes Description[101]	Verifiable Indicators	S^2	Comments of Achievements
To improve the operation of the PFM system through addressing remaining weaknesses in budget	PFM reform action plan approved and regularly updated by the MoF and development partners.	2	The authorities finalized a broad PFM reform strategy and action plan in early 2016. This has guided capacity development activities by different donors over the past two years.

[98] (Arcos, 2016)
[99] From key informant interview SECO_19
[100] (Arcos, 2016)
[101] Logframe from- (Singh A. K., May 2019)

preparation, execution, and fiscal risk management	PFM reform Steering Committee established by the MoF. A formal progress measurement process towards the end of the project – possibly an updated PEFA assessment or an FTE.		This committee is still to be established. The last PEFA conducted was in 2009, and an FTE has not been requested. Within the context of the recently approved successor project, a PIMA is projected to be conducted. Additionally, a PEFA self-assessment is understood to be in progress.

Outcomes Description	Verifiable Indicators	Completion Date	S²	P²	Comments of Achievements
The legislative framework is improved through revision of the current or the adoption of a new Budget System Law.	The draft law is adopted by the government and submitted to parliament	03/31/2017	M	1	Activities to support this outcome were initially postponed to FY2018 and then not proceeded with, due to the authorities indicating that the required political consensus could not be mobilized in the short term. This matter will need to be revisited in the future.

Outcomes Description	Verifiable Indicators	Completion Date	S²	P²	Comments of Achievements
The medium-term policy and program orientation of budget formulation is strengthened.	The budget for key sectoral ministries, including health and education, is presented in program format A MTFF is developed and submitted to parliament as part of the annual budget documentation.	12/31/2017 3/31/2018	H	3 2	Program budgets for the pilot sectors have been developed and the pilot has been expanded to 16 ministries from 7. The MoF has held a series of workshops with pilot ministries and has also actively engaged with the Parliament with respect to the program budgeting reform. The government has developed an MTFF, which is consistent with the macroeconomic framework agreed with the IMF and which forms the basis for the FSP. As discussed above, the FSP has been submitted to the CoM, but not to parliament so far.
The fiscal risk assessment capacity is enhanced.	A fiscal risk statement is included in the 2018 budget documentation.	09/30/2017	H	2	A draft report on fiscal risks was prepared for internal discussion, covering macroeconomic risks, contingent liabilities of budget entities and public corporations, and pensions. The intention is to include a section on fiscal risks in the next round of budget communication.

Egypt Budget Reform and Management of Fiscal Risks

The project aims at supporting the Egyptian authorities in implementing targeted PFM reforms to support the country's broader fiscal reform agenda. There were three project objectives: (1) better budget preparation; (2) fiscal reporting and fiscal risks; and (3) stronger PFM laws, supported by a total of six outcomes. The TA modality was HQ and STX delivery, a LTX resident advisor and two one-week training workshops.

The project only began March 2019 and thus no Project Assessment has yet been conducted.

Relevance: "3" Intervention is a follow-on to a 2014 predecessor and supports the 3-year IMF EFF agreement begun in November 2016. The GOE has begun negotiations with the

IMF on a new 3-year Stand-By Arrangement (SBA) program.[102],[103] In spite of these positive notes, there is no evidence that Egyptian authorities were consulted with, and if even if that were the case political support for the intervention was characterized as "unstable."[104]

Effectiveness: "N/A" Too early to assess.[105]

Impact: "N/A" Too early to assess.

Efficiency: "2" Plans indicate steps to promote efficiency including close coordination of METAC TA involving fiscal risk management, and other DPs including the WB, EU, and USAID formal coordination group.[106]

Sustainability: "N/A" Too early to assess

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

This intervention was only begun in March 2019 and thus it is too early to determine achievement of any criteria other than Relevance. The intervention is linked to an IMF program and thus Relevance is rated relatively high. A KII with SECO revealed that Effectiveness and Efficiency to date are questionable given delays in fielding the LTX – there was still no candidate 15 months after the initiation of the intervention.[107]

2) *What alternative interventions, if any, might have provided better results and why/how?*

The difficulty of identifying and approving a RA was addressed by the Egyptian authorities' decision in April 2020 to instead rely on HQ and STX missions, including a peripatetic expert.

FAD_EUR_2017_02

Southeast Europe Revenue Administration (Albania, North Macedonia and Serbia)

Start and End Dates: January 1, 2017 to December 31, 2018

Status: Completed

ALBANIA[108]

[102] (Singh A. , Feb. 2019), (Renteria, Dec. 2019)
[103] As of the drafting of this evaluation report, the IMF Executive Board approved the 12-month SBA. https://www.imf.org/en/News/Articles/2020/06/26/pr20248-egypt-imf-executive-board-approves-12-month-us-5-2billion-stand-by-arrangement
[104] From key informant interview SECO_15
[108] Logframe from- (Jensen A. , June 2019). Internal IMF scoring of milestones and outcomes are reflected in the majority of logic frameworks using qualitative descriptors. A small minority use the corresponding numeric

Strengthen revenue administration management and governance arrangements				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A reform strategy and a strategic management framework are adopted and institutionalized.	Largely Achieved	Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated.	A corporate strategy for 2015-19 is in place but it is not up-to-date. While, functional departments are implementing components of the strategy, there is no structured follow-up on the implementation by management team.	Substantial progress made.
		Key performance indicators established, regularly reported, and monitored.	No performance indicators have been established. Revenue targets are reported monthly to the GDT chief and there are a few metrics on arrears collection, VAT refunds and audits established with IMF input.	Substantial progress made. 29 KPI's developed and implemented with 20 monitored and reported on a regular basis.
Milestones	**Rating**	**Milestone Achievements**		
A Corporate Strategy and associated implementation plans are considering changes required from TADAT findings and other changes to priorities and scheduling.	Fully Achieved	Fully achieved. The corporate strategy and operational plans incorporate strategies to address TADAT weaknesses		
Multi-year reform implementation plan with supporting resources well communicated.	Partially Achieved	A draft multi-year reform implementation plan has been developed however further detail on resource commitments and a forward IT program is required.		
Initial key performance indicators established and implemented.	Fully Achieved	Fully achieved. 29 KPI's have been developed and implemented.		
Key performance indicators established, reported, and monitored.	Largely Achieved	To date, 20 of the 29 KPI's are being monitored and reported on a regular basis.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Organizational arrangements enable more effective delivery of strategy and reforms.	Partially Achieved	Clear separation of roles and responsibilities between HQ (definition of standard operation procedures, planning,	A new function-based HQ structure has recently been designed (aligned with IMF recommendations) and approved by the Minister of Finance. Implementation plans are being prepared and implementation is	A new function-based HQ structure is in place. Further work to design and implement a new

scale of 1 - 4. To promote consistency, accessibility, and comparability, evaluators replaced numeric ratings in the Logframes with the appropriate qualitative descriptor according to the IMF's guidance on internal rating (4: fully achieved, 3: largely achieved, 2: partially achieved, 1: not achieved).

[106] (Singh A. , Feb. 2019, pp. 6-7)
[107] From key informant interview SECO_16. The GoE subsequently decided it would prefer more intense engagement with IMF HQ and STX missions in lieu of a resident LTX. This decision came roughly four years after the project was proposed. The IMF EFF agreement it was designed to support began in November 2016.
[108] Logframe from- (Jensen A. , June 2019). Internal IMF scoring of milestones and outcomes are reflected in the majority of logic frameworks using qualitative descriptors. A small minority use the corresponding numeric scale of 1 - 4. To promote consistency, accessibility, and comparability, evaluators replaced numeric ratings in the Logframes with the appropriate qualitative descriptor according to the IMF's guidance on internal rating (4: fully achieved, 3: largely achieved, 2: partially achieved, 1: not achieved).

		and monitoring) and local branches (execution) adopted.	planned to commence early 2017. The number of regional offices seems appropriate, but there is a need to consolidate some functions (e.g., collection enforcement) into fewer sites.	branch structure is necessary.
Milestones	**Rating**	**Milestone Achievements**		
New HQ structure in place.	Fully Achieved	Fully achieved. A new function-based HQ structure is in place.		
A branch office structure is designed that appropriately takes into account the possibilities for consolidating tax administration functions.	Partially Achieved	Not yet in place. A pilot-project has been established to centralizing arrears collection into fewer sites (first step is into three sites). The GDT plans to use the knowledge gained from this pilot to centralize further functions.		
A comprehensive plan for implementing the new branch office structure is established, approved by the Minister of Finance, and communicated to stakeholders following appropriate consultation.	Largely Achieved	Some positive changes in the branch office structure have been implemented, such as centralizing declarations and payment. A national call center has been established. A first draft of a new branch office structure has been discussed but further work will be required after the pilot project for centralizing debt collection has been implemented.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Corporate priorities are better managed through effective risk management.	Partially Achieved	Compliance risks identified, assessed, ranked and quantified through intelligence and research.	Some initial steps have been taken to implementing the CRM approach. These include the establishment of a Risk Management Department; the development of a risk-based compliance module as a component of the new IT system using internal data and customs data; and efforts to process VAT refund claims on a risk assessment basis. The TADAT assessment established that there is emerging focus on contemporary CRM approaches but inadequate use of the risk model to identify major risk clusters.	Pilot underway modelling the CRM approach for three risk clusters.
		Compliance improvement program in place to mitigate identified risks.	No adequate compliance plans exist.	A compliance improvement plan for three risk clusters has been developed.
Milestones	**Rating**	**Milestone Achievements**		
Compliance risks identified, assessed, and 2-3 major risk clusters selected for mitigation activities.	Fully Achieved	The GDT has taken the first steps to identify risk and 3 risk sectors are selected for mitigation activities		
A compliance improvement plan for 2-3 risk clusters established and	Fully Achieved	Fully achieved. A compliance improvement plan has been developed for 3 risk clusters.		

resourced with implementation ongoing				
Compliance mitigation activities monitored and evaluated for impact for 2-3 treated risk clusters.	Largely Achieved	Progressing. compliance mitigation activities are being monitored for two of the three risk clusters.		
A comprehensive compliance improvement plan for 2019 established that outlines the totality of compliance activities against assessed risks.	Partially Achieved	Progressing. A compliance improvement plan is in the early stages of being developed.		
Strengthen tax administration core functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A larger proportion of taxpayers meet their payment obligations as required by law.	Largely Achieved	Management of refunds improves over time.	The TADAT assessment identified that the GDT has reversed to auditing close to 100 percent of all refund claims. In general, no risk assessments or audits of VAT credits are undertaken. VAT credits are carried forward in the taxpayers' accounting systems, although, they largely carry the same risk as VAT credits that are reimbursed.	Substantial progress made. Risk based procedures now in place for all VAT refund claims. Work on similar arrangements for VAT credits is progressing.
Milestones	**Rating**	**Milestone Achievements**		
Risk based procedures for all refund claims are implemented.	Fully Achieved	Fully achieved. Manual risk-based procedures for all refund claims have been implemented		
A pilot project established to verify the potential compliance risks associated with the carry forward of VAT credits in taxpayers' books and accounts	Fully Achieved	Fully achieved. A pilot project has been established with the outcomes being used to reduce the stock of VAT credits being carried forward.		
The result of the above-mentioned pilot project evaluated and necessary risk mitigation actions defined and under implementation.	Fully Achieved	Fully achieved.		
Risk-based procedures implemented for all credits carried forward.	Partially Achieved	This work is progressing.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Audit and other verification programs more effectively ensure accuracy of reporting	Partially Achieved	Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud.	The GDT's audit operations are weak. It is mandated to use a range of different audit types and audit methodologies, including comprehensive audit; single issue audit; thematic audit; registration check; and verification of proper use of cash registers. However,	Some progress has been made with the development of audit manuals and procedures, however, the skills levels of auditors must be

			there are no clear understanding, instructions or guidelines on how these audit types shall be conducted, reported upon, and evaluated. There is no particular risk focus and indirect methods are not used to scrutinize unexplainable personal wealth.	improved. See previous outcome on progress with adopting a CRM approach.
		Automated cross-checking used to verify return information.	Automated cross-checking to verify information reported in tax returns is limited	No progress made to date.
Milestones	**Rating**	**Milestone Achievements**		
A comprehensive review of audit operations is conducted	Largely Achieved	Headquarters review has been completed however additional work required at the regional office level.		
Audit manuals for all tax types are reviewed and updated.	Largely Achieved	Progressing. New audit manuals have been developed and are being implemented.		
The administration is capable of using indirect audit methods.	Not Achieved	Limited progress to date.		

NORTH MACEDONIA				
Strengthen revenue administration management and governance arrangements				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A reform strategy and a strategic management framework are adopted and institutionalized.	Partially Achieved	Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated.	A corporate strategy for 2016-18 is in place but needs to be strengthened to effectively drive the modernization agenda. Planning documents do not yet take into account the weaknesses identified through the TADAT assessment and they are not translated into actionable plans to be implemented by business units.	The 2018-2020 strategic plan has been developed and published however it does not meet good practice standards. A modernization plan for the 2017 – 2021 period has been developed and adopted.
		Reform management capacity in place for reform implementation, including dedicated resources.	No dedicated modernization unit is in place in PRO HQ and the reform implementation program is under resourced.	A project management office has been established however it has limited authority to manage reform and is confined to coordinating reform initiatives that are donor funded.
Milestones	**Rating**	**Milestone Achievements**		
PRO modernization unit created and operational	Partially Achieved	Project Management Unit was established as a sub-unit of international sector, very low in PRO hierarchy, with limited authority to manage reform and coordinating only the PRO reform initiatives that are donor funded.		
A Corporate Strategy and associated reform implementation plans are taking into account changes	Largely Achieved	A new Strategic Plan 2018-20 has been published however, it's format and contents do not fully meet good practice standards.		

required from TADAT findings and other changes to priorities and scheduling.				
Initial key performance indicators established and implemented.	Fully Achieved	Fully achieved.		
Multi-year reform implementation plan with supporting resources well communicated and implementation started.	Partially Achieved	PRO has adopted the Modernization Program 2017-21. This document does not adopt the approaches recommended by the FAD and some issues are not addressed. PRO HR Strategy has been developed however it does not adequately address the ageing workforce issue		
Key performance indicators established, reported and monitored	Fully Achieved	Fully achieved.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Organizational arrangements enable more effective delivery of strategy and reforms.	Partially Achieved	Clear separation of roles and responsibilities between HQ (definition of standard operation procedures, planning, and monitoring) and local branches (execution) adopted.	The current PRO HQ organization does not provide clear separation of operational work and process design. Also, the management span is too wide with too many direct reports to the DG. Designated units for compliance risk management and the management of reforms are missing. A new function-based HQ structure has recently been designed and awaits government approval. Implementation is planned to commence within 30 days from the date of approval.	A new PRO HQ structure has been approved however it did not adopt all the recommendations made by the TA experts.
Milestones	**Rating**	**Milestone Achievements**		
New PRO HQ structure in place.	Partially Achieved	In progress. The new PRO HQ structure was formally adopted during 2017, but it did not fully meet the recommendations – for example, there is no single unit that is responsible for modernization process. Some key functions are not staffed – for example, the RMU is established, but no staff has been appointed.		
PRO HQ staff job descriptions include modernization as a core responsibility.	Fully Achieved	Fully achieved.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Corporate priorities are better managed through effective risk management.	Partially Achieved	Compliance risks identified, assessed, ranked and quantified through intelligence and research.	No Risk Management Unit (RMU) exists. The PRO capacity for determining compliance risks is low. Most of the taxpayer verification (e.g. audit cases) are not selected according to compliance risks. The PRO started piloting the CRM approach in some economic sectors and established a	The RMU has been established however is not operational. Some piloting of a CRM approach is taking place.

			compliance council to oversee the CRM process.	
		Compliance improvement program in place to mitigate identified risks.	No compliance improvement plan exists.	Awaiting outcomes of the pilot project.
		Compliance risk mitigation activities monitored and evaluated	No monitoring or evaluation of compliance risk activities takes place.	Limited monitoring taking place within the pilot project.
Milestones	**Rating**	**Milestone Achievements**		
RMU established.	Partially Achieved	Unit formally established but not implemented.		
CRM process defined and documented.	Not Achieved	Some piloting of CRM approach has been taking place, but no formal defining and documenting of the CRM as part of PRO activities has been occurred.		
Report on analysis of compliance risks prepared (including analysis of results of CRM pilots during 2016).	Partially Achieved	The results of pilots were summarized, but no holistic focus on compliance risks has been taken.		
Compliance improvement plan for 2018 adopted.	Partially Achieved	See previous milestone comments		
Methods for detecting unregistered taxpayers developed.	Partially Achieved	Progressing. TA advice provided.		
Methods for detecting underreporting of taxes developed.	Partially Achieved	Progressing. TA advice provided.		
Strengthen tax administration core functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Audit and other verification programs more effectively ensure accuracy of reporting	Not Achieved	Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud.	The audit function is weak. It is under resourced (number of auditors has been downsized over time to ten percent of total PRO staff from 25 percent in 2006) and the majority of audit activities are non-tax validation checks.	Limited progress made. Audit procedure manuals still being developed.
		Sound methodologies used to monitor the extent of inaccurate reporting and tax gaps.	Methodologies to monitor the extent of inaccurate reporting do not exist.	TA advice being provided. This work is progressing.
Milestones	**Rating**	**Milestone Achievements**		
Non-tax audits cases are separated.	Fully Achieved	Fully achieved.		
Pilot project for CRM-driven audit prepared and launched.	Fully Achieved	Fully achieved.		

Methodology and guidelines for different types of audit developed.	Not Achieved	Progressing. TA advice provided.
CRM-driven audit plan for 2018 prepared.	Not Achieved	No progress to date as the RMU is not yet operational.

SERBIA				
Strengthen revenue administration management and governance arrangements				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A reform strategy and a strategic management framework are adopted and institutionalized.	Partially Achieved	Strategic and operational plans are prepared and adopted.	There is currently a TP, however it requires updating for changes in circumstances, delays and the findings of the TADAT assessment. The STA has adopted the use of compliance, reform and operations as focus areas for executive oversight by the senior leadership team. Executive meetings continue to lack focus on key longer-term issues. A more structured and formalized approach to executive oversight is required.	TP has been supplemented with the endorsement of the TAP. Reform and Compliance executive oversight has improved through the use of regular and formal use of committees. Operational governance still to be addressed.
		Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated.	A multi-year reform program has been developed however there is no supporting resource plan.	The TAP has been endorsed however broader communication is limited.
		Reform management capacity in place for reform implementation, including dedicated resources.	A dedicated reform program unit is in place in STA HQ however it is under resourced.	Reform management has been improved with the reallocation of responsibility to HQ departments. The Transformation Department has been allocated additional resources.
		Key performance indicators established, regularly reported, and monitored.	No performance indicators in place. Revenue targets are reported monthly to the STA DG and there are a few metrics on arrears collection, VAT refunds and audits.	KPI's have not been further developed and an Operations Committee is not in place
Milestones	**Rating**	**Milestone Achievements**		
The STA Transformation Plan 2015-2020 (TP) is updated to account for impact of TADAT assessment and changes	Not Achieved	Review of TP priorities and scheduling is still progressing.		

to priorities and scheduling.				
Regular Change Committee meetings actively oversee the TP and utilizes project management framework (including key performance indicators) to ensure progress.	Partially Achieved	Regular committee meetings are being held however stronger project management and change management is necessary for a reform program of this size.		
Regular Operations Committee meetings oversee the Operational Plans and monitors performance on a regular basis.	Partially Achieved	Operation committee meetings are held infrequently and do not systemically monitor performance on a regular basis.		
Regular Compliance Council meetings actively oversee the Compliance Improvement Strategy and the risk management process.	Fully Achieved	Fully achieved.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Organizational arrangements enable more effective delivery of strategy and reforms.	Partially Achieved	Appropriate institutional settings are in place.	The STA has submitted a broad proposal for reorganization to the MoF that indicates a phased reduction in the number of branch offices and a high-level HQ structure. The proposal has been broadly supported by the Minister but needs extensive detailed work, including design rules for the future state.	An interim organizational structure has been implemented. A further iteration is being drafted for implementation by September 2018.
		Clear organizational structure along functional lines and/or taxpayer segments established and operating	See above.	See above
		Clear separation of roles and responsibilities between HQ (definition of standard operation procedures, planning, and monitoring) and local branches (execution) adopted.	The pace of implementation of a new location strategy is limited by a number of factors. Firstly, the property holdings (nearly 200 premises via ownership, rental and right to use) are complex and there are limitations on the ability of the STA to vacate. There are also an estimated 459 million records held in storage within offices that are required to be archived. Because of these issues, the speed of reduction of the number of physical locations will not be able to keep pace with the ability of STA to adopt new management arrangements and design new jobs.	Little progress made and will likely be included in the scope of the WB project.

		Appropriate institutional settings are in place.	The STA has submitted a broad proposal for reorganization to the MoF that indicates a phased reduction in the number of branch offices and a high-level HQ structure. The proposal has been broadly supported by the Minister but needs extensive detailed work, including design rules for the future state.	An interim organizational structure has been implemented. A further iteration is being drafted for implementation by September 2018.
Milestones	**Rating**	**Milestone Achievements**		
Implementation of new HQ structure completed.	Partially Achieved	A Risk Management Unit and Taxpayer Services Department has been established and staffed. In addition, the split of core activities from non-core activities which will give an increased focus on the core activity work, has yet to be implemented.		
Comprehensive analysis of current branch office reviewed by consultants.	Not Achieved	No progress has been made. Likely to be included in the scope of the proposed World Bank project		
Diagnosis of current branch office network reviewed by consultants.	Not Achieved	No progress has been made. Likely to be included in the scope of the proposed World Bank project		
Design of new branch office network structure completed.	Not Achieved	No progress has been made. Likely to be included in the scope of the proposed World Bank project		
Completed the implementation of new work and job designs throughout a new and more streamlined branch office network, which will include consolidation of specialist or mass production functions where appropriate and feasible.	Partially Achieved	Some progress has been made in designing a more streamlined branch office network however detailed work and job design is still required. Also requires the separation of core and non-core activities which is underway and expected to be implemented in the second half of 2019.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Corporate priorities are better managed through effective risk management.	Partially Achieved	Compliance risks identified, assessed, ranked and quantified through intelligence and research.	The current status is that the RMU has been reestablished and is receiving strong support from IMF TA. The level of capability is currently low and ongoing detailed TA is required to support the STA in risk identification, quantification and prioritization and in the development of compliance improvement strategies. Going forward, it will be important to synchronize progress with respect to this outcome and outcome 2.5 to ensure new compliance management strategies can be implemented by the compliance improvement (audit) workforce.	Some improvements have been achieved with the compliance risk management function.
		Compliance improvement program in place to	No compliance improvement plan exists.	A compliance risk plan for 2018 is in place however it does not comprehensively

		mitigate identified risks.		identify mitigation strategies for all core taxes and all risks.
		Compliance risk mitigation activities monitored and evaluated.	No monitoring or evaluation of compliance risk activities takes place.	Compliance Council undertook a mid-year evaluation.

Milestones	Rating	Milestone Achievements
Re-establish the RMU as a separate organizational unit, establish a risk management methodology, and develop and implement compliance strategies for the mitigation of identified risks relating to Value Added Tax (VAT) and Withholding Taxes (WHT).	Partially Achieved	RMU has been further resourced and Audit Risk Unit has been rebuilt. A structured approach has been implemented to complete risk assessment process. Draft Risk Assessment completed for VAT Refund/Credit Risk. Compliance improvement strategies have been piloted with one risk area with some success. Current audit capability/legislative shortcomings limits effectiveness of audit.
Risks relating to PIT, CIT and Excise identified and prioritized. Risk assessment of VAT and WHT risks are updated and a rolling program of risk assessments is implemented. This is a rolling process.	Partially Achieved	An annual compliance plan has been developed however it does not comprehensively address all risks and all core taxes.
Quarterly reporting to Compliance Council regarding monitoring/ evaluation of risk identification and mitigation strategies.	Partially Achieved	Compliance Council reviewed delivery of 2017 Compliance Plan at mid-year.
Compliance improvement plans developed and implemented for 2018. The scope of these plans will broaden from that of the previous year as experience is gained and capability is built.	Largely Achieved	A compliance improvement plan for 2018 has been developed.
Compliance improvement plans developed and implemented for 2019. The scope of these plans will broaden from that of the previous year as experience is gained and capability is built.	NR	Progressing.

Strengthen tax administration core functions

Outcome	Rating	Verifiable Indicators	Baselines	Results
Audit and other verification programs	Partially Achieved	Appropriate range of tax audits and other initiatives used to	The audit function (LTO and field audit) is understaffed, spread over a large number of	Review of audit capability has

more effectively ensure accuracy of reporting.		detect and deter inaccurate reporting and fraud.	small offices and is focused largely on "control activities" such as inspection of the use of cash registers and the audit of VAT refunds. Audit strike rates are low and audit case selection is largely not based on risk. Senior experienced auditors are reaching retirement age and good staff are attractive to other employers. The level of capability appears to be low and diminishing and ongoing detailed TA is required to support the STA to build this vital capability. There appears to be a significant legislative impediment to the use of indirect measurement of income methodologies in audit. The STA is currently recruiting 100 auditors which will be the first increase in staff for a number of years.	progressed however it is not yet finalized.
		Sound methodologies used to monitor the extent of inaccurate reporting and tax gaps.	No methodologies to monitor the extent of inaccurate reporting exist.	Legal and capability limitations still to be addressed.

Milestones	**Rating**	**Milestone Achievements**
Enable the use of indirect measurement of income audit methodologies by making necessary changes to LTPA.	Not Achieved	No progress made to date.
Evaluation of audit case selection methodology to improve "strike rate" completed and findings implemented.	Fully Achieved	Initial evaluation completed. There is an ongoing need for "business as usual" evaluation of strike rates and the more comprehensive analysis of audit results to better understand risk and to develop auditor capabilities.
All audit practices are reviewed and redesigned to meet best practice.	Fully Achieved	Review undertaken. Legal and capability limitations mean that some best practice approaches cannot be implemented now
A risk-based audit program is implemented that focuses on identified risks.	Partially Achieved	There is a recognition that audits should address identified risks however limitations mentioned above limit capacity to apply some audit methodologies.
An Annual Audit Plan is adopted based on the compliance improvement strategies endorsed by the Compliance Council.	Largely Achieved	Audit Plan has been adopted and some activities relate to identified risks.
Compliance Council endorses methodologies to be used to monitor inaccurate reporting and tax gaps.	Partially Achieved	Compliance Council is monitoring performance however more work needs to be undertaken on KPI's and macro level measures/tax gap analysis.
Review undertaken of the tax criminal investigation capability to identify	Partially Achieved	Review undertaken in October 2018 and recommendations are now being pursued. This milestone will carry over to the successor EC/SECO program.

potential areas of improvement.		
A quality assurance framework, based upon redesigned audit and investigation practice, is designed and implemented.	Partially Achieved	Review undertaken in October 2018 and recommendations are now being pursued. This milestone will carry over to the successor EC/SECO program
A program has been developed and implemented for the establishment of the LTO as a specialist capability for the effective administration of the largest and most complex businesses.	Partially Achieved	LTO has been established. Skills gap analysis required and skilling program necessary to improve capability.
A new audit structure and management arrangements are implemented that establishes headquarters control over the audit function; establishes specialist audit functions; and builds larger, more effective field audit units through skilling and redeployment of desk auditors.	Not Achieved	Progress has been impeded by the lack of progress in separating core and non-core activities. The STA engaged consultants in October 2018 to assist with progressing this activity.
Key performance measures are in place to benchmark audit and investigations performance.	Not Achieved	This milestone has been carried over to the successor EC/SECO program.

The multi-country project aimed to support ongoing tax administration reforms. There were two project objectives shared by all three countries: (1) strengthened revenue administration management and governance arrangements; and (2) strengthened tax administration core functions, supported by a 3-4 outcomes that varied by country. The TA modality was HQ and STX delivery, and a peripatetic LTX advisor(s) (one based in Serbia but shared with North Macedonia, and another, financed under an EU-financed IMF project, based in Slovenia serving Albania, Kosovo and Montenegro).

The Final Project Assessment (June 2019) found in Albania that two outcomes were largely achieved and three were partially achieved, in North Macedonia three outcomes were partially achieved and one was not achieved, and in Serbia all four outcomes were partially achieved.

Based on the findings elaborated below, the project received 11.5 points out of a possible 20.

Relevance: **"4"** Supported on-going tax admin reform in Albania, North Macedonia and Serbia. In the last decade the three countries had made good efforts to align with international good practice. The project came at a time when all governments are in strong support of reform efforts. The tax authorities had been consulted on, and agreed with, the reform objectives and project outcomes. All three countries were aiming for EU membership. Albania had taken a loan from the IMF and part of the agreement was the project assistance.

An IMF delivered TADAT assessment helped the authorities to identify the tax administration's development gaps. Subsequent assistance helped the tax administration develop a work plan for the coming 3-4 years to mitigate these gaps. [109] TA efforts helped address needs that were identified during recent IMF delivered TADAT assessments.[110]

Effectiveness: **"1.5"** Progress had been achieved but was mixed across the three countries; Albania did substantially better, North Macedonia made slow progress and in Serbia progress stalled due to lack of Government support and weak reform governance structures in the tax administration, which hampered planning-implementation and change management. At the time of the final project assessment, a proposed WB program, delivered in parallel with SECO and IMF/EU efforts, might have provided necessary support in Serbia to increase the pace of the reform program. Albania was the only country to "largely achieve" its milestones with success attributed to overt government support, stability at the senior manager level, and use of the TADAT assessment to define reform objectives. In Macedonia, the project never recovered from the change of government in May 2017; no outcomes were achieved. In Serbia, progress with a number of critical changes stalled during the project period; no outcomes were achieved.

Impact: "1.5" As noted under the last criterion, only Albania was active in addressing many TADAT weaknesses. If that country was alone evaluated on Impact, the score would be "3.0."

Efficiency: **"2.5"** TA was implemented in parallel with other IMF TA projects financed by other DPs (e.g., the EU). Aside from this program, USAID, GIZ and the EU also implemented related interventions. The IMF led donor coordination. In addition to LTX and STX, country-specific workshops were conducted to facilitate reform efforts; cross-country seminars were conducted under the EU-funded IMF project. Albanian officials found the quality of the TA to be "very high."[111] However, the value of the LTX advisor based in Serbia was not optimized by the authorities, taking a toll on overall intervention cost-efficiency. The follow-on EU/SECO program was to base an advisor elsewhere in SE Europe.[112]

Sustainability: **"2.0"** All three countries were aiming for EU membership. It was anticipated that at the conclusion of the project the IMF will propose establishment of a multi-donor trust fund that would consolidate separate interventions. Albanian officials reported the project left trained people, new processes, and improved governance.[113] In spite of mixed performance, the assessment states "...this offers a strong foundation for the successor CD program."[114] The follow-on EU/SECO project commencing in very early 2019 was designed, approved, and started before the final assessment of the evaluated project was completed.[115] While such

[109] Description provided by FAD in review of draft report
[110] (Jensen L. A., Jan. 2017, pp. 1-2)
[111] From key informant interview SECO_16
[112] From key informant interview SECO_16
[113] From key informant interview SECO_16
[114] (Vesperman, 2017)
[115] From key informant interview SECO_16

sequencing is not uncommon, sustainability of serial efforts may not be supported when follow-on interventions do not benefit from the lessons learned from their predecessors.[116].

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

Although EU accession provides a strong incentive and thus a high Relevance score, other criteria achievements are rated moderate to low because only one (Albania) of three participating countries successfully took advantage of the intervention. In North Macedonia, a May 2017 change in government slowed initial progress, and in Serbia efforts stalled due to insufficient political will and weak tax administration leadership. These latter efforts may require a World Bank loan to get on track.[117] In Albania, success is attributable to use of the TADAT to guide programming, overt government support for the necessary reforms, strong LTX guidance of tax administration managers, and stability within the senior manager ranks. **If the DAC criteria were applicable to performance in Albania alone, the overall score would have been at least 4 points higher (15.5 vs. the current 11.5).**

2) *What alternative interventions, if any, might have provided better results and why/how?*

The LTX based in Serbia was not able to muster government commitment there. Perhaps the LTX should have been pulled when IMF managers observed that authorities did not optimize the value of having a full-time RA. The follow-on intervention was to base the LTX elsewhere in the region, based on the lesson that in-country presence does not guarantee project success absent country commitment.

The intervention's Log Frame is poorly crafted, containing no actual baselines nor targets against which performance can be assessed.[118] The risk assessment and mitigation measures contained in the project proposal is *pro-forma* and weak. The risk of insufficient political support is rated as "low" perhaps because Albania and Serbia both had IMF lending programs at the time. Lack of political support in Serbia was the main reason the intervention failed there (not one outcome was achieved). No mention was made of the upcoming elections in Macedonia, which proved to disrupt the intervention there. The mitigation measure for the medium risk of "capacity to achieve results" was that the LTX will provide "substantial change management guidance to all three tax administrations…"[119] Evaluators found no evidence this occurred, but support for implementation and change management is part of any successful intervention.

A successor joint EU/SECO intervention commenced in late 2018. However, the follow-on was designed, approved, and started before the assessment of the current project was

[116] According to IMF/FAD, development and commencement of the new project, prior to the assessment of the previous project, was found essential to avoid a substantial periodic gap in the delivery of TA, which would likely have impacted negatively on the sustainability of progress achieved under the previous project.
[117] (Jenson, June 2018)
[118] (Jensen L. A., Jan. 2017)
[119] (Jensen L. A., Jan. 2017)

conducted. This is a practice which should be avoided whenever possible by the IMF and SECO.[120]

FAD_PER_2017_01

Peru Revenue Administration

Start and End Dates: October 1, 2016 to January 31, 2020 (extended from September 30, 2019)

Status: Completed

Peru (PER)[121]				
OBJECTIVE: Strengthened revenue administration management and governance arrangements				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Corporate priorities are better managed through effective risk management	Partially Achieved	1. Better mitigation of risks through a compliance improvement program (TADAT POA2-4)	1. -There is no monitoring or evaluation of compliance risk mitigation activities.	1.
Milestones	**Rating**	**Milestone Achievements**		
Compliance risk mitigation activities related to aggressive tax planning and large taxpayers' business reorganizations are monitored and evaluated by the SUNAT.	Partially Achieved			
Reforms on corporate priorities and compliance are adopted by authorities and aligned with the CRMM.	Partially Achieved			
An action plan to develop a new compliance improvement program that will be called "SUNAT's Compliance Risk Management Model" (CRMM) is in place by the SUNAT.	Largely Achieved			
Main recommendations to improve quality, consistency, and opportunity of tax and customs information are adopted by the SUNAT.	Partially Achieved			
Compliance risk mitigation activities related to VAT, high net wealth individual, manufacturing and trade sectors are monitored and evaluated by the SUNAT.	Partially Achieved			

Peru (PER)				
OBJECTIVE: Strengthened core tax administration functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A larger proportion of taxpayers meet their payment obligations as required by law	Partially Achieved	1. Management of refunds improved (TADAT POA8-24)	1. -The SUNAT's refunds management is not part of a comprehensive VAT control model.	1.
Milestones	**Rating**	**Milestone Achievements**		

[120] (Vesperman, 2017)
[121] Logframe from- (Rojas, Project Assessment Peru: Revenue Administration Project | Interim Report, May 2019)

An action plan to develop a comprehensive VAT control model is in place by the SUNAT.	Fully Achieved	
A pilot for new systems (for registering taxpayers, authorizing tax invoices, controlling suppliers, and registering taxpayers' noncompliant behaviors) is implemented.	Partially Achieved	
Reforms on refunds process and VAT control are adopted by the SUNAT.	Partially Achieved	

Peru (PER)				
OBJECTIVE: Strengthened core tax administration functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Organizational arrangements enable more effective delivery of strategy and reforms	Partially Achieved	1. Appropriate institutional settings in place	1. -The HQ units that set the definition of standard operation procedures, planning, and monitoring have some overlap in their functions. - The local branches produce procedures, systems, and models for selecting and auditing cases that are not necessarily aligned to the corporative strategy.	1.
Milestones	**Rating**	**Milestone Achievements**		
An action plan to develop a new SUNAT's Operating Model (SOM) is in place by the SUNAT.	Largely Achieved	An action plan to develop a new SUNAT's Operating Model (SOM) is in place by the SUNAT.		
A new operating model for the large taxpayer unit is in place by the SUNAT.	Partially Achieved	A new operating model for the large taxpayer unit is in place by the SUNAT.		
The BEPS initiatives adopted by the SUNAT are aligned with the new operating model for the large taxpayer unit.	Partially Achieved	The BEPS initiatives adopted by the SUNAT are aligned with the new operating model for the large taxpayer unit.		
Reforms on organizational arrangement are adopted by the authorities and aligned with the SOM.	Not Achieved	Reforms on organizational arrangement are adopted by the authorities and aligned with the SOM.		

Peru (PER)				
OBJECTIVE: Improved customs administration core functions				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	Partially Achieved	1. A larger share of trade controlled progressively through a properly designed post clearance audit program	1. There are only a few successful initiatives (in hydrocarbon and plastic sectors) for controlling post clearance.	1.
Milestones	**Rating**	**Milestone Achievements**		
A pilot for a new risk-based system aligned with the CRMM is implemented.	Largely Achieved			
Reforms on risk-based management for post clearance operations are adopted by the SUNAT.	Partially Achieved			

The project targeted resource mobilization and strengthening management in tax and customs administration. There were three project objectives: (1) strengthened revenue administration management and governance arrangements; and (2) strengthened core tax administration functions; and (3) strengthened core customs administration functions supported by a total of four outcomes. The TA modality was HQ and STX delivery, and two annual workshops organized jointly with Colombian customs officials supported under FAD_COL_2017_02.

The Interim Project Assessment (May 2019) found that all outcomes were partially achieved.

Based on the findings elaborated below, the project received 13.5 points out of a possible 20.

Relevance: "3.5" Peruvian authorities requested further IMF support to continue revenue enhancement and better prepare for OECD accession and endorsed the project objectives and outcomes. However, no needs assessment was conducted to support the request, therefore somewhat diminishing the available evidence of relevance.[122] SECO headquarters felt the relevance of the intervention could not have been improved given the key importance of strengthening risk management and audit to enhance tax administration.[123] The Project Proposal section on Risk Assessment contained several assumptions including continuance of political will and capacity and noted "the project is aligned with the main priorities of the government."[124]

Effectiveness: "2.5" The TADAT established a performance baseline against which initiatives such as the project were to be assessed over a 2 to 5-year period. Of 28 high-level indicators, 15 were scored an "A" while only three scored a "D" "inadequate performance." Although activities in the FY19 action plan were completed ahead of schedule, roughly six months before project end all four outcomes were only rated as "partially achieved." Two indicators were linked to the TADAT and neither had been achieved. Most milestones were assessed as "partially achieved."[125] When asked about project results, the KII could not offer a definitive assessment, noting, "…this is one of the big weaknesses that I see in this project…if you read the reports you have outputs, the number of missions conducted and recommendations, but they're not really outcomes."[126] There is no evidence from either documentation or KII that the outcomes will be any further achieved during the remainder of the project. Nor were there plans to extend the project, which is not uncommon when progress is being made but additional time is required to fulfill objective or cement gains.

Impact: "2.0" Overall the Peruvian tax authority, Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT), made good progress in implementing modern tax administration practices. Based on its competence, SUNAT began offering TA to neighboring countries – evidence of impact. Potential for impact is great, had achievements

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[122] Recall that a recommendation from the last IMF-SECO evaluation was "strengthening needs assessment and programming." SECO's management response was, "SECO will follow-up with the IMF on how the IMF needs assessment and the SECO priorities can be better aligned in the future."
[123] From key informant interview SECO_17
[124] (Rojas, Project Proposal for External Financing of TA Activities | Peru: Revenue Adminstration Project (SECO), 2017)
[125] (Rojas, Project Assessment Peru: Revenue Administration Project | Interim Report, May 2019), (Rojas, Project Proposal for External Financing of TA Activities | Peru: Revenue Adminstration Project (SECO), 2017), (Enrique Rojas, 2017). A final assessment conducted in May 2020 found three outcomes were largely achieved, while only one was partially achieved.
[126] From key informant interview SECO_14

contributed to OECD membership.[127] (As of this evaluation, Colombia has joined the OECD and Peru has not.) For its part, SECO questioned whether any such short-term project could itself have impact and suggested the World Bank may have been more effective since it could have offered Peruvian authorities a loan.[128] There is no available evidence that the project contributed to other higher-level effects on the economy. Even if it had been highly effective, attributing a relatively short, low-value project to significant higher-level (i.e, "transformative") impact such as SDGs is methodologically challenging short of conducting a carefully controlled impact evaluation.[129] As the SECO official noted, "It (impact) can be with government(s) that will implement serious reform but it is not the project that will have the impact."[130]

Efficiency: "3.0" Number of project features supported efficiency, such as building off past investments, cost-sharing with other IMF/SECO project(s), collaboration with other CD providers. This 36-month (October 2016 to September 2019) revenue administration project built on the outcomes and lessons learned from two previous FAD/SECO projects which began in 2011. Earlier projects helped SUNAT to develop a Compliance Improvement Plan (CIP). This, and the results of a planned TADAT, would form the basis of project interventions. An annual workshop to share modernization experiences and lessons learned were to be conducted jointly with the similar FAD/SECO project in Colombia (FAD_COL_2017_02).[131] SECO believes the TA modality of periodic IMF staff and STX missions used was the most cost-efficient and effective means of building local capacity.[132]

Sustainability: "2.5" Incentive of OECD membership and sustainment of past CD improvements provide evidence that many benefits will last. Peruvian authorities requested further IMF support to continue revenue enhancement efforts.[133] SECO also cited the past investment being crucial for sustainment, noting that sustained results typically require a minimum of five years of donor support and that the main risk to this was/is a change in priorities of the government.[134]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The relatively strong scores across the criteria are attributable to high Relevance given the link to OECD membership (like Colombia), and although there was no needs assessment conducted, GOP endorsement of the intervention's objectives and outcomes. Effectiveness suffers due to only partial achievement of the two outcomes linked to the earlier TADAT (at the time of the project assessment). Based on its competence, the tax administration (SUNAT), offers TA to neighboring countries – a sign of both Sustainability and Impact.

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127 (Rojas, Project Proposal for External Financing of TA Activities, 2017), & (Enrique Rojas, 2017)
128 From key informant interview SECO_14
129 In conducting such an evaluation, comparing countries with and without the intervention would be required.
130 IBID
131 (Rojas, Project Proposal for External Financing of TA Activities, 2017)
132 From key informant interview SECO_14
133 (Rojas, Project Proposal for External Financing of TA Activities | Peru: Revenue Adminstration Project (SECO), 2017), & (Enrique Rojas, 2017)
134 From key informant interview SECO_14

Efficiency is rated highly due to good coordination with other donors, building off past investments such as the TADAT, and cost-sharing with other IMF/SECO interventions (i.e., Colombia).

SECO believes the fact that the Swiss also had a related bilateral project contributed to results, noting that in the case of Peru there were three interventions: this intervention; an IMF effort and the Swiss bilateral project.[135]

2) *What alternative interventions, if any, might have provided better results and why/how?*

The intervention was well designed and executed and was on track at the time of the IMF project assessment to better achieve more outcomes, and thus make progress towards OECD membership.

The Log Frame contains no baselines nor targets, although a footnote states the former would be determined during the first TA mission in late December 2015. The Interim Project Assessment covering the period between May 1, 2018 and April 30, 2019 does contain baselines, but still no targets nor results although the Log Frame contains a column for this information. It is thus not clear what are the bases for the ratings given. This being the case, the Log Frame has not been used in accordance with the Fund's RBM principles and guidance.[136]

The risk assessment and associated mitigation measures appear adequate. The political risk is rated as low, given the OECD link and fact the intervention supported an already established strategy towards tax administration modernization. In this respect the intervention provides a good example of a follow-on effort to advance implementation of earlier reforms.

From its perspective, some SECO officials believe the IMF could focus its interventions, like this one, more on the private sector as a stakeholder. Most tax revenue in Peru, like other countries, comes from private businesses and companies so giving the sector greater consideration during project design and implementation could be beneficial.[137]

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[135] From key informant interview SECO_14

[136] See "RBM – A Short Primer." "Baseline" is defined as "the state before the TA." The "Primer" confuses what it refers to as "verifiable indicators" with targets. For example, a verifiable indicator is "taxpayer perception of service." A corresponding target would be "positive perception doubles (from baseline) by end of project."

[137] From key informant interview SECO_14

FAD_PER_2017_04

Peru Public Financial Management

Start and End Dates: October 1, 2016 to September 30, 2019

Status: Ongoing? The Interim Project Assessment, dated May 2019, suggested the possibility of extending the project until December 2020.[138]

Peru (PER)[139]				
OBJECTIVE 1: Comprehensive, credible, and policy based budget preparation				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
A more credible medium-term budget framework (MTBF) is integrated with the annual budget process	Largely Achieved	Medium-term perspective in budget framework (PEFA PI-16, FTC 2.1.3)	Baseline: FTE 2015 Indicator 2.1.3 (Basic): The MMM includes medium-term projections of aggregate revenue, expenditure, and financing of the general government and the balance of the non-financial public sector. The credibility of the medium-term fiscal projections is limited. Medium-term macro-fiscal projections and spending ceilings cannot be immediately reconciled with annual and medium-term budget planning. Target: Improve the indicator from "Basic" to "Good" by making the MMM, the annual budget and the MTBF or Programación Multianual del Presupuesto (PMP) consistent.	The MTFF (MMM) report has improved and the calendar is more in line with the annual budget preparation and MTBF (PMP). Still the numerous modifications of the annual budget undermine the credibility of the medium-term projections. The MTFF (MMM) and the ceilings of the MTBF (PMP) are better reconciled. Some progress has been made on budget preparation in some ministries to consider the use of cash funds (saldos de balance) in 2018 budget. MTBF is included in the PFM legislation in September 2018.
Milestones	**Rating**	**Milestone Achievements**		
An integrated calendar for the annual budget, MMM, and PMP is established.	Largely Achieved	Achieved in the preparation of 2018-19 budget. In 2017 Q1 a new calendar was established following most of the recommendations. Monitoring the implementation in subsequent years is needed.		
A unified economic classification of expenditure and revenues to be used in the MMM, PMP and annual budget is defined.	Largely Achieved	Some progress has been made on budget preparation in some ministries to consider the use of reserves (saldos de balance) in 2018 budget. Effectiveness is still low for these estimates as the number of budget modifications is high.		
The MTBF is consistent with the MMM.	Largely Achieved	The top-down approach to the MTBF is improving. The MMM and the MTBF try to be aligned at the initial stage, but still full consistency is not warranted as the MTBF is not fully in place.		
The annual budget is prepared taking into consideration the MMM, the PMP macro-fiscal	Largely Achieved	The annual budget is prepared with the macro-fiscal projections and the fiscal targets. However, the ceilings of the MTBF are still not credible and large modifications in the budget execution could be better anticipated with the available information.		

[138] KII conducted during the evaluation with GOP officials associated with the project did not confirm whether or not the project was extended.
[139] Logframe from- (Alonso, Project Assessment Peru: Public Financial Management Project, May 2019)

projections and the fiscal targets.		
Provide international experiences on how fiscal councils operate in order to improve its capacity.	Fully Achieved	Achieved in September 2017. Presentation of international experiences of fiscal councils prepared by FAD and the resident advisor.

Peru (PER)				
OBJECTIVE 2: Strengthened identification, monitoring, and management of fiscal risks				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Disclosure and management of contingent liabilities and other specific risks are more comprehensive	Largely Achieved	Reporting specific fiscal risks (FTC 3.1.2)	Baseline: FTE 2015 indicator 3.1.2 was not met*. Also 3.1.1 on macroeconomic risks was “Basic” and 3.1.3 on long-term fiscal sustainability “Not met.” Target: improve indicators to Basic.	The analyses of fiscal risks are improving, and the DG Treasury has developed a unit that coordinates with other areas. The MMM reports the fiscal risks in the document published in August for budget preparation (annually since 2017).
Milestones	**Rating**	**Milestone Achievements**		
A methodology for assessing and measuring medium and long-term fiscal risks is developed.	Largely Achieved	A mission in November 2017 worked with the fiscal risk unit on the methodologies. Follow up is being carried out in DG Treasury		
A report of fiscal risks is prepared.	Largely Achieved	A mission in November 2017 analyzed how to improve reporting and coordination. Follow up is carried out in DG Treasury		

Peru (PER)				
OBJECTIVE 3: Improved coverage and quality of fiscal reporting				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Partially Achieved	Fiscal reports’ coverage of flows (FTC 1.1.3) and Comparability of fiscal data (FTC 1.4.3)	Baseline: FTE 2015 Indicators 1.1.3 (Basic) and 1.4.3 (Basic): Fiscal reports are prepared in cash or modified cash basis. There are significant unreported assets and liabilities. Information on fiscal outturns differs across reports, making any reconciliation difficult. Target: Improve Indicator 1.1.3 and 1.4.3 to “Good.”	Reporting is gradually improving in line with IPSAS.
Milestones	**Rating**	**Milestone Achievements**		
The coverage of financial and non-financial information in the fiscal and accounting reports in line with GFSM 2014 and IPSAS is expanded.	Partially Achieved	In 1Q 2018 the Directorate General for Public Accounting set an action plan to improve real-time accounting and improve financial statements information. The September 2018 reform includes the objective of timely accounting, but details on the implementation have still to be provided.		
Three guidance notes are prepared on implementing accounting standards according to IPSAS.	Partially Achieved	Analytical contributions on public accounting will be elaborated in areas of interest, such as PPPs.		

Peru (PER)				
OBJECTIVE 4: Improved Asset and Liability Management				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Cash flow forecasts for central government is more accurate and timely	Partially Achieved	Timeliness and accuracy of cash forecasting and monitoring (PEFA PI-21.2)	PEFA PI-21.2 can be assessed as A, yet the forecast frequency and the information flows can improve. In connection to this outcome, PEFA PI-21.4 would be basic or lower. The in-year budget adjustments are frequent and significant. This damages cash and debt management. Target: Make progress in the indicators.	The Directorate of the Treasury is working on improving cash flow forecasts with information from other departments.
Milestones	**Rating**	**Milestone Achievements**		
Improve information flows towards the Treasury for cash flow forecasts.	Largely Achieved	An FAD mission in February- March 2018 provided recommendations to the Treasury and the Budget areas. An action plan to implement them has been established by the Treasury and is being followed up. Part of the recommendations were included in the 2018 PFM legislative reform.		
Budget plans include more reliable information on the potential use of funds by spending units.	Largely Achieved	The legislative decree on the budget system September 16, 2018 and the draft budget law 2019 envisage a better estimate of revenue (saldos de balance) in the initial budget to avoid budget modifications. They also establish a limit to budget increases according to fiscal rules compliance. However, effective implementation is left to every annual budget law.		

The project aimed to strengthen Peru's main PFM systems with a particular focus on implementing the recommendations of the 2015 Fiscal Transparency Evaluation (FTE). There were four project objectives: (1) comprehensive, credible and policy-based budget preparation; and (2) strengthened identification, monitoring and management of fiscal risks; (3) improved coverage and quality of fiscal reporting; and (4) improved integration of asset and liability management framework, supported by a total of four outcomes. The TA modality was HQ and STX delivery, a LTX resident advisor, based in Lima but shared with FAD_COL_2017_04 (one week per month).

The Interim Project Assessment (May 2019) found that two outcomes were largely achieved and the other two were partially achieved.

Based on the findings elaborated below, the project received 14.5 points out of a possible 20.

Relevance: "3.5" The 3-year project built on IMF SECO's previous PFM project and focused on implementing the recommendations of the 2015 FTE. The previous project that ended in December 2014 reflected strong commitment by the GOP and the authorities were very satisfied with its results.[140] However, at the outset it was not clear if the new administration similarly viewed this as a priority. The FTE was conducted in 2015 and the risk assessment noted a new government took office in July 2016. Risk mitigation was discussed with the new administration. A budget reform effort was announced by the government in advance of a January 2017 TA mission that developed nine principal recommendations covering 2017-18; responsible entities within the GOP were identified. Objective 3 fiscal reporting had TA needs identified by IMF, but not then requested by GOP authorities (example of prioritization

[140] (Alonso, Project Proposal for External Financing of TA Activities Peru: Public Financial Management Project (SECO) 2016-2019, April 2017, p. 2)

disconnect).[141] A KII noted that relevance could be improved more "if the IMF would visit/call [the Swiss Cooperation in-country] more."[142] The context in which this was said indicates a belief that better communication with IMF consultants while on mission could enhance relevance by not depriving the IMF of information about related Swiss bilateral programming.[143]

Effectiveness: "3.0" Project was well designed for effectiveness, but only half of the outcomes were largely achieved, and the other half were partially achieved. GOP counterpart key informants say in retrospect that both the IMF and the authorities underestimated the scope of the project, both in terms of required changes and resources required. Presumably in response, the Interim Project Assessment dated April 2019 noted that FAD would be requesting an extension until the end of 2020 or until remaining funding is depleted. In this regard, one GOP KI noted implementation was slowed by "changes that were impossible culturally speaking."[144] The planned extension is intended to sustain the pace of reform and would continue to focus on support to implementation of the TA recommendations. Subsequent KII with GOP counterparts produced evidence that further achievements have since been made.[145] The donor KI reported the intervention had seen "good performance," but also noted that several high-level [government] staff turnovers effectively diminished the implementation period by one-half.[146]

The project had wider coverage of issues and institutions, covered in the IMF's FTE, which provided initial benchmarking and was reflected in the project Logframe. The project supported international best practices and used FTE outcome indicators with the 2015 assessments; e.g., "basic" or "good" serving as the baseline measures. The evaluation did not find evidence of a FTE update which would have provided post-project actuals.

The GOP approved in September 2018 a PFM reform package which had received continuous assistance from the project, especially from the LTX. STX focused on capacity development on the Directorate of Budget (DGPP) which made great progress in advancing certain reform items.

A TA mission took place in early May 2019, at the request of the Ministerio de Economía y Finanzas (MEF). The major objective of the mission was to advance the recommendations contained in the 2017 Public Investment Management Assessment (PIMA) which identified major gaps in the efficiency of public investments. The mission found since then notable progress had been made in some areas, although the implementation and evaluation of public

[141] (Alonso, Project Proposal for External Financing of TA Activities Peru: Public Financial Management Project (SECO) 2016-2019, April 2017), (Alonso, Project Proposal for External Financing of TA Activities Peru: PFM Project (SECO) 2016-2019, April 2017), & (Alonso, Project Assessment Peru: Public Financial Management Project, May 2019)
[142] From key informant interview SECO_24
[143] The observation actually pertains better to the new OECD/DAC evaluation criterion of (external) Coherence, which was not included in the criteria used for this evaluation because it was adopted *after* the TOR had been prepared.
[144] From key informant interview SECO_24. The informant was referring to the pace of some reforms which were "very ambitious for a country like Peru. You cannot become Switzerland overnight. My country is not prepared for that; the changes need to be made gradually. I said first let's try for 4-5 years then in a second phase we'll do what you (the RA) were proposing."
[145] From key informant interview SECO_43, From key informant interview SECO_42
[146] From key informant interview SECO_24

investments continued to have persistent weaknesses.[147] Key GOP counterparts felt that the IMF did not give sufficient attention to the need for TA to assist with operationalizing the TA recommendations, "The support of the Fund was very short; we didn't have support during the implementation period because the time of cooperation was over."[148] The report contains 19 recommendations in a MEF Action Plan, intended for implementation between 2020-22.[149]

Impact: "2.5" Four reform laws passed in late 2018, but uneven outcome achievement and need for proper implementation of legislation leave final impact uncertain. The challenge now is reform implementation. For example, the Medium-Term Budget Framework (MTBF) first year cycle must be completed, challenges assessed, and possible changes made for the next cycle. Without proper implementation impact will be limited.[150]

Efficiency: "3.0" Effective use of LTX and leveraging of prior FTE and PIMA exercises contributed to the score. The LTX was shared with the PFM project in Colombia to provide cost efficiencies to IMF/SECO. Although not foreseen in the project design, TA followed on an IMF-funded PIMA exercise conducted in 2017. Inefficiencies were attributed in KII to actions by authorities (e.g., poor coordination within the MoF) and not the IMF. The same government official key informant went so far as to say that country authorities perhaps wasted the first two years of the project because "the ministry didn't have a clear idea of what it wanted to do and what it wanted to achieve."[151] Lessons learned included the value of a resident advisor; this contract ended June 2019 but following that date the same individual was used for STX whenever possible (wise move for both effectiveness and efficiency).[152]

Sustainability: "2.5" Four PFM reform laws passed in late 2018 but sustainability (and impact) ultimately are dependent upon implementation and resource allocation (e.g. for the recommended IT system upgrade).[153]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

Strong Relevance score is based on implementing past recommendations of the 2015 FTE and past GOP commitment was strong. Effectiveness is supported through use of Log Frame indicators tied to the FTE and PEFA. 2017 PIMA also identified major gaps to be addressed. Efficiency rated well based on good use of LTX (and later as intermittent STX) and incorporation of an unanticipated PIMA exercise. Impact and Sustainability score lower due

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[147] (IMF/FAD, June 2019)
[148] From key informant interview SECO_24
[149] (IMF/FAD, June 2019)
[150] (Alonso, Project Assessment Peru: Public Financial Management Project, May 2019)
[151] From key informant interview SECO_24 (Note: IMF/FAD view of this initial period is quite the opposite; it was "very productive." The evaluators have no explanation for this difference of views.)
[152] (Alonso, Project Proposal for External Financing of TA Activities Peru: Public Financial Management Project (SECO) 2016-2019, April 2017), (Alonso, Project Assessment Peru: Public Financial Management Project, May 2019)
[153] (Alonso, Project Assessment Peru: Public Financial Management Project, May 2019). The updated risk assessment contained in it notes that information systems are not fully consolidated. Other implementation challenges identified in the Assessment include the requirement for close coordination between the MoF Budget Directorate and other line ministries involved in the budget process.

to questions about political commitment to implement the MTBF, which at the time of the project assessment had not yet been shared across sectors – and thus has limited utility. KII with GOP authorities indicate implementation of reform legislation remains a challenge, but that both leadership and technical level commitment is now strong, and progress is being made.[154]

2) *What alternative interventions, if any, might have provided better results and why/how?*

The intervention was well designed and executed. Half of the outcomes had been "fully achieved" and the remaining were "partially achieved." The intervention was to be extended through the end of 2020 to allow for more complete results as progress is being made. The only "alternative" is likely to be additional time to implement the significant reforms associated with this ambitious project. In this regard, a key country authority KI noted, "It would be important for the Fund to maintain this issue and talk with new authorities about implementation of the reforms."[155]

The Log Frame is better than most as it contains baselines and targets linked to the FTE and PEFA. These involve, however, qualitative assessments such as "make progress" and "more comprehensive." How well these judgements are made is unknown to the evaluators. The Log Frame suffers, like many, from overlap between objectives and outcomes (e.g., SO 3 and Outcome 3.1).

The risk assessment and mitigation measures are well done. The project assessment notes that the 2015 FTE was undertaken by the prior government, a risk, but that it will be discussed with the new government elected in July 2016 as the mitigation measure. The assessment and mitigation measures were reviewed and updated as part of the interim project assessment exercise, which is rarely done. This step should be an IMF SECO standard operating procedure.

MCM Projects

Three of next four projects in the sample all involved CD to improve banking regulation and/or supervision, particularly risk-based supervision (RBS). The other project, in Albania, involved improvement of monetary policy. All are single-country efforts overseen by IMF/MCM and executed using similar (LTX resident advisor) TA modalities over a variety of timeframes ranging from 1 to 3 years. The three RBS projects all sought to align with Basel principles. The monetary policy project was very successful, while performance of the other three varied between largely to (barely) successful. As all projects employed RAs as the primary means of execution it is notable that the degree of outcome achievement varied so widely. A lesson learned is that the use of LTX can make or break a project seeming depending both on the individual RA and the nature of counterpart country authorities. The project in Ghana also provides a good example of how performance can be affected by organizational changes and shifting priorities within the counterpart institution as well as constraints to the institution's absorptive capacity.

[154] From key informant interview SECO_24, From key informant interview SECO_43
[155] From key informant interview SECO_24

MCM_ALB_2017_03

Monetary Policy Design and Implementation

Start and End Dates: January 16, 2017 to July 31, 2018

Status: Completed

Albania (ALB)[156]			
OBJECTIVE: Improving the economic analysis and forecasting capabilities at the CB for the monetary policy decision-making process tailored to the specific monetary and exchange rate policy regime.			
Outcome	**Rating**	**Verifiable Indicators**	**Results**
Improved economic analysis and forecasting capabilities at the CB	Fully Achieved	1. A near term (GAP model) forecasting toolkit is operational, used in the regular forecasting exercise rounds, and regularly updated.	The near-term forecasting toolkit has been refined, enhanced, it has been back-tested against its prior version, its superior performance verified and it has been deployed in production.
Milestones	**Rating**	**Milestone Achievements**	
Review of the performance of the models after the implementation of the improvement takes place and advice provided on how the models can be best integrated together.	Largely Achieved	The performance of the model has been back-tested prior to the implementation of the enhanced version in production. It has proven to be more accurate. However, there is still scope to improve the medium-term model (MEAM) further to be used for scenario analysis of different monetary policy courses. A final setting on their joint use can only be defined at the end of this process.	
Options to reduce noise of some of the selected macroeconomic variables entering into GAP are tested and implemented.	Fully Achieved	GAP development work has been completed. The model has been re-specified, the transmission mechanisms refined and some shortcomings overcome.	
The model for medium-term policy analysis, simulation and scenario comparison is deployed in production. This will improve medium-term quality of the forecast and will allow to better analyze the consequences of different scenarios.	Largely Achieved	Although the model for medium-term policy analysis, simulation and scenario comparison has been enhanced to a point in which it can be regularly used in production, there is still scope to further enrich the model. This may strongly depend on the availability of better, more granular and reliable statistical data.	
Average forecasting errors are reduced by 30% after all improvements will have been implemented compared with the pre-correction period.	Largely Achieved	Although the improvement in the average forecasting error in the GAP model has not been precisely quantified, the enhanced models have proven to be un-equivocally better.	
Data issues affecting the MEAM as identified in the September 2016 mission are investigated and addressed.	Partially Achieved	Data issues have been identified and largely addressed. Outstanding ones are under the purview of INSTAT, the national statistical agency.	
Nominal exchange rate equation is better specified in the GAP.	Fully Achieved	The nominal exchange rate equation has been respecified in the GAP and back-tested against data.	
New financial block for GAP is tested and approved if tests confirm its superior performances.	Fully Achieved	A new financial block reflecting the transmission mechanism in a euroized economy has been elaborated and incorporated in the gap.	
Export price formation process is better specified in the MEAM and the competitiveness channel is included in the real export equation.	Fully Achieved	A re-specification of export and import equations has been carried out. Export and Imports equations have been divided into goods and services. Theoretically based competitiveness terms have been introduced. Export and import price equation have been connected with domestic supply prices The Price formation process has been improved as follows: • Construction of a Philips curve running through the wage equation	

[156] Logframe from- (Prokopenko, July 2018)

		• Respecification of the wage formation block to include minimum wages and transmission to final prices • Construction of deflator equations for every component of aggregate demand • Use of input-output tables to calibrate the weight of import prices and domestic supply prices
Additional improvements are carried out to the specification searches, the real import equation and the factor demand equation in the MEAM.	Fully Achieved	A re-specification of export and import equations has been carried out. Export and Imports equations have been divided into goods and services. Theoretically based competitiveness terms have been introduced. Export and import price equation have been connected with domestic supply prices
A procedure for the use of MEAM in the monetary policy advice is defined.	Largely Achieved	MEAM is now regularly used for monetary policy advice. A large set of tests has been conducted in order to evaluate the similarity in behavior and in response of the two macroeconomic models for Albania (the GAP and the MEAM). Technical procedure have been elaborated on the correct integration of the two models, butsince the MEAM can be further enhanced and the scope of its use can be enlarged, a steady state has not been reached yet.
Final adjustments are carried out and reviewed.	Largely Achieved	The development work concerning GAP has been completed and the model has reached its steady state. The MEAM although significantly improved could be refined further.

Albania (ALB)			
OBJECTIVE: To strengthen the capacity of the central bank to implement monetary policy effectively in the context of the given monetary policy regime			
Outcome	**Rating**	**Verifiable Indicators**	**Results**
The central bank has an operational strategy consistent with the monetary framework and the country circumstances.	Fully Achieved	1. A well-articulated operational strategy outlining how the central bank will align market conditions with its announced stance of monetary policy and who it will deal with.	A deeuroization strategy, a framework to assess the lower policy rate bound, the assessment of the instruments to deploy at the lower bound, the enhancement and better formalization of the monetary policy implementation framework can all be seen as part of this operational strategy.
Milestones	**Rating**	**Milestone Achievements**	
De-euroization is elaborated and agreed with European Commission.	Fully Achieved	Deeuroization strategy has been elaborated, announced and is being implemented.	
The level of euroization measures as share of euro deposits and euro loans over the total banking system deposit and loans will be set on a steady declining trend as a consequence of the implementation of the strategy. FX rate volatility will be averted and financial stability risks deriving from euro loans to unhedged borrowers will be contained (steady decline in euro loans to unhedged borrowers).	Fully Achieved	FX loans are already on a declining trend. FX deposits experienced the largest month on month drop after the launch of the deeuroization strategy. The exchange rate is appreciation but in an orderly manner without destabilizing consequences.	
The impact of the strategy on monetary policy design and implementation is assessed.	Largely Achieved	This is still ongoing. The strategy is having a downward impact on inflation via its exchange rate impact. An agreement is being shaped as regards the instruments to deploy to counteract it and how they could be jointly used in which sequence.	
Necessary changes to adapt monetary policy design and implementation to the agreed strategy are carried out.	Fully Achieved	The framework has all necessary instruments to react.	
A rule-based approach based on medium-term liquidity forecast is	Fully Achieved	The optimal banking system liquidity deficit has been estimated and a framework developed to steer the actual deficit within the optimal	

adopted for defining size and relative share of different instruments.		range. The framework is being used. There is however still scope to use it more consistently and regularly.
A framework is adopted for defining available policy and non-policy instruments, their objectives and the modalities of their use.	Fully Achieved	A framework has been developed and agreed regarding the instruments to use to manage the banking system liquidity deficit. From BoA there seems to be some initial reluctance to use vary the size of the domestic portfolio in line with the framework. The reluctance is being slowly overcome. Further an assessment of non-standard instruments to deploy at the lower bound has been carried out.
Maintenance period length is adjusted and aligned with the rate setting meetings.	Partially Achieved	Although Bank of Albania agreed with the maintenance period length change, its implementation has been delayed by IT issues and related costs.
Start and end of operations are aligned with maintenance period start and end dates.	Partially Achieved	Although Bank of Albania agreed with change, its implementation has been delayed by IT issues and related costs.
Structural banking system liquidity deficit is continuously monitored and, if needed, options to maintain it are analyzed and implemented.	Fully Achieved	Forecasting capabilities and procedures over the short- and medium-term have been refined and are regularly assessed ex post. Forecasting has been more clearly linked to monetary policy implementation decisions.
Initiatives to revive interbank market activities are agreed.	Fully Achieved	The revival of the interbank market should be seen in the context of the general market deepening effort spearheaded by the government securities market development strategy. In the short-term, an adequate banking system liquidity deficit and greater transparency over monetary operations and liquidity forecast underpins the interbank market.
Initiatives to revive interbank market activities are implemented.	Largely Achieved	The regular publication of autonomous factor forecast and benchmark allotment takes place now. Banking system liquidity deficit is regularly maintained at an adequate level. Although they may not be enough to revive the interbank market. Further incentives may be provided by the spillover effects from the government securities market development strategy as new investors may need to find ways to finance their Albanian government securities holdings.

Outcome	Rating	Verifiable Indicators	Results
The central bank has a sufficiently accurate liquidity forecasting framework to guide the liquidity management operations.	Fully Achieved	1. A consistent liquidity table is constructed on a daily basis (or at least at a frequency of regular monetary operations), drawing information from all relevant sources within and outside the central bank. 2. Liquidity forecasting is derived from the liquidity table, and the forecasts are done on a regular basis with an appropriate forecasting horizon (consistent with reserve maintenance period and operational framework).	1. A liquidity table is presented weekly to decision making bodies. 2. Liquidity forecast is regularly conducted and presented to decision making bodies with a weekly, maintenance period and quarterly horizon. Liquidity forecast is strongly linked to the consequent decisions while ex post liquidity developments are analyzed in relationship to market developments.

Milestones	Rating	Milestone Achievements
Regular market presentations are held to the Advisory Committee making clearer the link between autonomous factor developments, market conditions and policy implications.	Fully Achieved	Market presentations are held weekly. The chart pack presented there has been revised. The presentations analyze liquidity developments in relation to market developments.
Regular reports on autonomous factor developments and errors are implemented and used.	Fully Achieved	Autonomous factor forecast errors are reported weekly and monthly. Causes of larger discrepancies are analyzed.

The bank uses a liquidity table expressed in stock as opposed to flows.	Fully Achieved	Since September 2016 the liquidity table expressed in stocks as opposed to flows is being used. A comprehensive version is presented in the monthly meetings on monetary policy implementation and in the yearly liquidity report	
The accuracy of the Treasury account liquidity forecast is improved.	Partially Achieved	The forecast capabilities of BoA have been improved to the extent possible. Further improvements depend on the Treasury cash management practices.	
Outcome	**Rating**	**Verifiable Indicators**	**Results**
An effective interest rate corridor is developed to limit volatility in market interest rates within an acceptable range, consistent with the chosen type of interest rate corridor.	Fully Achieved	1. Standing facilities are operational on a daily basis as a backstop instrument for liquidity adjustment purposes to help limit interest rate volatility.	Standing facilities are operational (no change occurred as part of the project)), the width of the corridor has been optimized taking into account interest rate volatility. Money market rates continue to be well anchored to the policy rate.
Milestones	**Rating**	**Milestone Achievements**	
The width of the corridor is adjusted as needed.	Fully Achieved	The width has been reviewed twice at the occasion of rate changes and has been optimized since 2016.	
Short-term interest rate volatility continues being minimized.	Fully Achieved	Short-term money market rates volatility continues to be minimal.	
Standing facilities are effective despite market segmentation. The system is transparent and consistent.	Fully Achieved	There are no impediments to the recourse to standing facilities. They are fully effective limiting short-term rate volatility. No change has occurred during the project.	
The width of the interest rate corridor is kept appropriate.	Fully Achieved	The width of the corridor is kept at 200 bps and has been lowered from 300 bps previously.	
Outcome	**Rating**	**Verifiable Indicators**	**Results**
The central bank has adequate operational instruments and is able to formulate operational strategy to deal with changing liquidity conditions.	Fully Achieved	1. The design of reserve requirements (RR) should be consistent with its main objectives.	Reserve requirements and the remuneration thereof have been overhauled to bring in line reserve requirement ratio and remuneration with reserve requirement purposes. The remuneration is now in line with best practices with full remuneration of domestic reserve requirements and a remuneration of FX reserve requirements in line with their opportunity cost. Going forward, depending on the deeuroization progresses, reserve requirement ratios between domestic and FX reserve requirements could be differentiated further.
Milestones	**Rating**	**Milestone Achievements**	
Reserve Requirements ratios are revised in line with the euroization strategy.	Fully Achieved	As part of the deeuroization strategy reserve requirements on fx deposit have been increased while reserve requirements on domestic deposits have been lowered.	
The design of RR takes into account euroization and any strategy to contain euroization.	Fully Achieved	Not only reserve requirement ratios have been differentiated between fx and lek deposits but a punitive 20% marginal reserve requirement ratio has been introduced on fx deposits exceeding 50% of total deposits.	
RR do not penalize lek deposits for the benefit of euro deposits. Remuneration policy is revised in line with the RR main objectives	Fully Achieved	Remuneration of lek reserve requirements has been lifted to the central bank policy rate whereas the remuneration of fx reserve requirements has been lowered at -0.40% in line with the ecb df rate.	
Outcome	**Rating**	**Verifiable Indicators**	**Results**
The collateral framework is consistent with the central bank's risk tolerances and sufficiently broad so as to not constraint the implementation of monetary policy.	Largely Achieved	1. A well-articulated and published collateral framework	The collateral framework is appropriate in light of market development conditions but there is well-articulated collateral framework
Milestones	**Rating**	**Milestone Achievements**	
Assess the usefulness of broadening the eligible collateral to promote	Fully Achieved	Beside government securities there is other marketable instrument in the Albanian market to any meaningful extent. So, there is no	

market liquidity in the underlying instruments.		usefulness in broadening the framework at this stage until new asset classes will affirm themselves.
Identify risk management measures to ensure neutrality across assets classes and mitigate the risks to the central bank balance sheet.	N/A	Only government securities are eligible collateral.
Assessment conducted on desirability and usefulness of shifting from an earmarking system to pooling system.	Not Achieved	No formal assessment has been conducted. Earmarking is still used.
If pooling system considered preferable elaboration of an action plan to achieve the desired change.	N/A	See above

The project was a continuation of TA to the Bank of Albania (BoA) in the area of monetary policy design and implementation to consolidate results already achieved. There were two project objectives: (1) improving economic analysis and forecasting capabilities for the monetary decision-making process tailored to the specific monetary and exchange rate policy regime; and (2) strengthen BoA capacity to implement monetary policy effectively, supported by a total of five outcomes. The TA modality was an LTX resident advisor based in the BoA in Tirana.

The Final Project Assessment (July 2018) found that four outcomes were fully achieved while the fifth was largely achieved. Although not initially envisaged in an explicit manner, the project also took a strong focus on advising the BoA on the development of the government securities market.

Based on the findings elaborated below, the project received 18.0 points out of a possible 20.

Relevance: **"4"** The project is well-aligned with country needs and priorities and appears to have been flexible and responsive. Largely LTX TA continued advising the BoA for 12 months in monetary policy design aimed at consolidating past accomplishments and, according to KIIs with IMF and senior officials, successful implementation of recommendations agreed to by the BoA.[157] The BoA requested the extension of the resident advisor, "an experienced central banker," providing the TA. There was the possibility raised of extending the project beyond the 1-year timeframe, which was subsequently extended a further six months. In addition to the original Logframe objectives and outcomes the project also addressed, at BoA's request, development of the government securities market.[158]

Effectiveness: **"3.5"** The project included a strong Logframe with three of four outcomes fully achieved and the other was largely achieved. A mission resulted in 21 key recommendations through December 2016. A number overlap with the Milestones contained in the Project Proposal, meaning that most recommendations concern outputs and not more important project outcomes. This can be read as more concern for process and less for results. The Results Framework section contains a well-prepared and useful baseline discussion and a thoughtful risk assessment and mitigation section. Objective 1 and (only) Outcome verifiable indicator(s) are the same. Numerous Milestones are essentially Work Plan outputs.[159] The LTX, who was highly lauded by BoA authorities, felt the project objectives were "mostly

[157] From key informant interview SECO_34, From key informant interview SECO_17
[158] (Veyrune, August 2016), & (Prokopenko, July 2018)
[159] (Veyrune, August 2016)

met." The authorities themselves felt they were fully met and indeed "exceeded expectations."[160]

Impact: **"3.5"** There is no reason to believe achievements will not have intended impact. Some project achievements were presented in IMF Working Papers and could potentially be used elsewhere.[161] BoA senior officials cite the new systems and procedures that have been put in place as evidence of impact.[162] An IMF KI cited the development of the "de-euroization" strategy and functioning of inter-bank money market/government security markets as notable impacts.[163]

Efficiency: **"3.5"** The high rating is due to efficient use of IMF and project (LTX) staff during TA mission(s) and high-caliber SMEs employed.[164] KI in the BoA opined that having an RA is one of the most cost-efficient TA modalities countries can receive. The IMF and authorities agreed the STX and LTX were well-balanced.[165]

Sustainability: **"3.5"** Several lessons learned were especially useful including joint government ownership of the project Action Plan, value of a knowledgeable RA, multi-level engagement, and a flexible donor (SECO).[166]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

While this intervention was a straight-forward 12-month extension of LTX to the Central Bank, it was highly relevant to country needs and priorities and was also flexible and responsive. Very good Effectiveness score is based on a strong Log Frame and nearly full achievement of all planned outcomes. Some of the achievements were presented in IMF Working Papers, providing evidence of strong Impact. Efficient implementation by LTX and high-caliber STX employed contributed to the rating as well. An IMF key informant gave credit to flexibility of the donor (SECO).[167] Given joint preparation/ownership of the Action Plan, Sustainability is likely to be ensured. Overall, this is one of the most highly rated interventions among the evaluation's project sample. This is particularly noteworthy given that the focus of the TA was monetary policy involving inflation targeting and the exchange rate in light of "euroization."

2) *What alternative interventions, if any, might have provided better results and why/how?*

No alternative interventions could have provided better results. When asked what the results would have been if the IMF-SECO intervention had *not* been provided a government KI responded, "We would have suboptimal policies in a lot of relative areas."[168] The Logframe

[160] From key informant interview SECO_33, From key informant interview SECO_17
[161] (Prokopenko, July 2018)
[162] From key informant interview SECO_17
[163] From key informant interview SECO_34
[164] (Veyrune, August 2016). & (Prokopenko, July 2018)
[165] From key informant interview SECO_17, From key informant interview SECO_34
[166] (Prokopenko, July 2018)
[167] From key informant interview SECO_34
[168] From key informant interview SECO_17

section of the project proposal contained a well-prepared and useful discussion of baselines. The verifiable indicators are good, although some overlap between objectives and outcomes (e.g., #1). Many milestones measures are actually Logframe outputs (as Logframes are normally used; i.e., the hierarchy of outputs-to-outcomes-to-objectives).

The risk assessment was well done and included two risks rated as "high" – which is unusual to see. The final project assessment did not update the risk assessment, which is understandable given the short, 12-month timeframe. Given the success of the intervention, the evaluators conclude that the identified "high risk" items were mitigated as planned.

MCM_GHA_2017_01

Strengthening Bank Regulatory and Supervisory Capacity

Start and End Dates: October 18, 2016 to October 17, 2019 (an extension until April 2020 was requested to "effectively gauge the progress by the BoG with implementation of the follow-up TA recommendations.")

Status: Completed

Ghana (GHA)[169]				
OBJECTIVE 1: Implement Basel II and III regulatory framework				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
1. A policy is developed for Basel regulatory framework covering Basel II pillar 1 risks and capital eligibility requirements for Basel III.	Fully achieved	New measures of risk to capital and capital eligibility requirements are issued in line with Basel II and Basel III for capital.	1.Overall project baseline, not specific to any single indicator: During the last few years, the BoG has improved its supervisory practices, also as a result of the successful SECO-financed projects. Nevertheless, there remain areas of weakness in the legal framework, staff skills, and supervisory practices. The legal framework has gaps and inconsistencies, and some elements of it are also nontransparent. The new Banking Bill will contain significant new powers for the. However, even after passing the new Act, the work needs to be continued. There also are areas that need further work on other types of legal instruments (regulations, guidelines, directives, etc.). Pillars 2 and 3 of Basel II need to be fully	Significant corporate ownership and growth in capacity shown by BoG/staff through the adoption and customization of International Standards as an appropriate long-term policy for minimum capital requirements in the banking sector. BoG has owned the policy development process for Basel as designed by the Advisor. Three (3) phases are being executed, albeit with some delays. The BoG has been more pro-active in engaging the banking industry on the new standards. Phase 1: Completed in-office sessions with 4 Committees, delivered various presentations and 2-weeks training to all 100 staff; the BoG funded out-of-office sessions on CRD and briefing papers and presentations to Governors. Draft Basel Policy (Minimum Capital Requirements - CRD) and Reporting forms were released for Industry consultation, November 2017.

[169] Logframe from- (Nicholls M. , April 2019)

			embedded. Market risk should be properly considered. Data collection and reporting need to be improved both in the BoG, banks, and the non-bank sector (the latter is necessary for the analysis of financial stability). Enforcement of the existing rules should be even-handed and systematic.	Phase 2: Industry consultation closed 31 January 2018 with over 50 per cent of banks submitting CRD self-assessment and draft reporting forms. Phase 3: – BoG funded offsite exercise to review CRD reporting forms and banks' feedback/issues (4 to 8 April 2018) BoG continued engagements for all 34 banks with BSD staff presenting: (1) 3-hour information session (9 February) AND (2) 4-day training on CRD Reporting Forms (estimate 230+ bank staff over 4 days) (16 to 19 April).
Milestones	**Rating**	**Target Completion Date**	**Completion date**	**Milestone Achievements**
- Authorities assess the impact of implementing new reforms on banks.	Fully achieved	June 2018	November 2017 - CRD draft completed. July 2018 – Final CRD Issued.	Governor approved release of CRD Draft to industry. Phase 1 and Phase 2 completed. Phase 3 has also been completed and banks have commenced reporting with the new forms.
- Authorities determine the approaches to follow and calibrate requirements / options to accommodate local conditions.	Fully achieved	December 2017	Completed Phase 1 – November 2017.	CRD issued and banks engaged. BoG engaged in review of data to calibrate requirements.
- Modifications to existing regulations or new regulations are drafted and consulted upon with banks.	Fully achieved	January 2018.	Phase 2 Started November 2017 Phase 2 Ended 31 January 2018 Yet banks continue to be engaged by Quantitative Impact Study (QIS) and targeted information sessions.	CRD Draft includes principles for risk management that will assist supervisors and RBS (Objective 2) and other modifications in Phase 2 (Objective 3). Further modifications could be undertaken by statute but are not achievable within timeframe.
- Final regulations are issued.	Fully achieved.	June 2018.	CRD issued July 2018 and went into effect in January 2019.	The final CRD was issued and published in early July 2018. (http://www.bog.gov.gh/public-notices/3625-capital-requirements-directive).
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
2. Banks are cognizant of the BoG's regulatory and supervisory expectations, and have a strategy to comply by the time the Basel regulatory framework takes effect	Largely achieved	-Banks are engaged and participate in the consultation period on Basel regulatory framework. -Banks provide responses to consultation that confirm they have strategies in place to meet new supervision	1. Phase 2 Industry Consultation	-Phase 2 Industry consultation completed January 31, 2018. -Over 50 percent response rate from all banks on CRD data and self-assessment. -BoG engaged all banks on session on CRD: eligible capital, risk management principles and measurement of pillar 1 risks (credit, operational and market risk) February 2018.

		requirements under the Basel regulatory framework. Banks can meet capital requirements, or have reasonable transition plan, and maintain appropriate plans in place for future growth.		
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
- Banks prepare and implement an action plan to meet the new requirements.	Fully achieved	April 2018.	November 2017 – advice to banks. January 2018 – responses by banks on CRD February – April 2018, and July 2018; BoG held meetings with banks.	Banks have appointed Basel Coordinators to manage the implementation program and report to the Board. External consultation with Banks conducted in February and July 2018.
- Authorities estimate the capital impact and consider what may be necessary to ensure banks can comply with new requirements in due time.	Largely achieved.	Phase 3 – February to May 2018 (Review feedback prior to issuance).	May 2018	1st QIS submitted. 50 percent response rate but with data challenges (April 2018). 2nd QIS resubmission: (May 11) with near 100 per cent response rate from all banks. Analysis completed end May 2018.
- Banks report capital adequacy under new requirements.	Largely achieved	In part already through QIS. Parallel run period from March 2018. Full live reporting from January 2019.	End January 2018 (Phase 2) Parallel runs completed. Full reporting from January 2019.	(Phase 2) – Industry consultation completed. 2nd QIS resubmission near 100 percent response rate. (May 11, 2018). Bank reports analyzed in January 2019.
- Authorities ensure that banks' capital adequacy computation are in line with the new rules and above the minimum requirements	Largely achieved.	May 2018.	April 2018 – sessions with banks on reporting forms conducted.	Initial assessment of supervisory capacity. 4-days training provided on CRD reporting forms for over 230 staff from banking industry.
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
3. Supervisors have the competencies to drive the implementation process of Basel and afterwards, to supervise Banks within an effective risk management regime compliant with the Basel framework.	Largely achieved	1. Supervisors actively engage in the development of the new regulations and working on other parts of the project 2. Support the issuance to industry of BoG's revised directives and guidelines for supervision after the passing of the Banking Bill.	1. Progressive series of training to be provided by BoG Committee leads with Advisor supporting. 2. Promotion and some embedding of results-based work environment in BoG to support enhancements to RBS (TA objective 2). 3. QIS Impact analysis of CRD data is conducted by BoG Basel leads (supported by Advisor) and explained to Governor's to embed an awareness of effect of	All staff (100+) received periodic presentations and dedicated 2-weeks training on CRD (December 2017). Advisor supported Committees leads who delivered training. High level training is well-targeted (not too detailed) for supervision given that QIS is ongoing and CRD final is not yet released. BoG Committees (leads) are leading several engagements with all banks, with strong results. BoG Committee leads have invested heavily to reformulate QIS data

			changes in the Framework.	resubmission at offsite engagement (4 – 8 April). Work environment continues to be challenging for RBS and a high proportion of supervisory work is still reactive. Enforcement action requires improvement.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
Guidelines are issued to industry to support the Basel regulatory framework.	Largely achieved	July 2017.	August 2018	Achieved partially in CRD through principles of risk management. Updated version of the Risk Management Guidelines to be aligned.

Ghana (GHA)				
OBJECTIVE 2: To improve risk-based supervision (RBS) practices and processes.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
1. Strengthen the supervision framework such that the work of management and supervisors mutually reinforce expectations on institutions to improve their risk management practices.	Partially achieved.	1. BoG gives priority to institutions based on their relative risk profile. 2. BoG promotes consistency in supervision and benchmarks institutions and risks. 3. Management reports focus on supervision risk assessment and activities to ensure risk outcomes achieved and planned by the supervisors.	1. Overall project baseline, not specific to any single indicator: During the last few years the BoG has improved its supervisory practices, also as a result of the successful SECO-financed projects. Nevertheless, there remain areas of weakness in the legal framework, staff skills, and supervisory practices. The legal framework has gaps and inconsistencies, and some elements of it are also nontransparent. The new Banking Bill will contain significant new powers for the. However, even after passing the new Act, the work needs to be continued. There also are areas that need further work on other types of legal instruments (regulations, guidelines, directives, etc.). Pillars 2 and 3 of Basel II need to be fully embedded. Market risk should be properly considered. Data collection and reporting needs to be improved both in the BoG, banks, and the non-bank sector (the latter is necessary for the analysis of financial stability). Enforcement of the existing rules should be even-handed and systematic.	Stronger leadership at Senior levels (especially Deputy Governor, Supervision appointed Feb 2018). Buy-in and direction is far clearer for supervision which previously had significant challenges. Interest in Results- based management for RBS is positive. Critical enforcement action has been taken on several banks (two in Aug 2017 and another 7 in the second half of 2018) signaling a willingness to take pre-emptive action. Changes to risk focus orientation and functionality of Department are ongoing. BSD is reorienting to RBS by establishing new structures, dealing with poor performers and fostering a culture of challenging outputs (provisions, risk profiles, etc.). Examination units have increased to three with an extra manager to dilute concentration of teams and help benchmark outcomes. Staff have been transferred out for poor work performance.

				Policy is now under BSD Deputy (also Head Examination), has increased focus on the practical implementation (i.e. clarity and benefit to supervisors & industry alike), and reflects urgency to publish industry standards. New offices for quality assurance and supervisory reporting gives emphasis on quality of outcomes and benchmarking risk assessments. Peer reviews of offsite analysis of prudential returns was reinstated in 2018, and the Advisor participates in these sessions. Leadership includes Head of Examination, Examination Unit Heads and Quality Assurance. A good range of issues are being identified. Examination program has resumed and the onsite schedule for 2018 has been completed. Peer review sessions have expanded to include examination reports.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
1. Management meetings on BSD objectives and outcomes, including onsite and offsite supervision activities.	Partially achieved	October 2018	October 2019 (and ongoing)	BSD Management meets regularly to assess objectives and outcomes. The Advisor met independently on a fortnightly basis with the Deputy Governor and provided weekly updates on progress of the project. Policy work program meetings are more strategic though issues are complex. Peer review sessions are at early stages but is a valuable mechanism to debate issues and to share knowledge.
2. Risk-based reporting developed.	Largely achieved.	October 2018.	January 2019	Advisor developed proposals for results-based management. A supervisory reporting unit has been set up (Feb 2018) to better support management with results-based outcomes. Final revisions have been made to risk reporting templates based on the parallel runs.

3. Timeliness measures apply regarding the issuance of examination reports to banks.	Partially achieved	December 2017	January 2018	Head Examination has set two-week deadline on teams' completion of onsite program, and for offsite reports by end of next month, following the reporting date. Peer review sessions focus managers and RMs on outcomes.
4. Risk-based timetable of inspections implemented.	Partially achieved	December 2017	October 2019	Improved transparency on Examination schedule.
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
2. Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Largely achieved	1. Supervision activities are regularly updated and presented to management. They are prioritized for risk to and from institutions. Staff are delegated to act on bank risks subject to their experience and do not necessarily rely on management. 2. Supervisory reports focus on key risk aspects of the banking system and provide appropriate recommendations. 3. Inspection reports of individual banks are more risk oriented and identify key qualitative and quantitative risk. Supervisors monitor banking problems and risks and take early	1. Supervisory tools are available to supervisors, effective and their consistent use is mandated. 2. The Supervisory ratings approach is followed, targeted to key risks and findings (offsite or onsite) subject to peer review and challenge. 3. Document management process to support examination.	Governors and management have refocused attention on outcomes in Supervision. Performance management has been stepped up and Staff are being challenged to improve performance. Supervisory resources are being buttressed by experienced middle level staff. This is a positive step towards creating a more competitive and challenging work environment. The 2018 Examinations were conducted using audit oriented document management software purchased by the BoG. Document Management System (DMS) Training was provided to all staff in January 2018.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
1. Risk-based supervision and inspection manuals are developed and adopted.	Largely achieved	October 2018.	October 2019 (update of manuals is ongoing).	Necessary steps are being taken and will help embed existing manuals in supervisory practice: examination schedules; examination procedures, documentation management, peer review process and publishing of risk management policies for banks to comply with. There is need as well for an update of the manuals to incorporate new requirements.

2. Regular and appropriate use of cross-referencing assessments across supervisory activities on the same institution.	Partially achieved	October 2018.	October 2019.	BoG regards offsite and onsite documents to be standalone assessments; however this is an obstacle for arriving at a single view of risk for an entity. Better recognition is needed that any single activity must be linked to others, to help management's get a single view of risk.
3. On the job training is delivered.	Largely achieved	October 2018.	October 2018.	Direct feedback on supervisory reports at peer review session. One-on-one sessions with staff and management are taking place. Advisor's efforts were focused on managers with a view to promoting results-based outcomes. On the job training is ongoing.
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
3. Supervisory documents provide a reliable record of risk assessment and action on Institutions.	Partially achieved	1. Reports are timely and well documented for the risks they address (whether they are material or otherwise). 2. Supervisors apply sanctions and enforce prompt corrective actions to address banking problems 3. Supervisors follow implementation of corrective measures and escalate actions as needed.	1. Current documents exist but effective coordination on ensuring best outcomes for supervision is still a work in progress. 2. Current document management needs to be centralized and improved.	DMS for examination has gone live in 2018. Supervision actions have been included in some offsite reports, and this is prompting internal consideration of the value to management. Further strengthening required in linking risks and appropriate actions.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
1. Supervisory processes are reviewed for gaps in monitoring weak/problem banks and enforcement.	Partially achieved	October 2018.	October 2019	A series of independent reports, including from advisors at the Fund have been completed in response to enforcement action, authorized by the BoG. Advisor provided comments on some (but not all) independent reviews of supervision for target of enforcement action. Advisor emphasized peer review process to help with clarity on supervision actions being given to banks.
2. Supervisory processes are amended to	Partially achieved	October 2018	October 2019	Documentation management system for examination will help.

address existing gaps.				Quality assurance unit established will build in improvements over time.
3. Enforcement processes are formalized and documented as needed (enforcement manual).	N/A	Not part of TA objectives.	Not part of TA objectives.	Not part of TA objectives.

Ghana (GHA)				
OBJECTIVE 3: To develop the strategy to implement the Basel II Pillar 2 framework for Internal Capital Allocation Assessment program (ICAAP) including the supervisory review and evaluation process (SREP) and decisions impacting capital.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
1. BoG issues guidelines to industry concerning banks' completion and submission of ICAAPs.	Partially Achieved	Supervisors develop approach guidelines to be issued to banks on ICAAP. Supervisors receive training on what banks are expected to address in their ICAAPs.	1. ICAAP guidelines 2. guidance on assessment of ICAAPs and specifically approaches for assessing non-core residual risks. 3. Risk management guidelines for all risks (non-pillar 1 risks). 4. Publication of supervision methodology.	ICAAP draft Guidelines prepared.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
1. Draft of ICAAP guidelines and supervisory assessment approach for non-pillar 1 risks.	Partially achieved	August 2018	October 2019	-Draft Guidelines discussed at ICAAP Workshop in August 2018.
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
2. BoG develops a supervisory approach for reviewing ICAAPs and for determining the appropriateness of a capital add-on, or other intervention measures as appropriate, for risks not satisfactorily addressed in the ICAAP.	Not achieved.	BoG develops a strategy for SREP of ICAAP and for benchmarking ICAAP to determine the appropriateness of a capital add-on.	1. SRP to incorporate supervisory assessment of ICAAP into existing ratings methodology.	Draft of Pillar 2 Directive prepared. Guidelines however need to be finalized. Manual on how to review an ICAAP to be prepared.
Milestones	**Rating**	**Target Completion Date**	**Completion Date**	**Milestone Achievements**
Supervisory assessment of ICAAPs	Not achieved	September 2018	October 2019	Requires issuance of the ICAAP Guideline as a first step.

The project intended to strengthen the Bank of Ghana's bank regulatory and supervisory capacity. There were three project objectives: (1) implement the Basel II and III regulatory frameworks; (2) improve risk-based supervision (RBS) practices and processes; and (3) develop the strategy to implement Basel II Pillar 2 framework, supported through eight outcomes. The TA modality was STX delivery and an LTX resident advisor based in the BoG in Accra.

The Interim Project Assessment (April 2019) found that one outcome was fully achieved, another was not achieved, while three each were largely and partially achieved.

Based on the findings elaborated below, the project received 11.5 points out of a possible 20.

Relevance: **"2.5"** The project was requested by GOG to continue the resident LTX advisor for two additional years to advance progress made since 2012 including under MCM_GHA_2014_02. Some STX missions were also included. The Bank of Ghana (BoG) agreed with the LTX strategy to implement the Basel regulatory framework and RBS practice. The project was developed jointly with LTX, AFW2 and IMF HQ staff. An emergency bank consolidation process lessened the relevance of the intervention, impacted the pace of implementation progress, and diminished effectiveness.[170] In OECD parlance, relevance is expressly linked to government prioritization. In the case of this project, the emergency bank work became a higher priority, thus reducing the relative relevance of the project. It does seem correct to say the emergency highlighted the need (relevance) of the project, but after the emergency was dealt with first.

Effectiveness: **"2.5"** One outcome fully achieved, others equally split between largely and partially achieved. AFW2 stepped up efforts with authorities to complement the resident advisor's efforts in sustaining traction and accountability for results. BoG Executive Management took ownership and demonstrated stronger leadership in implementing key aspects of the Basel accords (Objective 1, Outcome 1 achieved). Authorities highly appreciated the high caliber of the TA provided by the project (relayed by the BoG Governor). An IMF HQ mission found mid-way through the project (early 2018) that organizational changes and limited absorptive capacity impeded TA impact in some areas. Embedding RBS culture in the BoG's regulatory and supervision framework was a challenge.[171]

Impact: **"1.5"** Both modest achievements and questions concerning sustainability raised doubt regarding impact.

Efficiency: **"3.5"** Support from the IMF RTAC, AFRITAC West II (AFW2), was positive and notable. AFW2 provided STX and formal training which backfilled the LTX. There was significant discussion of coordination and collaboration with AFW2 in CD areas such as RBS; AFW2 will reinforce implementation after departure of the SECO-funded LTX. For example, to support the workstream on strengthening payment compliance with best practices, AFW2 supported a one-week professional attachment to the Bank of Tanzania involving Principles for Financial Market Infrastructures. AFW2 also stepped up efforts with authorities to complement the LTX's efforts in sustaining traction and accountability for results.[172]

Sustainability: **"1.5"** Several factors including limited absorptive capacity undermine sustainability. Computerization of the supervisory life cycle is critical; this is not covered by the project. (IT appears to be a persistent risk for IMF CD programs.) A costed 6-month extension until April 2020 was requested to gauge progress by BoG in implementation of TA recommendations. The risk assessment was updated and a new risk (structural benchmarks of

[170] (Grolleman, September 2016), (Nicholls M. , April 2019)
[171] (Nicholls S. , March 2018), (Nicholls M. , April 2019)
[172] (Grolleman, September 2016), (Nicholls S. , March 2018)

the IMF program based on changes in the macroeconomic circumstances) was identified and rated as "high."[173]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The intervention was based on an original priority, but the Relevance score was reduced due to the unanticipated emergency bank consolidation conducted by the Central Bank which also accounts for the modest Effectiveness achievements. This is in spite of the strong execution, including notable support from the West Africa RTAC including a professional attachment for two BOG payment system experts to the Bank of Tanzania, which caused Efficiency to receive a high score. Impact is questionable, as is Sustainability given organizational changes within the Central Bank and IMF doubts about its absorptive capacity.[174]

2) *What alternative interventions, if any, might have provided better results and why/how?*

The intervention was well conceived and planned results were likely achievable until the emergency occurred. As a consequence, the intervention might have been suspended until such time the Central Bank could give it the time and attention required. This is a good example of an unanticipated exogenous factor requiring time and attention affecting performance and results.

The Logframe is tied to Basel II and III requirements, which is a plus, and contains good verifiable indicators, although no baselines were provided. Milestones are actually targets in many cases, and dates are included for many. The risk assessment did not anticipate the bank consolidation emergency, nor the related issue of insufficient Central Bank absorptive capacity. The assessment did recognize the risk of staff turnover and senior staff retirement, and sound mitigation measures were identified.

MCM_KGZ_2017_01

Kyrgyz Republic Banking Supervision and Regulation

Start and End Dates: April 9, 2017 to July 8, 2019 (extended in September 2018 by 7.5 months)

Status: Completed

Kyrgyz Republic (KGZ)[175]				
OBJECTIVE: To implement a risk-based supervision (RBS) system and upgrade other supervisory processes				
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Amended legal/regulatory frameworks	Largely Achieved	1.Implementation of necessary amended legislation and	1. Regulations do not fully support the RBS approach. Regulations	1.Regulations that will support the implementation of RBS are drafted and/or reviewed by the

[173] (Grolleman, September 2016), (Nicholls S. , March 2018), & (Nicholls M. , April 2019)
[174] (Nicholls S. , March 2018, pp. 1-5)
[175] Logframe from- (Marina, Interim Project Assessment Report: Kyrgyz Republic: Bank Supervision and Regulation, April 2019)

underpinning the implementation of risk-based supervision implemented		regulations to operationally underpin risk-based supervision started	do not involve risk appetite and risk limits concepts. On-site inspection instruction is structured to address CAMELS methodology and does not include RBS principles.	Advisor and they either came into effect or are under public's or NBKR's consideration
NBKR Milestones	**Rating**	**Milestone Achievements**		
A working group within the CB is set up to review the legislation and regulations	Fully Achieved	A working group was established at the beginning of 2017 to work on the draft regulations that should be prepared depending on the new banking law. Also, the methodology division was charged to work on the regulatory enhancements that should be done depending on the Strategic Action Plan. The staff that will work on each topic was identified in August 2017. The Resident Advisor is working with them on identified topics		
Sensitization workshops for all key stakeholder groups carried out.	Fully Achieved	All supervision personnel have been trained in RBS topics. The Advisor made two presentations to the NBKR's banking management team about the actions to be taken for fully implementation of the RBS approach. The Advisor supported the NBKR in preparing a presentation for the banking industry on the implementation of RBS (principles, benefits, methodology, differences from current approach, expectations from banks). This presentation was made to the banking sector representatives in April 2018. The Advisor also prepared a brochure on implementation of RBS which was distributed to the banking sector in April 2018. The NBKR also considers publishing the brochure and a short version of RBS Manual on its website.		
Amendments and/or redrafting of regulations are made by relevant authorities	Fully Achieved	The advisor identified weaknesses in regulations to support RBS, which are included in Strategic Action Plan of the NBKR. The Banking Law was approved by the President in December 2016, and the related regulations have been revised until June 2017. The Advisor provided recommendations/drafted regulations including liquidity regulation, fit and proper criteria for board members, systemically important bank regulation, corporate governance regulation, enforcement regulation, internal control and internal audit regulation, related party regulation and risk management guidelines. Advisor provided her recommendations regarding Instruction on on-site inspections. The Advisor also analyzed shareholder structure of all banks in Kyrgyzstan and drafted a document named "Principles for Consolidated Supervision". Based on that document, the NBKR staff drafted a regulation on Consolidated Supervision. The NBKR collected public's opinion on the draft regulation and it is expected to come into force in the coming months.		
New / revised regulations are issued.	Largely Achieved	Advisor provided her recommendations regarding changes in Credit Risk Management Guideline, Country Risk Management Guideline, Minimum Risk Management Requirements and Instruction on On-Site Inspections. These regulations except Credit Risk Management Guideline came into force in June 2018. Changes in the Credit Risk Management Guidelines came into force in December 2018. The advisor also prepared guidelines on "Concentration Risk Management" and "Liquidity Risk Management". Liquidity Risk Management Guidelines is published in March 2019 and Concentration Risk Management Guideline is now under consideration by the NBKR staff. The Advisor also analyzed shareholder structure of all banks in Kyrgyzstan and drafted a document named "Principles for Consolidated Supervision". Based on that document the NBKR staff drafted Regulation on Consolidated Supervision. The Advisor will continue supporting the NBKR in enacting and enforcing the amended regulations.		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved	Largely Achieved	1.Reports have been modified and adopted to require more relevant data for risk assessment	1.Reports of inspections are structured to address the CAMELS-rating system	1.On-site and off-site inspection reports are revised to reflect the new RBS methodology
NBKR Milestones	**Rating**	**Milestone Achievements**		

Revised Reporting templates are developed	Fully Achieved	Advisor helped off-site inspectors to prepare off-site inspection reports of all banks using the new methodology. The Advisor read all reports and provided comments on them. The Advisor made a presentation to the off-site inspectors on the common issues detected in the reports and types (daily, weekly, monthly, quarterly) and content of off-site supervision reports. The Advisor is constantly giving feedback to reports prepared by inspectors		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Strengthened institutional structure and operational and procedures for RBS implementation	Largely Achieved	1.Staffing levels are reviewed and enhanced 2.Risk-based processes and manuals are implemented 3.On-site inspection scope and frequency is performed based on risk and impact of banks and are guided by off-site risk analysis 4.Supervisory structure and responsibilities are adopted to allow more cooperation between different functions, notably onsite and offsite functions.	1. The staff turn-over rate, which had been high after the crisis, slowed to 8 percent during 2015 2. Banking supervision has been largely compliance oriented 3. Annual on-site inspections are conducted for each bank, and continuous monitoring is provided by off-site supervisors. 4. Off-site supervision is also compliance-oriented and coordination between on-site and off-site supervision is limited	1. The NBKR staff is trained to improve their supervisory judgement skills 2. New RBS methodology is used in all banks. 3. Banks' supervisory strategies are determined based on their ratings and systemic importance. 4. Changes to organizational structures have been approved by the NBKR Board on April 2018. Under the new organization structure on-site and off-site supervision activities will be conducted by supervision groups. Off-site supervision procedures are revised to include RBS methodology. A new division is established (Systemic Risk Analysis Division) for preparing sectoral reports. 5. The Advisor started training interns in March 2019 in RBS topics.
NBKR Milestones	**Rating**	**Milestone Achievements**		
Organizational structures, processes and staffing are reviewed and amended to implement different functions, notably onsite and offsite functions.	Largely Achieved	Advisor discussed with the RBS team and the NBKR management about the specifications of the new organizational structure, gave feedback to the draft changes. The NBKR Board approved the organizational structure changes in April 2018. The Advisor provided her recommendations on improving recruitment criteria. This issue is included in the Strategic Action Plan of the NBKR. The NBKR included completing FSI connect tutorials into the promotion criteria.		
Risk-based supervision and inspection manuals are developed and adopted	Largely Achieved	Draft 6 will is sent to the NBKR in December 2018 by the World Bank. The Advisor's contribution to the Draft 6 Manual covered the following areas: Preparation of off-site supervision procedures, Revisions in explanation of the composite rating, Monthly off-site analysis report format, Revisions in the management sections and changes in the operational procedures about off-site supervision		
Risk-based timetable of inspections implemented	Largely Achieved	All 25 banks are being supervised based on RBS approach. RBS teams prepared annual supervision plan for all banks of which some are approved and some under consideration by the NBKR management. Overall plan is expected to be approved until the end of May 2019.		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes	Largely Achieved	1. Supervisors fully trained to be able to implement risk-based supervision 2. Supervisory reports focus on key risk aspects of the banking	1. After the organizational structure of the banking supervision is changed, new staff from different departments are	1. All supervision personnel have been trained in RBS topics 2. Personnel who took part in RBS implementation at the beginning of the project, are included in training of the

		system, and provide appropriate recommendations. 3. Inspection reports of individual banks are more risk oriented and identify key qualitative and quantitative risks	transferred to banking supervision and there is a need to train these new staff on RBS topics 2. Supervisory reporting templates should be reviewed to incorporate the experience accumulated during the RBS project 3. Reports of inspections are structured to address the CAMELS-rating system. There are no reports on consolidated risks and or sectoral risk assessment of the banking industry	NBKR inspectors 3. Inspection reports are being prepared using the new RBS methodology

NBKR Milestones	**Rating**	**Milestone Achievements**
A training program is designed and delivered to supervisors.	Fully Achieved	More than 50 seminars have been delivered by the advisor. Training covered introduction to banking and banking supervision; introduction to risk based supervision; financial statement analysis; on new legal framework and revised regulations; enhancing off-site monitoring except strengthening licensing procedures. A training for the IFRS 9 transition for banking supervisors was conducted in May 29 -June 2. Also, an IMF TA Mission was conducted to support the NBKR in drafting the supervisory guidelines for commercial banks for IFRS 9 implementation in October 2017. An IMF/WB seminar on RBS was conducted in October 2017
On the job training is commenced and well under way by end 2018	Largely Achieved	More than 50 seminars have been delivered by the advisor. The training continues in 2019. Advisor worked on the IMF/World Bank joint training seminar.
One-week training on RBS topics that will cover all banking supervision personnel will be delivered jointly with World Bank	Fully Achieved	IMF- World Bank joint training took place between 25-30 September in Kyrgyzstan. All banking supervision personnel participated in the training.
Reporting templates are finalized and consistency of reports is achieved	Fully Achieved	The Advisor prepared reporting templates and these templated have been used by the NBKR staff since the transition to the RBS.
All relevant risks are identified, assessed and necessary recommendations are provided by inspectors	Fully Achieved	The on-site and off-site supervision process involves assessment of the bank's risk profile which requires assessment of Credit Risk, Asset and Liability Management Risk, Operational Risk, AML Risk, Earnings, Management and Capital. Necessary enforcement actions are taken for mitigation of risks.
Sectoral reports on consolidated risks and or on other topics are prepared by related Division	Largely Achieved	Systemic Risk Analysis Division is established in April 2018. The Division is preparing Stress Testing, Indicators, Credit Risk Analysis reports regularly and it will start preparing reports on Asset and Liability Management, Operational Risk and Anti-money Laundering Risk.

Kyrgyz Republic (KGZ)				
OBJECTIVE: Strengthened Financial Sector Surveillance through upgrading of regulatory framework in line with international standards				
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**

Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	Largely Achieved	1. Guidelines and regulations for risk measurement and management are adopted 2. Supervisors assess whether regulations and guidelines on risk measurement and management are being applied by banks	1. Guidelines and regulations for risk measurement and management are not fully aligned with Basel Core Principles 2. Supervisors place little emphasis on banks' risk management capabilities. Supervisors do not assess banks' risk management capabilities when assigning ratings to banks	1. 7 regulations were revised, 6 came into force and one is under review by NBKR management 2. New RBS methodology includes assessment of risk management capabilities of banks by inspectors. Bank's quality of risk management together with inherent risk and assessment of capital, earnings and management determines its composite rating
Milestones	**Rating**	**Milestone Achievements**		
Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided	Fully Achieved	Inspectors assess credit risk, market risk, operational risk and liquidity risk together with management, earnings and capital of banks. On-site and off-site inspection reports involve assessment of these risks and recommendations for management and mitigation of these risks		
Guidelines and regulations are passed, including for credit risk management	Largely Achieved	Advisor provided her recommendations regarding changes in Credit Risk Management Guidelines , Market Risk Management Guidelines, Country Risk Management Guidelines , Minimum Risk Management Requirements and Instructions on On-site Inspections came into force in May 2018. The advisor also prepared guidelines on "Concentration Risk Management" and "Liquidity Risk Management". Liquidity Risk Management Guidelines is published, and the Concentration Risk Management Guideline is under the NBKR's consideration.		
Supervisors determine whether guidelines and regulations are effectively adopted	Largely Achieved	Supervision methodology involves assessment of banks; adoption of guidelines and regulations, although the depth all the assessment would depend the skills and experiences of inspectors		
Corrective actions are applied in case of weaknesses in risk management processes or violation of regulations	Largely Achieved	The NBKR's enforcement framework requires taking corrective actions in case of weaknesses in risk management processes and/or violations of regulations. However, there is a need to further improve supervisory judgement skills of inspectors		
Guideline on Management of interest rate risk in the banking book is prepared and come into force	Largely Achieved	The necessary changes in Market Risk Management Guidelines is made to incorporate the assessment of Interest Rate Risk in the Banking Book. The draft regulation is sent to the Supervision Departments to get their opinions. It is expected to come into force in the coming months.		
Guideline on Management of liquidity risk is finalized and come into force	Largely Achieved	The regulation is published in March 2019. However, transition period is given to the banking industry until October 2019.		
Inspectors, during their supervision process, assess banks' management of interest rate risk in the banking book and liquidity risk	Largely Achieved	The inspectors under "Asset and Liability Management Risk" assess banks' liquidity risk and interest rate risk (both trading and banking book).		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Supervisors and regulations require banks to have robust governance policies and processes covering among others effective	Largely Achieved	1. Guidelines and regulations for corporate governance and internal controls are adopted 2. Inspectors assess the	1. Corporate governance regulations are not fully aligned with international best practices especially in establishment and composition of board	1. Corporate Governance Regulation and Regulation on Internal Audit and Internal Control Systems of Banks were revised depending on the new

board and senior management oversight and sound control environment		adequacy of banks' governance and controls, and their compliance with applicable regulations	level committees, independent board members, compliance function and compensation principles 2. Inspectors do not assess corporate governance framework of banks	banking law and international best practices in June 2017 2. The NBKR's supervision process was revised to contain assessment of corporate governance frameworks of banks. Under the new methodology these are assessed under "Management" component and "Quality of Risk Management" for each risk
Milestones	**Rating**	**Milestone Achievements**		
Governance practices and regulations are reviewed and recommendations are provided to align them with international standards	Fully Achieved	The new banking law that was approved by the President in year-end 2016 strengthens banks; corporate governance framework due to provisions about Board level committees, establishment of Risk Management Committee, Audit Committee, Appointment and Remuneration Committee, introduction of compliance function, provisions on independent board members, improved fit and proper criteria for members of board of directors, executive board members, and certain positions etc. The NBKR;s regulations on Corporate Governance, and Internal Control and Internal Audit Systems in Banks, Licensing and Minimum Risk Management Requirements were revised depending on the new banking law and international best practices		
Guidelines and regulations are placed into effect	Fully Achieved	They were placed into effect in May 2017		
Inspectors review adequacy of banks' governance and control systems and compliance with applicable regulations	Largely Achieved	Inspection process includes reviewing adequacy of banks; governance and control systems and compliance with applicable regulations. However, depth of assessments depends on inspectors; skills and experiences		
Corrective measures are taken in case of weaknesses in governance and control systems or violation of regulations	Largely Achieved	The NBKR;s enforcement framework requires taking corrective actions in case of weaknesses in governance, control systems and/or violation of regulations. However, there is a need to change the mindset of inspectors from rules oriented assessment to principles oriented assessment		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Prudential regulations are aligned with international standards and FSAP recommendations once the new Banking Law is adopted	Largely Achieved	1. Current prudential regulations are reviewed. New regulations are drafted.	1. Prudential regulations are not fully aligned with FSAP recommendations.	1. The Banking Law was approved in late December 2016. All regulations were reviewed, and recommendations given by the Advisor. The new regulations that were prepared or revised based on the new banking law, which came into effect before June 2017. 2. Other prudential regulations are under review.
Milestones	**Rating**	**Milestone Achievements**		
Regulation on Consolidated Supervision comes into force	Largely Achieved	The draft regulation is finalized and related parties (the NBKR's departments, banking sector) views are collected. It is expected to be approved by the Supervisory Board in a couple of months.		

Consolidated Reporting templates are submitted by banks	Largely Achieved	Draft consolidated reporting formats are prepared, and they will be submitted by banks after the regulation comes into force.		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Legal/regulatory frameworks underpinning the Licensing regime lay out key steps and criteria for granting (and withdrawing) a License and imposing prudential conditions where appropriate	Not Achieved	1. Regulatory framework for Licensing has been reviewed and any gaps identified 2. Implementation of necessary amended legislation and regulations to operationally underpin the Licensing regime started by [date] as evidenced by a) Supervisory circular; b) FSAP/BCP/ICP self-assessment 3. Issuance of an application guide for licensing setting out the quantitative and qualitative criteria and other requirements for submitting License applications	The NBKR's licensing framework should be reviewed in light of the new banking law	The NBKR's licensing framework in the progress of revision
Milestones	**Rating**	**Milestone Achievements**		
Regulatory framework for Licensing has been reviewed and any gaps are identified	Fully Achieved	The advisor submitted her recommendations on improving Licensing Framework. The banking law needs to be amended to strengthen the NBKR vetting of shareholders. The advisor shared her proposals with the Article IV Consultation Mission and the mission included these recommendations into Concluding Statement.		
Necessary changes in legislation is issued	Not Achieved	The advisor submitted her recommendations on the Banking Law and Licensing Regulation. They are being considered by the NBKR management.		
Detailed application guide (if necessary) is issued	Not Achieved	Depends on the above amendments.		

Kyrgyz Republic (KGZ)				
OBJECTIVE: Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability				
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Banking legislation and regulations are aligned with Basel II/III requirements	Partially Achieved	1. New Capital regulation and minimum requirements are issued in line with Basel II / III requirements 2. New liquidity regulations have been issued in line with Basel III requirements	1. Capital definition is not aligned with Basel III capital definition. Capital requirement for operational risk is not considered. The NBKR does not have authority to increase specific banks' minimum capital adequacy ratio considering their risk profile 2. The NBKR's liquidity regulation does not require monitoring FX liquidity position of banks. The NBKR's liquidity	1. Necessary revisions to align the capital definition with Basel III framework and to differentiate minimum CAR depending on the risk profile of banks are drafted and discussed with the banking industry. The draft regulation to allocate capital for operational risk is prepared. It is expected to be discussed with the related parties in May 2019. 2. The draft to require banks to monitor FX liquidity is prepared. However, the Supervisory Board of the NBKR postponed it. It will be submitted to the Supervisory

			regulation does not cover funding stability of banks	Board again in the coming months.
Milestones	**Rating**	**Milestone Achievements**		
Capital definition is aligned with Basel III definition	Largely achieved	The draft amendments are finalized and discussed with the related parties. It is expected to come into force in the second quarter of 2019.		
Capital adequacy framework allocates capital requirement for operational risk	Partially achieved	The draft amendments are prepared and ready for discussion with the related parties.		
The NBKR has authority to increase minimum capital adequacy ratio in relation to risk profile of banks	Largely achieved	The draft amendments are finalized and discussed with the related parties. It is expected to come into force in the second quarter of 2019.		
NBKR's liquidity regulation is amended to monitor FX liquidity positions of banks	Not Achieved	The draft to require banks to monitor FX liquidity is prepared. However, the Supervisory Board of the NBKR postponed it. It will be submitted to the Supervisory Board again in the coming months.		
The NBKR issues regulation on assessing funding stability of banks	Fully Achieved	Liquidity Risk Management Guidelines are published in March 2019. A draft regulation on "Net Stability Funding Ratio" is prepared. It is under consideration of the NBKR. Now.		
NBKR Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Banks have a robust liquidity position to withstand crises and shocks in the short term and have a wealth of stable funding sources to finance their longer-term assets	Partially Achieved	1. Banks' liquidity coverage ratio (LCR) is above the minimum requirement 2. Banks' net stable funding ratio (NSFR) is above the minimum requirements	1. The NBKR does not monitor banks' short-term FX liquidity position 2. The NBKR does not assess banks' funding stability	1. Draft regulation on "Liquidity Coverage Ratio (LCR)" is prepared. It will be sent to collect views of related parties in the second quarter of 2019. 2. The draft regulation is prepared on "Net Stable Funding Ratio" It will be considered by the NBKR, after the LCR Regulation comes into force.
Milestones	**Rating**	**Milestone Achievements**		
Banks submit FX liquidity positions and the NBKR assess them to make sure they have robust liquidity position	Not Achieved	The draft to require banks to monitor FX liquidity is prepared. However, the Supervisory Board of the NBKR postponed it. It will be submitted to the Supervisory Board again in the coming months.		
The NBKR assesses banks' funding stability	Fully Achieved	Liquidity Risk Management Guidelines are published in March 2019. A draft regulation on "Net Stability Funding Ratio" is prepared. It is now under consideration of the NBKR.		

The project aimed to strengthen the Bank of the Kyrgyz Republic's bank regulatory and supervisory capacity. There were two project objectives: (1) implement RBS and upgrade other supervisory processes; and (2) develop and strengthen banking regulations and prudential norms, supported through seven outcomes. The TA modality was HQ STX delivery and an LTX resident advisor based in the NBKR.

The Interim Project Assessment (April 2019) found that two outcomes were partially achieved, another was not achieved, while the remainder were largely achieved.

Based on the findings elaborated below, the project received 14.5 points out of a possible 20.

Relevance: **"3.0"** The project assisted the NBKR in implementing its Strategic Action Plan, approved in December 2016. SECO PM noted ECF conditionality and viewed relevance highly.[176] This was a 19-month effort to assist the Central Bank (NBKR) implement RBS and its Strategic Action Plan (the Plan) including CD in line with the 2013 Financial Sector Assessment Program report. A resident advisor has been in place at NBKR since 2010 funded by the IMF, Japan, and SECO. The RA assisted NBKR to develop the Plan covering 2017-19. The Plan has not been approved yet. The proposal does not note a government request for or endorsement of the project and provides no sense if actions are high priority. Country has had an IMF Extended Credit Facility. Two project objectives in the Logframe: RBS and regulatory and prudential framework per Plan and new Banking Law. TA was delivered by extending the tenure of the resident advisor, complemented by MCM staff visits to monitor implementation.[177]

Effectiveness: **"2.5"** There were mixed outcome achievements per the project assessment but a SECO KI views more positively. The Project Assessment found that Objectives 1 and 2 were achieved; Objective 3 (new) "in progress." Delayed beginning of liquidity monitoring largely led to only partial achievement of Objective 3. A SECO informant felt that objectives were fully met and noted challenges include implementation capacity (lack of resources) and emergent gaps in TA. Several useful lessons learned include involvement of NBKR staff in Action Plan preparation.[178]

Impact: **"3.0"** An unrelated IMF (HQ) mission raised two issues beyond project scope: changes in the NBKR's Board and acquisition of a "problem" bank. The nature of NBKR's response to these issues "poses a risk to its (the project) progress and effectiveness."[179] These issues were included in an updated project risk assessment. The RA avoided serial supplementation; "She didn't do the job but showed them how to do it."[180] According to SECO, there were no unforeseen negative impacts, unlike a similar project in Tajikistan (see below).[181] Very successful coordination with WB was an unanticipated positive impact. Systemic improvement in RBS has had the impact of making Kyrgyz banks more resilient to shocks.[182]

Efficiency: **"3.5"** Notable collective action with WB that had a closely related program also financed by SECO. Cooperation between the two efforts, centered on the RA, was deemed excellent and continued. RA provided more than 30 seminars, and with WB organized two-week seminars in October 2017 and September 2018. A SECO informant believes it more cost-efficient (than fly-in-fly-out missions) to have a RA on the ground, noting that modality was appropriate to client needs.[183] IMF plans to establish a RTAC to become operational in FY21; until then the mission recommended TA under the two projects rely on STX and not the RA.[184]

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[176] From key informant interview SECO_13
[177] (IMF, IMF-SECO Kyrgyz Banking Project Proposal, April 2017)
[178] (IMF, IMF-SECO Kyrgyz Banking Project Proposal, April 2017), From key informant interview SECO_13
[179] (Marina, Back to Office Report , May 2020)
[180] From key informant interview SECO_13
[181] From key informant interview SECO_13
[182] (Marina, Interim Project Assessment Report: Kyrgyz Republic: Bank Supervision and Regulation, April 2019)
[183] From key informant interview SECO_13
[184] (IMF, IMF-SECO Kyrgyz Banking Project Proposal, April 2017)

Sustainability: **"2.5"** Pending unrelated issues raise uncertainty of some sustained benefits, but there has been systemic improvement in banking supervision. RA created a useful committee which provides a platform for NBKR management to be involved in the change process. RA also encouraged and supported project team within NBKR to train others. TA was combined with training, especially "hands-on." Peer learning from other countries (Turkey and Armenia) also occurred.

SECO is interested in continuing to partner with MCM provided that the NBKR issue noted above is resolved without the suspension of the RBS project implemented by the WB and supported by SECO.[185] TA helped achieve a systemic change in risk-based banking supervision including a dedicated department which is likely to last. Challenges to sustainability included weak implementation capacity and high rotation of counterpart staff although the new RBS procedures will help mitigate the risk.[186]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The project proposal does not indicate government request nor endorsement of the intervention but does note the country had an IMF Extended Credit Facility. A SECO KI remarked that conditionality made the intervention objectives a priority and thus Relevance as scored high.[187] The relationship between government authorities and IMF was strained at times, but the authorities' relationship with the LTX was good. Effectiveness was good with the two original objectives being fully met according to KII and IMF HQ mission documentary evidence.[188] However, a new third objective was characterized as being "in progress." This, coupled with concern about implementation capacity linked to lack of resources, moderated the scoring. Efficiency was scored highly due to very good coordination with a related World Bank intervention. The use of the LTX, as opposed to fly-in-fly-out STX missions viewed as more cost-effective by SECO.[189] Impact and Sustainability scores moderated by implementation concerns, although the LTX established a useful committee of Central Bank managers to guide the change management process.

2) *What alternative interventions, if any, might have provided better results and why/how?*

With the addition of the new objective, some TA gaps emerged which needed to be addressed. An IMF HQ mission raised two issues beyond the scope of the intervention which nonetheless could affect impact and sustainability.[190] To IMF project managers' credit, these issues were added to an updated risk assessment completed as part of the interim project assessment. The risk was rated as "high" and the assessment (covering a 12-month period ending in April 2019) noted that the Central Bank's response to the IMF and World Bank

[185] (Marina, Back to Office Report , May 2020, p. 2)
[186] (Marina, Interim Project Assessment Report: Kyrgyz Republic: Bank Supervision and Regulation, April 2019)
[187] From key informant interview SECO_13
[188] (Marina, Interim Project Assessment Report: Kyrgyz Republic: Bank Supervision and Regulation, April 2019)
[189] From key informant interview SECO_13
[190] (Marina, Kyrgyz TA Needs Assessment, May 2019)

"poses a risk to its progress and effectiveness." The updated risk assessment also correctly flagged the issue of "weak resource capacity which may lower the absorption capacity."[191]

The Logframe, unlike most examined by the evaluators, does a good job of distinguishing between baselines and results. For example, one outcome indicator baseline statement is, "Guidelines and regulations for risk measurement and management are not fully aligned with Basel Core Principles." The results reported in the interim assessment are, "Seven regulations were revised, six came into force and one is under review." However, since the Logframe does not include targets, it is not possible to assess whether this number of revised regulations is significant or not.[192]

MCM_TJK_2017_02

Tajikistan Strengthening Bank Supervision

Start and End Dates: April 29, 2017 to August 31, 2019

Status: Completed

Tajikistan (TJK)[193]				
OBJECTIVE: To implement a risk-based supervision (RBS) system and upgrade other supervisory processes				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved	Partially Achieved	1. Reports have been modified and adopted to require more relevant data for risk assessment 2. Databases and management practices modified to ensure data adequacy and integrity	1. NBT supervision capacity can be significantly enhanced and complexities of the work best captured with the implementation of international standards in this area. Some more advanced bank supervisory techniques are employed by the authorities, but overall bank supervision currently is limited because of the lack of capacity. Based on contacts from surveillance missions to Tajikistan, capacity seems to exist and the expert will leverage capacity found.	1. It is difficult to give a fully achieved assessment of this milestone as it is expected that reports will tend to be modified in the future with financial innovation and developments in banking in Tajikistan. In so far as the project's expectations are concerned, the assessment is satisfied with what has been accomplished in such a short period of time. The reporting system has proven to be quite flexible and improvements in data integrity are substantial. 2. As analysis of the data continues, it is expected that risk assessment frameworks will continue to be modified and strengthened without losing the integrity built into the system now 3. Call report formats continue to be revised using the inputs from the LTX and various consultants.

[191] (Marina, Interim Project Assessment Report: Kyrgyz Republic: Bank Supervision and Regulation, April 2019, p. 2)
[192] (IMF, IMF-SECO Kyrgyz Banking Project Proposal, April 2017)
[193] Logframe from- (Bartholomew, Interim Report- Project Assessment Tajikistan SECO Strengthening Bank Supervision, April 2019)

				But progress is very slow due to the number and duration of the projects. 4.Framework development is ongoing as consultants' recommendations are received. But the process has lacked a formal timetable or prioritization of tasks. BSD is not yet at the point where interim revisions can be imposed on the industry. 5. The existing reporting and analytical framework are sufficient, but they are being expanded to accommodate expanded reporting for assessment of CRM, LRM, stress testing and Consolidated Supervision. 6. Timeliness and quality of analyses continue to be areas needing improvement
Milestones	**Rating**	**Milestone Achievements**		
Revised Reporting templates are developed	Largely Achieved	The reporting templates have been reviewed and modified as per suggestions. As more issues are discovered, templates are again reviewed. This is an ongoing process that is and should be expected.		
Current databases reviewed to ensure data adequacy and integrity.	Fully Achieved	Current data bases have been reviewed and data integrity constantly checked. Anomalies persist but much less than previously. This is to be expected even with a perfect template as off-site examiners are constantly reviewing the data for accuracy and integrity. Moreover, as analysis of the data continues with greater scrutiny, further anomalies are expected.		
All types of banks start reporting according to new requirements regularly and with high degree of accuracy and timeliness.	Fully Achieved	Banks are reporting new requirements regularly and with a high degree of accuracy. Off-site is satisfied at this stage, but final verification will come through the on-site examination process. However, when the CRM, LRM, Stress Testing and Consolidated Supervision Instructions are in place, there will be significant new reporting requirements.		
Automation solution is implemented or revised to allow a flexible and risk-based analysis of reports for all types of banks.	Largely Achieved	This is largely achieved. Tests are made by requesting different data formats and making inquiries not used previously. Staff are responsive and the system seems to be more than adequate.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system	Partially Achieved	1. Supervisors apply sanctions and enforce prompt corrective actions to address banking problems 2. Supervisors follow implementation of corrective	1. NBT has a risk rating system to categorize the level of risk in an institution 2. NBT has a supervisory response system for prompt corrective actions based upon the risk rating system	1. NBT applies sanctions to address banking problems. After being accused of unfairly applying sanctions, the NBT produced a list of all sanctions taken against banks in the previous year. The NBT has committed to producing a regular public report on banking supervision which will include a

		measures and escalate actions as needed		list of all supervisory actions taken (but omit the name of the sanctioned bank). This has so far been done in a presentation to bankers quarterly and annually. The annual report still remains a structural summary of the banking system. 2. In addition to demonstrating a willingness to sanction non-compliant and unsound banks, the NBT has come to the realization that fines are less effective than direct sanctions such as cease and desist orders, activity prohibitions, and removals of managers, officers, or directors. Supervisory actions against two large problematic banks have been minimal. 3. BSD takes action on findings for the most part, but sanctions have not been imposed for non-compliance with regulatory norms by the troubled state-owned banks, and resolution actions have not been taken. Such lack of corrective measures may be an indication of a lack of independence. 4. Follow-up monitoring is being done, but action taken on the information, in particular action that might be taken against the large, state-owned banks, is slow to materialize. 5.Timeliness of follow-up continues to be a flaw in the supervisory process.

Milestones	Rating	Milestone Achievements
Supervisory processes are reviewed for gaps in monitoring weak / problem bank and enforcement for all types of banks.	Partially Achieved	Gaps have been identified In addition, the forthcoming TA to develop the SREP funded by WB/IDA for NBT will result in a major overhaul of supervisory processes including the risk rating system and the supervisory response framework (which presently serves as the enforcement manual). An external consultant was to provide supervision manuals but failed to do so. The consultant for the SREP development may provide these.
Supervisory processes are amended to address existing gaps for all types of banks.	Largely Achieved	Supervisory processes have been amended as per suggestions of the LTX. This is an ongoing process. See also the abovementioned comment on the forthcoming TA to develop SREP.
Enforcement processes are formalized and	Partially Achieved	Although some changes have been implemented administratively, a manual for enforcement has not yet been drafted. See also the abovementioned comment on the forthcoming TA to develop SREP.

documented as needed (enforcement manual) for all types of banks.		
Supervisors are trained to implement the new processes and manuals for all types of banks.	Not Achieved	Without the manual, training is not yet envisioned. However, with each visit by an expert, implementation guidance is provided to the extent the limited duration of the mission allows. As indicated under "Lessons Learned", all training needs should be "formalized" and met within a designed curriculum that NBT/BSD should develop.

Outcome	Rating	Verifiable Indicators	Baselines	Results
Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes	Not Achieved	1. Supervisors fully trained to be able to implement risk-based supervision 2. Inspection reports of individual banks are more risk oriented and identify key qualitative and quantitative risks 3. Supervisors monitor banking problems and risks and take early action as needed	1. There is insufficient staff to fully implement a risk-based supervision regime 2. Staff analytical skills are not yet sufficient to identify causes and effects of changes in the risk profile 3. Staff do not fully understand the significance of stress testing results and the related supervisory action to be taken based upon those results.	1. Gap analysis was performed and recommendations provided to BSD management at project outset. The update BCP guided self-assessment now in process should identify remaining gaps. 2.Staffing, in terms of number and needed skill sets, appear to be inadequate. The workload /staffing analysis now in process should help identify staffing needs. 3. The originally proposed action plan was not adopted, and the original work plan suffered correspondingly with intended time frames sliding outward for various reasons mentioned above and previously. Several subsequent versions of an action plan/road map have been provided without result. 4.Aside from an apparent insufficiency of numbers, technical capacity is limited; available skill sets should be expanded by hiring or training using a strategic vision of the system and how the NBT would like to supervise it. 5. Establishment of a formal training program envisioned in the TOR was not endorsed by BSD management. The need to develop analytical skills is becoming increasingly apparent. 6. Staff are sent periodically to various supervision training programs abroad, but on an ad hoc basis. 7. Generally, reports tend to be compliance-based. A proposed model for an Inspection report

				was offered, but it has not yet been adopted. 8. As mentioned above and previously, monitoring is already being done, but timeliness of initiation of some actions based upon offsite analysis can improve.

Milestones	**Rating**	**Milestone Achievements**
A training program is designed and delivered to supervisors.	Not Achieved	This milestone is deferred until the LTX and the IFI projects are completed. See comment under "Lessons Learned"
A program of on-the-job training is commenced and well under way.	Not Achieved	Not applicable at this stage. Once a formal training program is envisioned, then it may commence. See comment under "Lessons Learned".

Tajikistan (TJK)				
OBJECTIVE: To improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment	Partially Achieved	1. Issued guidelines and regulations compliant with IFRS and Basel principles 2. Bank's financial statements and supervisory reports comply with international standards	1. Existing provisioning requirements are more strict/severe than international standards 2. Effective 2019, banks must prepare audited financial statements in accordance with IFRS	1. The project has gone as far as possible toward this outcome. It would be necessary to change regulation to achieve the objective, but that is not recommended at this stage because the regulation has been changed too many times in the recent past. Technically the guidelines are compliant but in the project's view the rules are too complex and burdensome. The NBT is aware of the challenge and is endeavoring to address it. 2. BSD management has opted to defer revision of the Instruction governing classification and provisioning until later in 2019. During the interim regulatory and accounting treatment will operate simultaneously. 3. Provisioning differences resulting from the differences between IFRS and the NBT Instruction are recognized in prudential accounting formats and regulatory capital.
Milestones	**Rating**	**Milestone Achievements**		
Survey/stocktaking of current NPL accounting practices and capital positions	Fully Achieved	The survey was done and it will be a continuing topic for discussion. In reaction to the regulatory failure that occurred during the recent financial crisis, weak credit risk management was cited as a major contributing factor. The Tajiks may have over-reacted with too harsh a classification system (30 days past due is classified as NPL). While it makes sense to flag a loan which has just become past due, it is not necessary to classify it as nonperforming.		

		Most jurisdictions would expect such a missed payment as not unusual and probably soon to be rectified. However, given that the Tajiks have already changed their loan classification and provisioning system several times since reforms began to be implemented, it might only confuse regulated institutions to change them again. To make reporting of industry financial performance more in line with other jurisdictions, the NBT has decided to report as NPLs only those loans greater than 90 days overdue, but this decision is yet to be implemented. Provisioning will still be required based on the existing classification system.
Draft guidelines/regulations amendments compliant with TA recommendations.	Not Achieved	See the above comment.
Produce proposed revised guidelines and regulations.	Not Achieved	See the above comment.
Revised guidelines/regulations approved/enacted.	Not Achieved	See the above comment.

Tajikistan (TJK)				
OBJECTIVE: Strengthened Financial Sector Surveillance through upgrading of regulatory framework in line with international standards				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Supervisors monitor banking groups and their prudential ratios on consolidated basis	Not Achieved	1. Banks submit reports on standalone and consolidated basis 2. Regulations require banks to respect prudential limits on consolidated basis	1. Consolidated supervision framework is not yet implemented. Banks are reporting and are examined on a standalone basis	1. An instruction on supervision of consolidated groups has been drafted and circulated internally. The Instruction conforms to the legal basis that enables consolidated supervision to be performed. The instruction also is compliant with the criteria established for BCPs 12 and 13. 2. An Internal Guideline has been drafted to assist staff to implement the Instruction. 3. Revisions to call reporting formats have been drafted to enable monitoring of compliance with prudential norms for group members specified in the Instruction. 4. A group risk rating system has been drafted. 5. Ownership and other organizational structure information has been collected for each bank and for each micro-credit organization over TJS 100 million. 6. A slide presentation has been developed to provide staff familiarity with the consolidated supervision framework that will be implemented. (Scheduled for early June)

				7. Discussion notes for each banking group have been developed for each analyst to inform their banks of the reporting requirements, issues, information gaps and accounting treatment of group members. 8. A policy issues paper has been provided to BSD for decisions regarding the scope of implementation of the Instruction.

Milestones	**Rating**	**Milestone Achievements**
Banking regulations require banking groups to submit reports and data, and to respect prudential ratios on consolidated basis.	Not Achieved	Although most of the tasks leading to the issuance of the Instruction are at an advance stage, adoption of the Instruction is pending. The Instruction, when issued, and the requirements that follow will enable the milestone to be achieved. Major achievement accomplished, however, is that identification of ownership of financial institutions has almost been completed. Given that the Tajik's have never before disclosed this information, this accomplishment is very significant, and there has been some resistance encountered.
Supervisors demonstrate through production of a report on the group structure, activities and risks through analysis of collected data and other supervisory activities	Not Achieved	Most of the tasks leading to this milestone are deferred until other aspects of the project are more fully achieved. However, as mentioned, as a necessary precursor to this work, a detailed identification of ownership and cross-ownership of Tajik financial institutions is underway. Compliance with the Instruction, when issued, will enable a comprehensive analysis of group structure, activities and risks and a report to be generated on these.
Supervisors monitor the consolidated position of banking groups and their compliance with prudential standards on consolidated basis.	Not achieved	Not applicable and to be rescheduled, dependent upon the date of issuance of the Instruction
Supervisors take corrective actions in case of weaknesses or vulnerabilities at the level of the group or in case of violation of prudential standards on consolidated basis.	Not achieved	Not applicable and to be rescheduled, dependent upon the date of issuance of the instruction

The project aimed to strengthen the National Bank of Tajikistan's bank supervisory capacity. There were two project objectives: (1) implement RBS and upgrade other supervisory processes; and (2) develop and strengthen banking regulations and prudential norms, supported through five outcomes. The TA modality was (limited) STX delivery and an LTX resident advisor based in the NBT.

The Interim Project Assessment (April 2019) found that two outcomes were not achieved, while the remainder were partially achieved.

Based on the findings elaborated below, the project received 6.5 points out of a possible 20.

Relevance: **"1.5"** Two-year project to support the Central Bank (NBT) to strengthen bank supervision. LTX resident advisor works with the Banking Supervision Department and coordinates activities with other TA providers. The project proposal does not mention a predecessor IMF and/or SECO project. A 2015 FSAP update is mentioned. The project has the same three basic objectives as other IMF/SECO banking supervision projects. A SECO informant was not certain of project's origination other than the FSAP follow-up and mention of poor bank supervision framework enforcement. An IMF KI indicated that the government did not have a strong opinion and considered it not worth opposing.[194] A Basel Core Principles assessment had been conducted several years earlier and a new management team was in a place at the NBT. The GOT was interested in a future IMF program. Although the project was jointly developed by the IMF and NBT officials, there were many "top" priorities and absorptive capacity with the institution was quite limited.[195]

Effectiveness: **"1.5"** A 2017 IMF assessment report stated it will analyze if this TA project is justified to proceed in its second year, but there was no evidence available that this first year assessment was completed. There were three project objectives, all "partially achieved." Main challenges included unharmonized and at times overwhelming TA from different sources (WB) with the result, as the RA noted, "that few are concluded."[196] NBT staff orientation still is often "compliance-based" and the staff are reluctant to make recommendations for supervisory actions. A SECO KI assessed objective achievement as "mostly met" which provides evidence that performance improved somewhat after the Year 1 IMF assessment.[197]

Impact: **"1"** Minimal impact is aligned with low scoring on effectiveness and sustainability. Risk assessment contains a risk rated "high" as "senior authorities will object to ultimate objectives of TA as they understand the political economy of their implications." The Risk Assessment and Mitigation matrix risk update notes that "senior governance of the NBT does not always understand why they need to make certain changes." The update also notes that some deliverables were "compliant", but the rules were viewed as too complex and burdensome. The bank regulator is known for "elite capture." "In that sense the risk assessment wasn't done well."[198]

An IMF KI felt the project had "no" impact, and noted the suggestion that the RA leave after Year 1, but that IMF and SECO decision makers asked that he stay in the event the conditions within the country improved.[199] NBT KIs felt if and when recommendations are implemented, there will be an impact.[200]

Efficiency: **"1.5"** Poor coordination between TA providers undermined efficiency. Lack of executed DP harmonization a problem. RA suggested several plans/roadmaps for implementation, but none have been adopted.[201] RA signed an NDA with NBT and as a result could share very little information with the IMF, World Bank or IFC colleagues. LTX was "too well embedded" in that he appears to have done everything the authorities asked him to do and could not focus on his core tasks.[202] To his credit, the RA recognized many of these operational constraints and noted he shared his concerns with IMF managers.

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[194] From key informant interview SECO_44
[195] (Bartholomew, IMF-SECO Tajik Bank Supervision Project Proposal, April 2017)
[196] (Bartholomew, Interim Report- Project Assessment Tajikistan SECO Strengthening Bank Supervision, April 2019, p. 5)
[197] From key informant interview SECO_18
[198] From key informant interview SECO_18
[199] From key informant interview SECO_44
[200] From key informant interview SECO_25
[201] From key informant interview SECO_44
[202] (Bartholomew, Interim Report- Project Assessment Tajikistan SECO Strengthening Bank Supervision, April 2019, pp. 5-6)

Other efficiency challenges included: interagency tensions (within Central Bank); limited implementation capacity; overambitious timeframe; and, conflicting policy advice from other TA providers. RA did not achieve the same cost-efficiencies as in Kyrgyz Republic because he was engaged in supplementation work at the behest of country authorities and did not do more on the implementation of new regulations. Instructions need to be translated from English to Tajik.[203]

Sustainability: **"1"** At the time of last project assessment made available to the evaluators, no IMF or SECO decision was made to continue TA. An IMF KI noted that he doubted there would be sustainable benefits due to insufficient staff and resources and "an inability to change."[204] A prioritized road map/plan for TA should be agreed among all donors and the NBT prior to commitment of any additional resources. A training needs assessment should be developed before any TA program.

Structured, short-term TA visits tied to specific NBT progress/accomplishments probably would work better than the current LTX. Activities beyond August 2019 were discussed by assessment mission with NBT, WB, and SECO. The completion of the existing TA is critical (no new commitments made). TA provided new supervision instruments, but they haven't been put into internal regulations for implementation. The RA did little follow-up because he was too distracted by requests from the Central Bank.[205]

A SECO informant suggested conditioning new assistance on adoption and implementation of past recommendations for reform, which is presently not an IMF or SECO condition. "It's something we might want to strengthen or become stricter…"[206]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

This intervention is among the lowest scoring within the sample; all criteria fared poorly. Relevance is highly questionable; no evidence of a prior IMF intervention, nor of a country request much less prioritization of the CD assistance. There was no IMF program. The SECO informant was not certain of the intervention's genesis but thinks it may be linked to a 2015 FSAP follow-up and felt the government did not have a strong opinion either for or against the intervention but decided not to oppose.[207] Central Bank authorities did insist that the LTX sign a strict NDA and as a result the individual could share little information either with IMF managers or other donors, hampering coordination and indeed much of the execution. Conflicting policy advice (and at times overwhelming TA from other donors that strained absorptive capacity) and intra-agency tensions with the Central Bank compounded challenges.

The LTX was "too well embedded" and engaged in serial supplementation while losing focus on the intervention's core tasks.[208] The LTX written documents required translation from

[203] (Bartholomew, IMF-SECO Tajik Bank Supervision Project Proposal, April 2017)
[204] From key informant interview SECO_44
[205] From key informant interview SECO_18
[206] From key informant interview SECO_18
[207] From key informant interview SECO_18
[208] (Bartholomew, Interim Report- Project Assessment Tajikistan SECO Strengthening Bank Supervision, April 2019)

English to Tajik (or Russian) hampering communications and slowing implementation. The original promise of focusing on implementation of the FSAP recommendations was unfulfilled.

2) *What alternative interventions, if any, might have provided better results and why/how?*

The intervention was undermined from the beginning by the lack of Fund leverage and thus strong buy-in from the Central Bank. The objectives to be achieved were not a perceived need much less a priority. The LTX was "captured" by the Central Bank authorities. The terms of engagement were dysfunctional and should have been deemed unacceptable by IMF managers. The LTX should have been replaced by a Russian speaker, an attribute which accounted in part for the success of the LTX in the Kyrgyz Republic.

The risk assessment recognized the danger of absorptive capacity but did not take into account the TA delivered by other donors – and particularly the World Bank. Thus, the intervention's mitigation measure of "more basic deliverables" was deficient. The assessment correctly rated the risk as "high" that senior authorities will object to the ultimate TA objectives as they understand the political economy of their implications. The evaluators conclude that in these circumstances, a CD intervention be best linked with an IMF credit program, if not explicit conditionalities as well.

STA Projects

The final three projects in the sample all involve CD to improve government financial statistics (GFS). All are multi-country efforts[209] overseen by IMF/STA executed using similar TA modalities over the same three-year period. They sought to achieve the same single objective, which *inter alia* would support IMF surveillance. One project was very successful, while the other two were only modestly so. The three countries (Colombia, Peru and Indonesia) associated with the first project are all G-20 members and the project contributed to the organization's Data Gaps Initiatives. KII revealed that in Colombia and Peru OECD accession was also a motivating force. EU accession was also an incentive for the South Eastern European countries participating in the second project. There were no similar incentives for the three Central Asian countries participating in the third project.

STA_EUR_2017_01

Improve Capacity for GFS in SE Europe Countries (**NOTE:** The TA mission reports provided by IMF cover project work in Bosnia & Herzegovina (BiH) as this was the only country selected in the sample.)

Start and End Dates: June 1, 2016 to April 30, 2020 (original completion date was April 30, 2019)

Status: Completed

Bosnia And Herzegovina (BIH)[210]

[209] Only the intervention in Bosnia and Herzegovina was included in the sample
[210] Logframe from (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)

OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **concepts and definitions** of the latest manual/guide.	Largely Achieved	PSDS are compiled following the PSDSG 2011 framework, concepts, and definitions.	Bosnia and Herzegovina does not currently report data to the QPSD.	QPSD reporting has commenced for the Central Government and General Government.
Milestones	**Rating**	**Milestone Achievements**		
PSDS data compiled and reported to the QPSD according to the PSDSG 2011 Guidelines for the central government sector.	Fully Achieved	QPSD reporting has commenced for the central government.		
PSDS data compiled and reported to the QPSD according to the PSDSG 2011 guidelines for the general government sector.	Fully Achieved	QPSD reporting has commenced for the general government.		
PSDS data compiled and reported to the QPSD according to the PSDSG 2011 guidelines for the non-financial public sector.	NC	Reporting of debt data for non-financial public sector is unlikely to be achieved by the end of the project in April 2020.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Business processes documentation for compilation and dissemination of macroeconomic and financial statistics is stored, accessed and regularly updated.	Partially Achieved	Adequate business processes documentation exists, is well stored, accessible, and regularly updated to enable the compiling/disseminating statistical agency to sustain good statistical practices.	Bosnia and Herzegovina has not compiled an EDP Inventory by June 2016.	Preliminary work on the EDP Inventory has begun, and an early experimental draft has been shared with Eurostat.
Milestones	**Rating**	**Milestone Achievements**		
A draft EDP inventory is prepared and reported to Eurostat.	Partially Achieved	Preliminary work on the EDP Inventory has begun and an early experimental draft was shared with Eurostat in April 2017. Target completion date is April 2020.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Higher frequency data has been compiled and disseminated internally and/or to the public.	Partially Achieved	GFS for general government (or public sector) operations are compiled and disseminated on a quarterly (or annual) basis.	Bosnia and Herzegovina does not currently report EDP tables to Eurostat by June 2016.	Experimental EDP tables were prepared and shared with Eurostat. Work is ongoing to improve underlying compilation processes and data sources to improve EDP table compilation.
Milestones	**Rating**	**Milestone Achievements**		
EDP tables are completed and reported to Eurostat within the standard deadline.	Partially Achieved	Experimental EDP tables were prepared and shared with Eurostat by April 2017. Further experimental tables have been prepared in 2018. Work is ongoing to improve underlying compilation processes and data sources to improve EDP table compilation.		
EDP questionnaire completed and reported to Eurostat within the standard deadline.	NC	Not commenced. Target completion date is April 2020.		

The multi-country project aimed to improve capacity for government finance statistics (GFS) in four countries. There was a single project objective: strengthen compilation and dissemination of data on macroeconomic and financial statistics according to the relevant internationally statistical standard, supported through five outcomes. The TA modality was STX delivery, a shared LTX resident advisor based in Slovenia at the Center of Excellence in Finance and regional workshops.

The Interim Project Assessment (June 2019) found that one outcome was largely achieved, while two were partially achieved.

Based on the findings elaborated below, the project received 12.5 points out of a possible 20.

Relevance: "3" No evidence of country requests for CD but builds on earlier investments and contributes to steps necessary for EU accession. The project purpose is to provide TA and training to improve capacity for government financial statistics (GFS) in five countries including BiH. It is an extension to the existing 18-month SECO project. By the end of the project the countries will be in substantial compliance with fiscal data goals and requirements for EU accession. All countries evidenced commitment to the previous project, which resulted in improvements, and reacted positively to the new project evaluated.[211]

Effectiveness: "2.0" The only "largely achieved" outcome covers only the central BiH government and not sub-national entities. A GFS reconciliation process was successfully developed for the BiH Federation (FBiH) covering the 2016 budget. The process also needs to be extended to the other levels of government (e.g., the Republic of Srpska) and to other years. Four countries including FBiH reported consolidated general government data to the IMF for inclusion in the annual GFS database; all reported to the IMF/WB QPSD. FBiH is the most advanced in compiling GFS data with IMF surveillance activities, based on the GFSM 2001 manual.[212]

Impact: "2.0" Two BiH outcomes have been partially achieved, and the final largely achieved, but only at the Central Government level. No change in the BiH risk assessment nor the risk rating of "medium" was contained in the project assessment.[213]

Efficiency: "3.0" Good coordination with other TA providers and good use of LTX and STX. Separate missions to different (federal) levels of BiH was more efficient. Coordination with other related providers including IMF/FAD and Eurostat was planned. Many of the CD interventions were provided by a LTX based in Slovenia at the Centre for Excellence in Finance. STX supplemented with TA missions and some remote support.

August 2017 TA mission conducted by the LTX with a specific focus on the Republic of Srpska (RS); he met with MoF and officials from the RS Institute of Statistics (RZS). October 2017 TA mission conducted by the LTX with a specific focus on the Federation (FBiH); he met with MoF and officials from the FBiH Institute of Statistics (FZS). TA mission conducted October 2018 by the LTX with a specific focus on the Republic of Srpska (RS); he met with MoF and officials from the RS Institute of Statistics (RZS). Mission focus was to

[211] (Stokoe, IMF-SECO GFS SE Europe Project Proposal , May 2016)
[212] (Stokoe, IMF-SECO GFS SE Europe Project Proposal , May 2016), (Tanzer, April 2018), (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)
[213] (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)

finalize reconciliation processes, continue developing a compilation process, and discuss ESA 2010 and GFSM 2014.

The project encouraged close working relationships between MoFs, central banks and statistical offices. Due to the politics of the country, TA to BiH is more fragmented than in other project countries (separate missions and events like workshops); effective collaboration between government levels is impaired. The project coordinates "to the extent possible" with Eurostat's Instrument for Pre-Accession Assistance (IPA) project; the LTX works at complementarity.[214]

Sustainability: "2.5" Project extension is evidence of expectations by IMF, SECO and government authorities. EU accession and reporting requirements provide incentive for sustainability.

An assessed risk for BiH, rated as "medium," involves the "complicated internal politics...which pose a challenge to improving statistics in a uniform way." The "complicated politics" will require engagement with both Federation officials and those at the "entity level." Further financing was agreed to extending the project until April 2020. Further post-project efforts will be required given the exhaustive nature of EU reporting requirements.[215]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

Relevance received a high score due to the intervention building on earlier IMF CD investments and its link to EU accession, even though no evidence was found of a country request for the assistance. The Effectiveness score is modest because in BiH (the only country for which data was provided) the single "largely achieved" outcome only covers the central government and not sub-national entities. The reason for this incomplete result is entirely due to the highly political governance arrangements in BiH. The same dynamic is reflected in the modest Impact and Sustainability scores.

On the other hand, Efficiency scored well based on good coordination with other TA providers and use of LTX and STX. The former included the Eurostat Instrument for Pre-Accession Assistance. Conducting separate missions with the central government and sub-national entities may not have been cost-effective in a strict sense, but demonstrates a sound understanding of the political dimensions. BiH is now reporting central government PSDS data to the IMF/WB QPSD.[216]

2) *What alternative interventions, if any, might have provided better results and why/how?*

Results would have been judged significantly better if outcomes had been confined to the central government, but statistics involve all levels as do EU accession requirements. The risk assessment recognized the challenge to a degree with a risk rated as "medium" and stated as,

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[214] (Stokoe, IMF-SECO GFS SE Europe Project Proposal , May 2016), (Tanzer, April 2018), & (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)
[215] (Stokoe, IMF-SECO GFS SE Europe Project Proposal , May 2016), & (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)
[216] (Stokoe, IMF-SECO GFS SE Europe Project Assessment, June 2019)

"complicated internal politics… which pose a challenge to improving statistics in a uniform way. Political support for a pan-Bosnian statistical approach is weak at the entity level." This risk was underestimated, and in any case the project proposal offered no mitigation measures which defeats the whole purpose of the exercise. The Logframe outcomes did not distinguish between central government and sub-national entities; some milestones did.

STA_IMF_2017_04

Sectoral Accounts in Selected Emerging Market Economies (Colombia, Peru, Indonesia)

Start and End Dates: June 1, 2016 to April 30, 2020 (original completion date was April 30, 2019)

Status: Completed

Colombia (COL)[217]				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Fully Achieved	The number of staff trained to compile and disseminate these statistics is adequate.	While both the National Administrative Department of Statistics (DANE) and the Banco de la República de Colombia (BRC) seem reasonably well-staffed with knowledgeable personnel, the forthcoming increase in output at both agencies will give rise for a need to increase staffing capacity.	Staff capacity has increased through general and specific training sessions. Training was delivered to Colombia and Peru in April 2018. Further specialized training was provided during the TA mission in 2019. Management is aware that additional staff may need to be hired for the ongoing production of sectoral accounts after end of the project. Modest staff capacity increases are mainly due to organizational changes (at DANE) and a few new hires (at the BRC).
Milestones	**Rating**	**Milestone Achievements**		
At least three staff are trained in the development, and/or compilation and dissemination of sectoral accounts.	Fully Achieved	Staff have been trained on the compilation and uses of the sectoral accounts.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**

[217] Logframe from- (Berry, June 2019)

Source data are adequate for the compilation of the national accounts.	Largely Achieved	Source data needed to compile annual estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, time of recording required, and timely. Source data needed to compile quarterly estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, and time of recording required, and timely. Data are discrete and not cumulative.	Annual adequate source data largely exist, but contain some data gaps (e.g., informal economy) and valuation challenges. Quarterly adequate source data largely exist but contain additional data gaps and associated quality issues with respect to quarterly estimates.	With assistance from the IMF expert, Colombia is expected to complete a time series of quarterly integrated data by end-May 2019, using improved sources and methodology to mitigate existing data gaps. With the use of estimation techniques, source data to compile the quarterly accounts have been largely adequate. Further review will be needed after May 2019, when the integrated annual data are completed.
Milestones	**Rating**	**Milestone Achievements**		
Source data used for annual estimates are adequate.	Largely Achieved	Improvements were made to source data as recommended by the IMF expert. Further data work is required going forward to integrate the financial and non-financial accounts. The treatment of illegal economy is a key issue for Colombia. DANE has committed to review its current “enclave” treatment of illegal activities and follow international standards instead. This change will promote integrated sector account transactions and will resolve a major difference between the non-resident sector and the BOP.		
Source data used for quarterly estimates are adequate.	Largely Achieved	Improvements were made to source data as recommended by IMF expert. Further data work is required going forward to integrate the financial and non-financial accounts. The treatment of illegal economy is a key issue for Colombia. DANE has committed to review its current “enclave” treatment of illegal activities and follow international standards. This change will promote integrated sector account transactions and will resolve a major difference between the non-resident sector and the BOP.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Largely Achieved	The scope covers 2008 SNA accounts/aggregates, including ISWGNA recommended tables and accounts: 1. financial accounts for all sectors balance sheets, revaluation and other volume changes in asset accounts for all sectors. 2. quarterly non-financial corporation sector accounts (until net lending), quarterly financial corporations accounts (until net lending), quarterly general government sector accounts (until net lending), quarterly household sector accounts (until net lending), quarterly non-profit institutions serving households sector accounts (until net lending).	The initial focus will be on the verification and integration of the annual estimates but, by the end of the project, quarterly estimates are also expected to have been produced and disseminated. In particular, four major areas were identified: (i) market valuation of relevant assets in the balance sheet account; (ii) establishing estimates of capital stock to complete the balance sheet and improve the capital account; (iii) procedures to integrate and balance the sector accounts transactions between DANE and BRC; and (iv)	The framework of the sectoral accounts has been set up and follows the international standards. The accounts were converted to *2008 SNA* in 2015, however (as is the case with many countries) a few outstanding items remain. The first half of the project focused on interagency cooperation and coordination among key data suppliers, data sources, as well as working on annual non-financial and financial data. The focus has now shifted to quarterly data. Data gaps are being addressed as the project progresses.

			adjusting the treatment of illegal activities. In Colombia, the scope follows 2008 SNA and covers: (i) the sequence of quarterly non-financial accounts, by each of the major institutional sectors, through to measures of net lending, and (ii) the opening and closing balance sheet as well as the quarterly financial account will be developed; the other changes in assets accounts will remain implicit.	

Milestones	**Rating**	**Milestone Achievements**
Annual nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	As of end-March 2019, there are two inconsistencies with ISWGNA that need to be addressed in subsequent missions -- capital consumption allowances and illegal economy.
Annual financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Fully Achieved	Completed. Data compiled meets ISWGNA/SNA08 standards.
Quarterly nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	Similar to the annual estimates, as of end-March 2019, there are two inconsistencies with ISWGNA that need to be addressed in subsequent missions -- capital consumption allowances and illegal economy.
Quarterly financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum	Fully Achieved	Completed. Data compiled meets ISWGNA/SNA08 standards.

requirements and/or recommended tables and accounts.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Improved timeliness of data made available internally and/or to the public (shorter delays).	Largely Achieved	National accounts are disseminated according to the appropriate dissemination standards, i.e., for quarterly national accounts within one quarter (for SDDS) and for annual within six to nine months after the end of the reference period (for GDDS).	Colombia adheres to the timeliness requirements of the SDDS for NA. For the new dataset of sectoral accounts and balance sheet statistics, formal arrangements for microdata access from key suppliers as well as support for the compilation and balancing exercises of the accounts are necessary.	Steps have been made to improve the timelines of data shared between the agencies. The formal steering committee, as well as working and technical groups have pushed stakeholders to remain committed to the timeliness of data provision within the project. Microdata access remains a challenge.
Milestones	**Rating**	**Milestone Achievements**		
Provision of data by key data suppliers to the compiling agency with sufficient timeliness.	Largely Achieved	In progress. Agreements are in place for efficient data transmission processes between the agencies. Priority is given to coverage and scope, staff capacity, and source data as these are prerequisites to any work on timeliness with regard to dissemination of these data at the end of the project. Nevertheless, the current plan for the integrated sector accounts is 75 days after the end of the reference period, a timeframe that compares favorably with most developed economies. An agreement at the central bank to improve data transmission processes between BOP team and financial accounts team is being implemented.		

Indonesia (IDN)				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Largely Achieved	The scope covers 2008 SNA accounts/aggregates, including ISWGNA recommended tables and accounts: 1. financial accounts for all sectors balance sheets, revaluation and other volume changes in asset accounts for all sectors. 2. quarterly non-financial corporation sector accounts (until net lending), quarterly financial corporations accounts (until net lending), quarterly general government sector accounts (until net lending), quarterly household sector accounts (until net lending), quarterly non-profit institutions serving households sector accounts (until net lending).	The initial focus will be on the production and dissemination of annual estimates but, by the end of the project, quarterly estimates are also expected to have been produced and disseminated. The only available quarterly data are sectoral financial accounts. The capital account is incomplete, and the current accounts are not compiled. Source data for annual estimates largely follow the sector and instrument detail in the 2008 SNA. For the sectoral financial accounts and financial balance sheets, both the methodology and data sources appear to be robust for most of the sectors, though the nonfinancial corporations, household, and nonprofit institutions serving household sectors pose challenges. Also, produced, nonfinancial assets	In progress. The framework of the sectoral accounts has been set up and follows the international standards. The first half of the project focused on the interagency cooperation and coordination with key data suppliers as well as working on annual nonfinancial and financial data. The focus has now shifted to quarterly data.

			and non-produced, nonfinancial assets are challenging and need further work.	
Milestones	**Rating**	**Milestone Achievements**		
Annual nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	Annual data for sector accounts for 2011 to 2015 were compiled. Annual sectoral current, capital, financial accounts and financial balance sheets for 2016 are expected to be compiled by June 2019. Annual sectoral current and capital accounts for 2011-14 were finalized in early 2018. 2015 current and capital sectoral annual accounts, together with the annual sectoral financial accounts for 2011-15, were completed by June 2018. The inclusion of produced nonfinancial assets in the sector accounts is dependent on BPS' developing a perpetual inventory model of fixed assets. BPS is developing a capital stock database. It is expected to be finished by end-2019. Once these data are available by sector, they should be included in the sector balance sheets. BPS is also developing estimates for non-produced, nonfinancial assets. Once available by sector, they should also be included in the sector balance sheets.		
Annual financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	Annual data for sector accounts for 2011 to 2015 were compiled. Annual sectoral current, capital, financial accounts and financial balance sheets for 2016 are expected to be compiled by June 2019. Annual sectoral financial accounts for five years (2011-15) have been prepared for review by June 2019. Annual sectoral financial balance sheets for 2010-15 have been prepared in coordination with BI. Integration and reconciliation of the accounts is expected after the completion of the nonfinancial accounts, expected by end-2019.		
Quarterly nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Partially Achieved	Quarterly data have been compiled for 2015 but need more work to improve the quality. They are expected to be completed by July 2019. Quarterly data for 2016 and 2017 are expected to be compiled by September 2019. Work has commenced to develop data (via indicators) for quarterly series where data are currently inadequate or nonexistent. Preliminary quarterly data for all sectors for 2015 are expected to be compiled by July-2019.		
Quarterly financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Partially Achieved	Quarterly data have been compiled for 2015 but need more work to improve the quality. They are expected to be completed by July 2019. Quarterly for 2016 and 2017 are expected to be compiled by September 2019. Work has commenced to develop data for quarterly series where data are currently inadequate or nonexistent. Preliminary quarterly data for all sectors for 2015 are expected to be compiled by July-2019.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Improved timeliness of data made available internally and/or to the public (shorter delays).	Largely Achieved	National accounts are disseminated according to the appropriate dissemination standards, i.e., for quarterly national accounts within one quarter (for SDDS) and for annual within six to nine	Indonesia adheres to the timeliness requirements of the SDDS for NA. For the new dataset of sectoral accounts and balance sheet statistics, formal arrangements for microdata access from key suppliers as well as	With the engagement of the IMF, the BPS formalized the interagency cooperation through setting up of a steering group, as well as working and technical

		months after the end of the reference period (for GDDS).	interagency support for the compilation and balancing exercises of the accounts are necessary.	groups to ensure that stakeholders remain committed to the timeliness of data provision within the project.
Milestones	**Rating**	**Milestone Achievements**		
Provision of data by key data suppliers to the compiling agency with sufficient timeliness.	Largely Achieved	In progress. Agreements are in place for efficient data transmission processes between the agencies. Priority is given to coverage and scope, staff capacity, and source data as these are prerequisites to any work on timeliness with regard to dissemination of these data at the end of the project. Further progress has been made on collecting data for the general government sector. BPS and the MOSOE will explore the recommendations provided by the IMF Expert.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Source data are adequate for the compilation of the national accounts.	Largely Achieved	Source data needed to compile annual estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, time of recording required, and timely. Source data needed to compile quarterly estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, and time of recording required, and timely. Data are discrete and not cumulative.	The BPS and BI in collaboration need to identify and agree on the best source data for stocks and transactions and seek to eliminate the possible duplications in the source data collected by both agencies. The Financial Services Commission, the Ministry of Finance, and the Ministry of State-Owned Enterprises provide the data, annual and quarterly, as required for the project and on time. The mission reviewed, with the BPS, the recommendations of the 2014 IMF TA mission report on sectoral accounts and balance sheets. Many of those recommendations have been implemented but some further work is required.	BPS and BI have made significant progress to resolve differences in data sources (e.g., on exports and imports of goods). BPS have agreed to explore with MOF the signing of an MOU so that BPS can have access to tax files for nonfinancial corporations' income statements and balance sheets on both an individual and aggregated basis by December 2019. The Financial Services Commission, the Ministry of Finance, and the MOSOE have agreed to provide BPS the data needed on time, but there will be a few areas where data will need to be adjusted by BPS to meet national accounts standards.
Milestones	**Rating**	**Milestone Achievements**		
Improvements to source data used for annual estimates are made.	Largely Achieved	Improvements were made to source data as recommended by IMF expert. Since July 2018, the BPS and the BI have identified and agreed on the best source data for stocks and transactions. This collaboration has helped to identify and eliminate conflicts between data published by the BPS and BI on items that cover the same series (such as goods and services with the rest of the world, or which agency has responsibility for producing estimates of the financial accounts and financial balance sheets for which sectors), and duplications in the source data collected by BPS and MOF on some central government transactions. Further work is required to reach an agreement on how to resolve the differences between the estimates of the export and import of goods and services between GDP and the balance of payments.		
Source data used for quarterly estimates are adequate.	Largely Achieved	Once the annual data have been compiled for the current, capital, and financial accounts, and the financial balance sheet, the BPS will use these data for the development of quarterly series for currently inadequate or nonexistent data. The BPS has already undertaken several regression analyses to develop indicator series that estimate series		

		without direct quarterly data currently available. Some further development work is scheduled for completion by July 2019.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Fully Achieved	The number of staff trained to compile and disseminate these statistics is adequate.	Staff involved in the project are highly professional, knowledgeable, and committed to the project success.	A specialized training for BPS and key data suppliers was delivered in March 2019.
Milestones	**Rating**	**Milestone Achievements**		
At least three staff are trained in the development, and/or compilation and dissemination of sectoral accounts.	Fully Achieved	One-week training workshop provided to all compilers and some data users in March 2019.		

Peru (PER)				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Fully Achieved	ISWGNA recommended tables and accounts: financial accounts for all sectors balance sheets, revaluation and other volume changes in asset accounts for all sectors. ISWGNA recommended tables and accounts: quarterly non-financial corporation sector accounts (until net lending) quarterly financial corporations accounts (until net lending) quarterly general government sector accounts (until net lending) quarterly household sector accounts (until net lending) quarterly non-profit institutions serving households sector accounts (until net lending)	The initial focus will be on the production and dissemination of annual estimates but, by the end of the project, quarterly estimates are also expected to have been produced and disseminated. Peru (INEI) does not compile any sectoral accounts and balance sheets. In particular, three major areas were identified: (i) market valuation of relevant assets in the balance sheet account; (ii) establishing estimates of capital stock, to complete the balance sheet account and improve the capital account; and (iii) initial work to establishing a security-by-security database (liability side) to improve various components of the sectoral accounts.	The framework of the sectoral accounts has been achieved and follows the international standards. The first half of the project focused on the interagency cooperation and coordination with key data suppliers, as well as working on annual nonfinancial and financial data. The focus has now shifted to quarterly data. Data gaps are being addressed.
Milestones	**Rating**	**Milestone Achievements**		
Annual nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements	Fully Achieved	INEI has made considerable progress regarding annual estimates of SABS for 2014 -16 and preliminary estimates for 2017-18, including data processes and other efforts to improve timeliness. In March 2019, the sequence of SABS accounts was reviewed in detail, with an emphasis on data gaps, balancing, valuation, instrument details, and methodology development. INEI is committed to finalizing time series estimates by end-2019. A phased release is planned for 2020.		

and/or recommended tables and accounts.				
Annual financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Fully Achieved	INEI has made considerable progress regarding annual estimates of SABS for 2014 -16 and preliminary estimates for 2017-18, including data processes and other efforts to improve timeliness. In March 2019, the sequence of SABS accounts was reviewed in detail, with an emphasis on data gaps, balancing, valuation, instrument details, and methodology development. INEI is committed to finalizing time series estimates by end-2019. A phased release is planned for 2020.		
Quarterly nonfinancial accounts are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	Quarterly series for all sectors for 2014 – 2016 have been completed and reviewed by the IMF expert. Further recommendations to improve the estimates are not yet fully implemented. These include, estimating universe from sample estimates, estimating quarterly results from annual benchmarks, balancing the sector accounts. These are expected to be completed by in FY2020 TA missions.		
Quarterly financial accounts and balance sheets are developed to meet national data requirements and ISWGNA minimum requirements and/or recommended tables and accounts.	Largely Achieved	Quarterly series for all sectors for 2014 – 2016 have been completed and reviewed by the IMF expert. Further recommendations to improve the estimates are not yet fully implemented. These include, estimating universe from sample estimates, estimating quarterly results from annual benchmarks, balancing the sector accounts. These are expected to be completed by in FY2020 TA missions.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Improved timeliness of data made available internally and/or to the public (shorter delays).	Largely Achieved	National accounts are disseminated according to the appropriate dissemination standards, i.e., for quarterly national accounts within one quarter (for SDDS) and for annual within six to nine months after the end of the reference period (for GDDS).	Peru adheres to the timeliness requirements of the SDDS for NA. For the new dataset of sectoral accounts and balance sheet statistics, formal arrangements for microdata access from key suppliers and interagency support for the compilation and balancing exercises of the accounts are necessary.	With the engagement of the IMF, INEI formalized the interagency cooperation through setting up a formal interagency steering committee, accounts-specific project teams, and technical working groups to ensure that stakeholders remain committed to the timeliness of data provision within the project.
Milestones	**Rating**	**Milestone Achievements**		
Provision of data by key data suppliers to the compiling agency	Largely Achieved	In progress. Agreements are in place for efficient data transmissions processes between the agencies and data are being transmitted as per the agreement. Priority is given to coverage and scope, staff capacity, and source data as these are prerequisites to any work on timeliness with regard to dissemination of these data at the end of the project.		

with sufficient timeliness.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Source data are adequate for the compilation of the national accounts.	Largely Achieved	Source data needed to compile annual estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, time of recording required, and timely. Source data needed to compile quarterly estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, and time of recording required, and timely. Data are discrete and not cumulative.	Different datasets should be harmonized with sectoral accounts (GFS, MFS, ESS). 2. A major shortcoming is the lack of access from the National Superintendence of Customs and Tax Administration (SUNAT) to micro records for non-financial corporations (affecting quality of this sector's estimates). Peru aspires to adhere to the SDDS Plus.	Source data quality has improved; full harmonization is work in progress. INEI's access to micro-records for non-financial corporations (to improve data quality) via a memorandum of agreement is work in progress. Peru is on track to meet the sectoral accounts' requirements for SDDS Plus.
Milestones	**Rating**	**Milestone Achievements**		
Improvements to source data used for annual estimates are made.	Largely Achieved	Adequate improvements to source data and methodologies have been made, as recommended by the IMF expert. Source data are sufficient to generate capital stock estimates; land estimates are within reach. Estimates for natural resources are possible but exceed the ISWGNA requirements for sectoral balance sheets. Further improvements to source data are ongoing, longer-term objectives.		
Improvements to source data used for quarterly estimates are made.	Largely Achieved	Additional improvements to source data for the quarterly estimates are ongoing; indicator series are being developed where no direct quarterly data are currently available. The next mission in June 2019 will assess the quality of the improvements.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Fully Achieved	The number of staff trained to compile and disseminate these statistics is adequate.	Due to now previous experience, currently trained staff numbers are not sufficient. There should be additions to the existing staff prior to the commencement of regular quarterly production.	Staff capacity and staffing level have increased. Management agrees to adding staff for regular quarterly production as required (after the project end).
Milestones	**Rating**	**Milestone Achievements**		
At least three staff are trained in the development, and/or compilation and dissemination of sectoral accounts.	Fully Achieved	Training was provided for Colombia and Peru in April 2018. Ongoing training has been provided by the expert during TA missions for the annual accounts, which set the tone for the quarterly statistics. More training is planned for the quarterly estimates. Agreement of Head of INEI to increase number of staff.		

The multi-country project aimed to improve sectoral accounts and balance sheets to help detect financial vulnerabilities and possible contagion from economic shocks in three countries. There was a single project objective: strengthen compilation and dissemination of data on macroeconomic and financial statistics according to the relevant internationally statistical standard, supported through three outcomes. The TA modality was HQ and STX delivery of TA and regional seminars and study tours.

The Interim Project Assessment (June 2019) found that in both Colombia and Indonesia one outcome was fully achieved, while three largely achieved, and in Peru two were fully achieved and two largely achieved. Based on these internal assessments, the project was the most successful multi-country intervention in the evaluation sample.[218]

Based on the findings elaborated below, the project received 18.5 points out of a possible 20 – the second highest score among any project in the evaluation sample.

Relevance: **"4"** Supports IMF surveillance, G-20 Data Gaps Initiative, and OECD accession.[219] The G-20 initiative being important for Indonesia, while Colombia and Peru agreed the CD was important for the latter. KII with Colombian officials revealed that an OECD mission had visited the country and left recommendations on what needed to be done to improve national accounts to meet OECD standards. Colombian officials noted they began work and only afterwards did the IMF contact the authorities to offer assistance.[220] The IMF KI reported that an IMF team visited each country early in the intervention to conduct a scoping/diagnosis that resulted in a country road map which guided subsequent efforts.[221]

Effectiveness: **"3.5"** The interim assessment covered the period May 1, 2018 to April 30, 2019 and stated, "Both project objectives have been successfully implemented to a large extent." The IMF KI agreed with this assessment.[222] Results in Colombia: significant progress made, furthering OECD accession negotiations (became member in April 2020); useful steering committee created which ensured country ownership. Colombian authorities assessed the objectives of the CD as being fully met.[223] Results in Indonesia: steady progress made, albeit at a slower pace than recommended; with IMF support five agencies involved signed an agreement formalizing commitment. Results in Peru: significant effort made, with authorities acknowledging benefit of work to continued OECD negotiations. Adequacy of resources for ongoing production remains an issue. The establishment of interagency groups in Colombia and Indonesia "was a cornerstone of the project." (In Peru, a single agency was the counterpart.)[224]

Impact: **"3.5"** Link to OECD membership, and Colombia's accession, is evidence of significant impact. The importance of training to sustain the TA impact through spreading knowledge transfer has become clear across all countries. A workshop, "Policy Uses of Sectoral Accounts," in Indonesia was featured in the 2019 IMF-SECO Subaccount Annual Report.[225]

Efficiency: **"3.5"** Implementation done through missions using IMF staff and two STX – one STX delivered TA to Indonesia and the second to Peru and Colombia at the rate of two missions per year per country, following two one-week training sessions per country. Other TA delivered remotely. In Colombia and Peru, the IMF expert allotted time to increase staff capacity through general and specialized training on certain topics. An IMF KI remarked on the value of adequate training to increase efficiency.[226] The project assessment noted

[218] The latest project assessment (2020) documents further progress.
[219] (Alexander, March 2016)
[220] From key informant interview SECO_22
[221] From key informant interview SECO_49
[222] From key informant interview SECO_49
[223] From key informant interview SECO_22
[224] (Alexander, March 2016), (Berry, June 2019)
[225] (Berry, June 2019) A similar workshop in 2018 involving Peru and Colombia (hosted by the latter) was also so highlighted.
[226] From key informant interview SECO_35

remarkable use of STX including through remote missions and a good mix of training.[227] Colombian authorities reported in a KII that the work involved two institutions in their country, which required close coordination and sustained effort. This slowed implementation somewhat but strengthened inter-institutional relationships which benefited both efficiency and ultimately impact of the project in Colombia.[228]

Sustainability: **"4"** Emphasis on public dissemination of data and use of media outreach should strongly support sustainability. In FY2018, the project was extended by 12 months until April 2020 and was further extended to December 2020 following the onset of the Covid-19 pandemic. Work focuses on improving preliminary estimates, reconciling accounts, and finalizing estimates for public dissemination. Publication of the compiled data should be accompanied by media outreach, thereby providing visibility to the achievements (and the IMF/SECO project).[229]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

This intervention received the second highest score of any in the evaluation sample – 18.5 points out of a possible 20. The perfect Relevance score is based on the CD's support for IMF surveillance and the G-20 Data Gaps Initiative and OECD accession. The high Effectiveness score is due to across the board strong outcome achievement. The only blemish is some concern about the adequacy of resources in one country for ongoing production of data. Impact also received a high score on account of Colombia's accession to the OECD and the fact that two intervention workshops were featured in subsequent (2018 and 2019) IMF annual reports to SECO, providing evidence that achievements could have a wider impact than the three countries alone. Colombian authorities remarked during a KII that the intervention benefited from high quality TA based on international experience which "allows us to not have to go back in time and reinvent the wheel, but have a clear line of development…that was the most valuable part of the consultancy…"[230]

A remarkable use of STX including through remote TA provision, along with a very good mix of training was responsible for the high Efficiency score. The intervention received a perfect score for Sustainability, one of only two among the sample (both involve Colombia). The IMF KI noted the value of the Steering Committees established in Peru and Colombia, stating without them "things fall apart."[231] The planned and delivered emphasis on public dissemination of data and use of media outreach will strongly support the sustainability of achievements.

2) *What alternative interventions, if any, might have provided better results and why/how?*

No possible alternative intervention could have possibly achieved better results.

[227] (Alexander, March 2016), (Berry, June 2019)
[228] From key informant interview SECO_22
[229] From key informant interview SECO_22
[230] From key informant interview SECO_22
[231] From key informant interview SECO_35

STA_MCD_2017_01

Central Asia Fiscal Transparency (Azerbaijan, Kyrgyz Republic, and Tajikistan)

Start and End Dates: June 1, 2016 to April 30, 2020 (original completion date was April 30, 2019)

Status: Completed

Azerbaijan (AZE)[232]				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **concepts and definitions** of the latest manual/guide.	Partially Achieved	GFS are compiled following the GFSM 2014 framework, concepts, and definitions. A migration path and timetable to adopt the GFSM 2014 guidelines has been developed, and has been endorsed by senior management.	Data in the GFSM 2014 presentation for year 2015 were transmitted to the IMF (STA). Further work is necessary to complete the data on transactions in assets and liabilities. No information available.	Data compilation partially aligned with GFSM 2014 concepts pertaining to revenue, expense, transactions in assets and liabilities, and COFOG. A roadmap to adopt the GFSM 2014 and to achieve the project objectives was prepared and agreed with authorities.
Milestones	**Rating**	**Milestone Achievements**		
GFS compiled and/or disseminated according to the GFSM 2014 guidelines relating to annual consolidated general government data.	Partially Achieved	GFSM 2014-based data for years 2016 to 2017 were transmitted to the IMF in December 2018 and published by STA in GFSY 2018. The data included the main extrabudgetary fund – State Oil Fund.		
A realistic, time bound, migration path to adopt the GFSM2014 guidelines has been developed and endorsed by senior management and MCD country team.	Fully Achieved	An amended roadmap was agreed with the authorities during the first mission. Completed by April 2018.		
GFS compiled and/or disseminated for high frequency data (monthly and/or quarterly) central government data.	Partially Achieved	The high frequency data were worked on during the November 2018 mission, but are not yet disseminated.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Largely Achieved	The institutional scope includes all significant budgetary central government institutional units. The institutional scope includes all	Largely aligned with GFSM 2001 recommendations. Scope largely aligned with GFSM 2001 recommendations.	The most significant budgetary central government units are classified according to the GFSM 2014. The institutional coverage of the general government sector has been reviewed.

232 Logframe- (Jablonska, June 2019)

		significant central government institutional units. The institutional scope includes all significant general government (or public sector) institutional units.	Scope largely aligned with GFSM 2001 recommendations.	Further work will focus on reaching full coverage of the general government sector.
Milestones	**Rating**	**Milestone Achievements**		
The institutional scope of GFS includes all significant budgetary central government institutional units (specify which units, subsectors).	Fully Achieved	The budgetary central government subsector covers all significant units since April 2018.		
The institutional scope includes all significant general government (and/or public sector) institutional units (specify which units, subsectors).	Largely Achieved	The most significant units of general government sector are covered. However, the sectorization needs to be regularly reviewed and updated as needed.		
The institutional scope of GFS includes all significant central government institutional units (specify which units, subsectors) and endorsed by senior management and MCD country team.	Fully Achieved	The most significant institutional units, as well as the main extra budgetary fund (Oil Fund), are included in the central government sector.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Higher frequency data has been compiled and disseminated internally and/or to the public.	Not Achieved	GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis. GFS for central government operations are compiled and disseminated on a quarterly basis.	Sub-annual data are not available in GFS analytical presentation. GFS to be determined. PSDS not disseminated.	The November 2018 mission reviewed the availability of data sources for higher frequency (HF) data and recommended to compile the HF questionnaire for the budgetary central government as a first step in the compilation of HF for the whole GG sector. Compilation of higher frequency GFS data has been launched, but data have not yet been transmitted.
Milestones	**Rating**	**Milestone Achievements**		
GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis.	Partially Achieved	The November 2018 mission compiled quarterly data from Q1 to Q4 for 2017.		
GFS for central government operations are compiled and disseminated on a quarterly basis.	Not Achieved	As a follow up of the November 2018 mission work first data should be compiled and transmitted to the IMF, but have not been received yet.		

Quarterly debt statistics align with the minimum recommendations of the PSDS Guide.	Partially Achieved	The November 2018 mission reviewed the institutional arrangements for compilation of quarterly PSDS and their dissemination to the IMF/World Bank PSDS database.		
Kosovo (UVK)				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **concepts and definitions** of the latest manual/guide.	Largely Achieved Fully Achieved	GFS are compiled following the GFSM 2014 framework, concepts, and definitions. A migration path and timetable to adopt the GFSM 2014 guidelines has been developed, and has been endorsed by senior management.	Data compilation partially aligned with GFSM 2014 concepts pertaining to revenue, expense, transactions, and stock positions in assets and liabilities, and COFOG. Authorities have reported that over the medium-term the intention is to align the public financial accounting system with international standards.	Data are transmitted to the IMF in the GFSM 2014 presentation. A roadmap to adopt the GFSM 2014 has been agreed and is supported by the Deputy Finance Minister.
Milestones	**Rating**	**Milestone Achievements**		
GFS compiled and/or disseminated according to the GFSM 2014 guidelines relating to annual consolidated general government data.	Fully Achieved	The GFSM 2014 presentation of consolidated general government data is regularly published in the GFSY.		
A realistic, time bound, migration path to adopt the GFSM 2014 guidelines has been developed and endorsed by senior management and MCD country teams.	Fully Achieved	A roadmap to adopt the GFSM 2014 has been agreed and supported by the Deputy Finance Minister and presented to MCD.		
GFS compiled and/or disseminated for high frequency (monthly and/or quarterly) central government data.	Largely Achieved	A quarterly statement of sources and uses of cash for general government is regularly transmitted to the IMF.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Largely Achieved	The institutional scope includes all significant budgetary central government institutional units. The institutional scope includes all significant central government institutional units. The institutional scope includes all significant general government (or public sector) institutional units.	Largely aligned with GFSM 2001 recommendations. Lack of extra-budgetary and social security funds diverges from GFSM 2001/2014 recommendations. Lack of extra-budgetary and social security funds diverges from GFSM 2014 recommendations.	Budgetary central government is in line with the GFSM 2014 guidance. Social security funds are in line with GFSM 2014. The general government sector broadly aligns with the GFSM 2014. The Institutional Table will be reviewed regularly and updated as needed.

Milestones	Rating	Milestone Achievements		
The institutional scope of GFS includes all significant budgetary central government institutional units (specify which units, subsectors).	Fully Achieved	Since April 2018, all significant units are included in budgetary central government, including the mandatory medical insurance fund.		
A realistic, time bound, migration path to adopt the GFSM 2014 guidelines has been developed and endorsed by senior management and MCD country team.	Fully Achieved	A roadmap to adopt the GFSM 2014 has been agreed and supported by the Deputy Finance Minister and presented to MCD.		
The institutional scope includes all significant general government (and/or public sector) institutional units (specify which units, subsectors).	Fully Achieved	The general government sector broadly covers all the units. It consists of central government, social security funds and local governments. As a good practice, the classification of units needs to be regularly reviewed and updated as needed.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Higher frequency data has been compiled and disseminated internally and/or to the public.	Largely Achieved	GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis. GFS for central government operations are compiled and disseminated on a quarterly basis.	Report sub-annual data; subscribe to SDDS. GFS aligned with SDDS recommendations. PSDS not disseminated. The quarterly data for central government operations are regularly submitted to STA.	Quarterly PSDS data for loans and securities of central government are regularly transmitted. The quarterly statement of sources and use of cash for general government is regularly transmitted to the IMF.
Milestones	**Rating**	**Milestone Achievements**		
GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis.	Fully Achieved	The quarterly statement of sources and uses of cash for budgetary central government has been regularly transmitted to IMF and since 2019 the coverage is extended to general government sector.		
GFS for central government operations are compiled and disseminated on a quarterly basis.	Largely Achieved	The first set of quarterly GFS data for central government has been regularly transmitted to STA since June 2018.		
Quarterly debt statistics align with the minimum recommendations of the PSDS Guide.	Largely Achieved	The first transmission of quarterly central government debt security and loans has been regularly transmitted since in May 2018.		

Tajikistan (TJK)				
OBJECTIVE: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Higher frequency data has been compiled and disseminated internally and/or to the public.	Partially Achieved	GFS for budgetary central government operations are compiled and	Not applicable. GFS to be determined. PSDS not disseminated.	The November, 5-16, 2018 mission assisted in compilation of quarterly

		disseminated on a monthly (or quarterly) basis. GFS for central government operations are compiled and disseminated on a quarterly basis.		GFS data from Q1 2018 onwards. The dissemination of quarterly GFS has not started.
Milestones	**Rating**	**Milestone Achievements**		
GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis.	Partially Achieved	The dissemination of the data compiled with the November 2018 mission assistance is imminent.		
GFS for central government operations are compiled and disseminated on a quarterly basis.	Partially Achieved	The dissemination of the data compiled with the November 2018 mission assistance is imminent.		
Quarterly debt statistics align with the minimum recommendations of the PSDS Guide.	NC	The authorities have not started the compilation yet.		
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **coverage and scope** of the latest manual/guide.	Largely Achieved	The institutional scope includes all significant budgetary central government institutional units. The institutional scope includes all significant central government institutional units. The institutional scope includes all significant general government (or public sector) institutional units.	Largely aligned with GFSM 1986 recommendations. The institutional table does not exist. The institutional table does not exist.	The Institutional Table is broadly in line with GFSM 2001/2014 recommendations. The first version of the Institutional Table was finalized by the June, 25-29, 2018 mission. The first version of the Institutional Table for general government was finalized by the November, 5-16, 2018 mission. It needs to be regularly reviewed.
Milestones	**Rating**	**Milestone Achievements**		
The institutional scope of GFS includes all significant budgetary central government institutional units (specify which units, subsectors).	Fully Achieved	The November 2018 mission reviewed the Institutional Table for the assessment and made sure that the budgetary central government is fully covered.		
A realistic, time bound, migration path to adopt the GFSM 2014 guidelines has been developed and endorsed by senior management and MCD country team.	Fully Achieved	The June 2018 mission assessed the progress made and amended the implementation plan presented to the Minister of Finance and to the MCD country team (in Q3 2018).		
The institutional scope includes all significant general government	Largely Achieved	The November 2018 mission reviewed the character of 24 large state-owned enterprises (SOEs) and suggested their appropriate classification in the general government sector.		

(and/or public sector) institutional units (specify which units, subsectors).				
Outcome	**Rating**	**Verifiable Indicators**	**Baselines**	**Results**
Data are compiled and disseminated using the **concepts and definitions** of the latest manual/guide	Largely Achieved	GFS are compiled following the GFSM 2001/GFSM 2014 framework, concepts, and definitions. A migration path and timetable to adopt the GFSM 2001/GFSM 2014 guidelines has been developed, and has been endorsed by senior management.	Partially aligned with GFSM 2001/2014 recommendations by the November 5-16, 2018 mission. Data are still compiled on a cash-basis. No information available.	The first time series in GFSM 2014 presentation were compiled for 2015 to 2017) but not disseminated. A draft migration path exists.
Milestones	**Rating**	**Milestone Achievements**		
GFS compiled and/or disseminated according to the GFSM 2014 guidelines relating to annual budgetary central government data.	Largely Achieved	The November 2018 mission finalized compilation of data for 2015 and prepared preliminary data for years 2016-2017. The data dissemination is imminent.		
A realistic, time bound, migration path to adopt the GFSM2014 guidelines has been developed and endorsed by senior management and MCD country team.	Fully Achieved	The June 2018 mission assessed the progress made and amended the implementation plan presented to the Minister of Finance and to the MCD country team (in Q3 2018).		
GFS compiled and/or disseminated for consolidated general government data.	Largely Achieved	The November 2018 mission finalized compilation of data for 2015 and prepared preliminary data for years 2016-2017. The data dissemination is imminent.		
GFS compiled and/or disseminated for high frequency data (monthly and/or quarterly) central government data.	Partially Achieved	The November 2018 mission initiated compilation of quarterly GFS data starting from Q1 2018.		

The multi-country project aimed to improve GFS for analysis, policy making and IMF surveillance. There was a single project objective: strengthen compilation and dissemination of data on macroeconomic and financial statistics according to the relevant internationally statistical standard, supported through three outcomes. The TA modality was HQ and STX delivery of TA and two regional training workshops.

The Interim Project Assessment (June 2019) found that Azerbaijan the three outcomes were, respectively, largely, partially and not achieved. In Tajikistan two outcomes were largely achieved, while one was partially achieved. In the Kyrgyz Republic all three outcomes were largely achieved.

Based on the findings elaborated below, the project received 13.5 points out of a possible 20.

Relevance: **“3.0”** Use in IMF surveillance and Article IV Staff Reports. However, evidence of lack of commitment and high priority across all three countries. Three-year project to improve fiscal statistics in Azerbaijan, Kyrgyz Republic and Tajikistan for better analysis, policymaking and IMF surveillance, i.e., use of data in Article IV Staff Reports. Three priority recommendations resulted from an Oct 2017 mission to Tajikistan which "generally" reached an agreement with the MoF on them and the GFSM 2014 action plan.[233]

Effectiveness: **"2.5"** Uneven performance across countries (Kyrgyz Republic score 3.5). Verifiable indicators include compilation of GFS following GFSM 2001/GFSM 2014. By project end all three countries were expected to have improved capacity and fiscal statistics.

A May 2018 mission to Azerbaijan concluded that the fiscal statistics and PSDS are inadequate and not transparent for analysis and Article IV surveillance. State Budget Law was not consistent with GSFM 2014. Azerbaijan did not publish metadata. The mission recommended disseminating quarterly on MoF's website. Three priority recommendations resulted with target dates ranging from Sept 2018 to April 2019. Institutional arrangements in Azerbaijan were not well defined and the final responsibility for fiscal data was unclear. There was a temporary break in transmission of data to IMF/STA. Only one outcome "not achieved" - in Azerbaijan involving data dissemination.

In the Kyrgyz Republic, regular interaction and resulting trust between the STX expert and authorities led to a consistent improvement of data quality transmitted to IMF/STA. An October 2017 course in the Republic was opened by the Deputy Minister of Finance who expressed strong political support. Kyrgyz Republic is the most advanced country in project. Kyrgyz Republic had only one outcome "fully achieved" - involving adoption of GFSM 2014 guidelines.[234]

Access to policymakers proved challenging in Tajikistan, although a roadmap for migration to GFSM 2014 was achieved in FY 2017 and in FY 2019 it led to compilation of the first annual GFS time series covering 2015 to 2017. A GFS working group was also established in Tajikistan during FY 2019.[235]

Impact: **"2"** Impact uneven across countries (Kyrgyz Republic score of 3). Political buy-in to the reform needs is essential for project impact. Kyrgyz Republic stood out in this respect from the beginning.[236]

Efficiency: **"3.5"** Many innovative and efficient actions during implementation. Project implemented through three STX missions per country and two regional training/workshops focused on the GFSM 2014 and PSDS Guide. Three STX were Russian speaking. A five-day TA mission during April/May 2018 was conducted remotely, made possible by the excellent relationship between the STX and the Kyrgyz Republic authorities. At the end of the reporting period a regional workshop on PSDS took place and involved reps from the republics of Kazakh and Uzbekistan - the latter being a successful example. A study-visit of three officials from each country to the Russian MoF in Moscow was planned for July 2019.

Lessons learned include use of Russian-speaking STX, use of in-country training and remote TA (in Kyrgyz Republic), and regional training at the IMF's Joint Vienna Institute.[237]

Sustainability: **"2.5"** Uneven outlook across countries. Value of CD for Article IV work most significant factor for sustainability.

[233] (Jones, Feb. 2016) & (Alreshan, Dec. 2019)
[234] (Jones, Feb. 2016), (Alreshan, Dec. 2019), & (Jablonska, June 2019)
[235] (Jablonska, June 2019)
[236] (Jablonska, June 2019)
[237] (Jones, Feb. 2016), (Jablonska, June 2019)

Countries have different starting points and levels of political commitment; in descending order these are Kyrgyz Republic, Azerbaijan, and Tajikistan. Risk assessment was updated, upgrading political support risk in all three countries. Risk assessment rates by country - risks are highest in Tajikistan, except in the case of "external climate/conditions" where the risk is highest in Azerbaijan due to commodity price shocks. Political support achieved relatively quickly in Azerbaijan and the Kyrgyz Republic but has proved more challenging in Tajikistan.

Kyrgyz Republic and Tajikistan formalized their GFS working groups through ministerial decrees; Azerbaijan has not established a similar body. The project end regional workshop also covered the main achievements of the project and future TA possibilities once the project ends. Possible role for planned IMF RCDC to serve the region.[238]

Analysis of the findings for this and the other SECO projects results in conclusions drawn by the evaluators, including those pertaining to the following two related questions:

1) *Why was achievement of the DAC criteria low/high and what factors explain it?*

The Impact score reflects the lack of evidence of commitment and high prioritization across the three participating countries, even though the (improved) fiscal statistics data will support IMF surveillance. Like many other multi-country interventions, performance was mixed across participating nations.

Based on the assessment report, updated Logframe reflecting country-by-country results, if scored separately the Kyrgyz Republic would have a score a full point higher than the overall project score of 2.7 assessed. [239] This higher performance is due in part to the regular interaction and resulting trust between the STX experts and government authorities which led to a consistent improvement in data quality. Senior officials in this country also publicly expressed political support for the intervention. On the other hand, results suffered in another country due to poorly defined institutional arrangements and thus responsibility for fiscal data provision and quality control. The modest score for Impact is tied to uneven results. Again, the Kyrgyz Republic score would be a point higher. Political buy-in was lacking in the other two countries, undermining any chance for significant impact.

The intervention scored highly for Efficiency, based on a number of innovative and efficient actions taken during implementation. These included regional workshops including at the IMF's Vienna Institute and the remote TA provided by the STX in the Kyrgyz Republic. All STX were Russian speaking and a study tour to Moscow was planned for three officials from each country to visit the Russian MoF. Sustainability suffered from the weak political commitment in two of the three countries. The final regional workshop covered achievements and their sustainment, and it was noted that the IMF's planned RCDC for Central Asia might be able to play a role towards that objective.

2) *What alternative interventions, if any, might have provided better results and why/how?*

The intervention was well designed and executed, and indeed is similar to the highly successful STA_IMF_2017_04 covered above. The main variable is the mix of countries.

[238] (Jones, Feb. 2016), & (Jablonska, June 2019)
[239] (Jablonska, June 2019, pp. 15-17)

One, Tajikistan, struggled in its stand-alone IMF CD intervention (MCM_TJK_2017_02), with the somewhat toxic political economy again playing a role. The intervention's risk assessment was most concerning in the other country, Azerbaijan, due to possible commodity price shocks. This indeed occurred and likely distracted the authorities' attention to some degree from the quality of statistics. The conclusion is that it is not reasonable to expect notable results in countries lacking political support or gripped by economic turmoil. Work in all but the Kyrgyz Republic might have been suspended given the circumstances in the two countries.

ANNEX II Methodology

In July 2019, the International Monetary Fund (IMF) issued the Terms of Reference (TOR), found at the end of this annex, for an external evaluation of the Switzerland Technical Assistance Subaccount (SECO) covering Letters of Understanding for the East, South and Global Work Programs. The Global LOU, running between 2016 and 2020, forms the basis for the evaluation, although the evaluation also covers those projects under LOU East and LOU South that were still active between 2014 and 2018. The last SECO evaluation, covering the East and South LOUs, was conducted in mid-2014 with the final report issued in April 2015.

The current evaluation covers SECO CD programming between May 1, 2014 and June 30, 2019 and has the overall objective of assessing the extent to which SECO is achieving its objectives, assessing the relevance, effectiveness, efficiency, sustainability and impact of its activities.[240] The evaluation has two sections: 1) evaluation of a sample of 19 interventions across 13 CD projects[241] completed or underway during the period; and, 2) strategic questions focusing on the efficiency of the programming process, the transmission of information and lessons learned from the bilateral cooperation between the IMF and SECO.

The project-level evaluation followed the IMF's Common Evaluation Framework (CEF) which *inter alia* addresses the degree to which the projects in the sample have achieved their objectives according to the OECD DAC criteria of relevance, efficiency, effectiveness, sustainability, and impact.

The second section of the evaluation covers three entity-level issues including efficiency of the programming process, the transmission of information, lessons learned from IMF and SECO bilateral cooperation," and several associated evaluation questions developed by the evaluators to address the issues. These are not subject to the OECD DAC criteria. Findings from both sections were used by the evaluators to formulate conclusions and recommendations that facilitate learning from the implementation of the current programmatic approach to CD planning and implementation and to improve future CD interventions under the partnership of the IMF and SECO.

Per the TOR, the evaluation also reviewed the status of the 11 recommendations made as a result of the last evaluation.

In response to the TOR, the methodology of the evaluation was set out in an Inception Note (IN), which was developed during the initial desk or inception phase of the evaluation process, as well as a series of protocols, guidance notes and templates for use in applying the methodology. For example, a protocol and guidance note concerning the development and use of the rating scheme applied against the OECD DAC criteria when assessing interventions.

The main phases of the evaluation, each of which are discussed below, are:

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[240] Recent UN guidance on RBM uses the term "intervention" to replace a variety of terms including "activity," "project," "delivery," etc. This evaluation follows this convention and uses "intervention" throughout.
[241] "Projects" were defined by the IMF as including country-specific CD interventions under a common IMF project ID. The projects, both single and multi-country, selected by the evaluators were approved by the IMF. There is a total of 19 interventions, taking into account the three multi-country projects. The selection methodology and list of projects is contained in the Inception Note.

- Design
- Data collection
- Data analysis
- Synthesis and report writing

Other Relevant Evaluations

Aside from the last SECO evaluation, the evaluators also reviewed the last METAC and CARTAC evaluations (September 2014 and November 2015, respectively) and most recent AFRITAC East evaluation covering the Phase IV period of July 2015 through January 2018.[242] The latter followed the IMF's CEF including the use of OECD DAC criteria. For all evaluations, rating schemes were applied at the program level and not to discrete projects. In order to support comparability with the last SECO evaluation whenever possible the methodology of the current evaluation is similar.

Other relevant work includes the new evaluations being conducted of the METAC and CARTAC programs under the IMF RTAC program. Both are also being conducted by DevTech Systems, simultaneously with the SECO exercise. The TORs for the three evaluations are quite similar, covering project or country-objective level performance and entity-level issues. All use the OECD criteria for the project and country-objective level evaluation. The present SECO evaluation has a unique set of strategic issues. Overall, however, the methodologies of the three current evaluations are as similar as possible. This will help ensure comparability across the exercises, including of drawing lessons learned if not recommendations. Since all IMF CD work uses a foundation of RBM, this is a common thread across the three programs and the current evaluation of them all.

While it was not yet available when the TOR(s) were developed, the DevTech methodology for the SECO and the other evaluations was informed by the December 2019 OECD-DAC Network on Development Evaluation publication, Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use. This will ensure that the evaluation methodologies reflect the latest thinking.

Evaluation Design

Sample of Beneficiary Countries and Interventions - The sample, approved by the IMF, of both the 13 SECO projects and four priority and constituency countries (**Colombia, Albania**, **Peru** and **Tajikistan**) which the DevTech evaluation team planned to visit were representative and balanced.[243] The evaluation team considered that to be able to obtain the required information, a key selection criterion was that the countries chosen should have received a minimum sufficient amount of CD to ensure an adequate body of the current LOU work for evaluation. The evaluation team also considered: (a) geographical and country income grouping diversity; (b) the size of the country's CD budget relative to the overall CD budget for all countries supported by SECO; and, (c) the number of CD activities and length of time of implementation, and the diversity of activities and participating CD departments.

[242] The AFRITAC East evaluation was also conducted by DevTech Systems. Its TOR was informed by the July 2016 CEF, but the earlier CARTAC, METAC and SECO evaluations were not.
[243] Field work was cancelled due to the COVID-19 pandemic, but KII were conducted remotely with local SECO officials, other donor representatives and country authorities that would have been met.

The evaluation team selected 13 projects (involving 19 interventions) for inclusion in the evaluation using the following criteria: (a) all CD intervention areas are covered, with priority given to areas where the most money is directed and frequency of occurrence; (b) all SECO thematic areas were included; (c) all SECO regions (Latin America, Africa, Southeastern Europe, Middle East and Asia) were represented; (d) interventions were complete or almost complete;[244] (d) for countries where the team spoke directly with country authorities (remote conferencing) the team selected interventions across multiple functional areas to allow evaluation of the range of CD provided to that country; and, (e) maintaining a manageable sample size (n=13) to allow for meaningful evaluation of each project. A larger sample size was likely to yield less detailed and less nuanced findings.

Performance Rating Scheme - A rating system of 1-4 and Not Assessed (NA) was used for each of the five OECD criteria to the extent to which criteria principles were realized for each evaluated intervention (referred to in the evaluation TORs as “projects”), based on available documentation including project proposals and assessments, TA reports, etc. and other data obtained from project manager assessment, and beneficiary key informant interviews (KII) (conducted remotely in lieu of the cancelled country visits) and on-line surveys.

Evidence from the various data sources was triangulated, and in doing so sources were informally weighted by the evaluation team rater taking into account the potential for bias (e.g., views of project managers vs. beneficiaries), the nature of the documentation (e.g., a project assessment vs. TA report), and the degree of familiarity with the intervention (e.g., a direct beneficiary of TA vs. another individual elsewhere in the bureaucracy).

Each criterion was be rated as follows, using 0.5 increments, based on the answers to the intervention-level evaluation questions (EQs), consideration of the definition of and principles associated with each criterion, and the common application guidance.

- **Excellent** when all or substantially all EQs are answered in an affirmative (Y/N) or positive fashion (in many cases tied to the phrase “to what extent”), rated with a score of 3.5 – 4
- **Good** when most EQs are answered in an affirmative (Y/N) or positive fashion (in many cases tied to the phrase “to what extent”), rated with a score of 2.5 – 3.4
- **Modest** when few/a minority of the EQs are answered in an affirmative (Y/N) or positive fashion (in many cases tied to the phrase “to what extent”), rated with a score of 1.5 – 2.4
- **Poor** when very few of the EQs are answered in an affirmative (Y/N) or positive fashion (in many cases tied to the phrase “to what extent”), rated with a score of 1 – 1.4

In cases when there was not sufficient information available to substantiate a rating against a criterion, raters utilized “NA.” “Sufficient” was defined as enough evidence to reach a reasoned judgement. The degree of sufficiency may differ across the criteria, but should not differ across similar project intervention outputs, e.g., a training event or PFM TA delivery.

[244] The single exception was an intervention in Egypt (FAD_EGY_2019_01)

Once each criterion had been individually rated an overall score for the intervention was produced by adding the scores and dividing by five to arrive at an *unweighted* average.[245]

Sources of Information and Data Collection

Per the TOR and general evaluation practice the main sources of information are program stakeholders (IMF and SECO managers, consultants, member country beneficiaries, and other donors) from which data is collected by evaluators through the three primary means noted below. In conducting this exercise evaluators sought information and evidence to both assess SECO interventions in terms of the DAC criteria and help address the three entity-level issues.

Document Desk Review: Reviewed documents were provided by the IMF and to a much lesser extent obtained by evaluators during field work. All were reviewed in a purposeful and methodical manner following protocols and guidelines prepared separately for project-related and entity-related documents, as well as procedures to review KII transcripts.[246] (see Addendum 1, below, for the protocols and guidelines).

All reviewed documents and key data points they contained were recorded in a log. Both the document itself and any data that was pulled from it were coded. Separate document review log templates were also prepared for both project- and entity-level documents, and each contain the specific EQs against which the review was conducted. Each EQ is also coded.

Key Informant Interviews: Key informants were identified by the IMF based on the evaluators' criteria. Project-related key informants included criteria, *inter alia*, that they had experience with the sampled projects from the selected countries to be visited: **Colombia, Albania**, **Peru** and **Tajikistan.** Informants were interviewed for background information on IMF CD work in general, the SECO project in particular, and to gather data to address both project- and strategic issue EQs. Standard questionnaires were utilized by the evaluators for different informant groups. Transcripts of all KII were prepared and were then reviewed as were other documents with relevant data points coded against EQs.

Stakeholder Online Surveys: The online survey was designed with the intent to reach a wider group of country beneficiary authorities. A separate survey questionnaire was were prepared for this group and distributed to respondents chosen by the IMF, based on the evaluation team criteria, using its CVent survey tool. The anonymous responses were aggregated and presented using the same tool.

Data Coding

KII data and its sources were coded to allow use of a highly-regarded computer assisted qualitative data analysis software (CAQDAS) – Dedoose, a web-based platform - which provided evaluators with methodical data management and analysis tools. The CAQDAS allowed, based on coding, content analysis, text interpretation, search/query, linking ability, mapping and data visualization.

[245] The TOR states, "…consistent with the approach used for RBM ratings, is to assign equal weights to each DAC criterion unless justified otherwise by the evaluator."

[246] The project-related review protocols reflect the latest operational guidance on use of the OECD/DAC criteria contained in (OECD, Dec. 2019)

Data Analysis

The main purpose of data analysis is to identify evidence that can help answer the EQs in the form of evaluation findings. Some data such as the number of training participants can be quantitatively analyzed, but most data must be subject to qualitative analysis. Much of the evidence identified through data analysis is circumstantial and thus must be interpreted by the evaluators. Guidance for the analysis work was prepared so it would be conducted in a robust, systematic, and consistent manner.

Among the key analysis principles reflected in the guidance are triangulation and weighting. Findings are arrived at through triangulating both across (e.g., between KII and document review) and within data sources (e.g., among documents). Weighting is inherently subjective and was conducted informally by analysts, albeit utilizing the same guidance. Thus, information/evidence gathered through KII with a project manager is given greater weight than data collected from an individual with less familiarity with the intervention. At the same time the potential for bias was also considered. For example, if data on a particular project from several sources is collected and indicates (after triangulation) that achievement of its objectives was limited, yet the KII with the project manager resulted in a much more positive assessment, then "owner" bias may be a factor. Thus, the data from that source is given less weight.

Synthesis

Synthesis is the process of bringing together findings with the objective of "sensemaking" in order to formulate well-reasoned and thus meaningful conclusions. It is a key step in the evaluation process which is frequently given short shrift. This is because skill at synthesis is somewhat difficult to explain, but it involves the ability to make connections between data to "grow" findings into something larger and more significant. For example, to answer a question such as why in cases of similar interventions some are more successful. What factors are responsible – intervention design, skill at implementation, the quality of country ownership, or one or more exogenous factors? Both the processes of identifying "lessons learned" and formulating conclusions result from synthesis. Recommendations follow from these. Although not every conclusion necessarily has an associated recommendation, all recommendations are linked to a conclusion.

Methodological Constraints and Data Limitations

The size and scope of the IMF-SECO program precluded assessment of all CD project interventions during the period evaluated, necessitating that a sample be drawn. This was done in a purposeful manner by the evaluators and the resulting sample of 13 projects covering 19 country-level interventions was approved by the IMF. However, use of any purposeful sample has inherent limitations.[247] Thus, the findings from this evaluation's 13 project (19 intervention) sample can only be extrapolated to other IMF-SECO projects/interventions with caution.

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[247] See Patton, Michael Quinn "Enhancing the Quality and Credibility of Qualitative Analysis" in Health Services Research 34:5 Part II (December 1999).

The sources and collection of data also had limitations which affected the findings. First, the number of *project-level* IMF-SECO subaccount documents involving TA missions made available for review was limited, somewhat diminishing the value of this data source.

Second, given relatively high turnover among IMF staff, government officials, and even donor representatives a few key informants interviewed offered an incomplete picture, particularly of the early portion of the evaluated period. The evaluators attempted to mitigate this constraint by trying to interview past stakeholders and certain key past donor partner representatives, but this was not always successful as they could not be contacted. Additionally, the COVID-19 pandemic arose very shortly before field work was planned to begin. The IMF and SECO approved cancelling all travel and remotely conducting KIIs. A number of country officials that the evaluation team attempted, or were able, to contact were not able to participate in the remote KIIs due to their full attention being required to address the pandemic consequences. That being said, the evaluation team successfully interviewed 56 relevant individuals, all of whom shared similar experiences and views. While it cannot be ruled out, it appears unlikely that additional KII with other stakeholders would have yielded significantly contrasting or new information not already collected by the evaluation team.

Third, an online survey, intended to expand the scope of stakeholders consulted, was sent to 32 authorities in SECO priority and constituency countries. The online survey was sent through the CVent online survey tool and was managed exclusively by the IMF. Despite reminder emails, only nine of the 32 targeted authorities responded to the survey request, yielding a response rate of 28 percent. The low (unrepresentative) survey response rate is also likely attributable to pandemic distraction. However, the online survey and the KII questionnaire for authorities were, by design, identical. Online survey results were thus triangulated with authority KII responses to provide a fuller, although not representative, set of beneficiary country perspectives which were rolled into an aggregate analysis.

The project-level data limitations involving the pertinent documents and imperfect survey responses were mitigated to the degree possible by highly targeted KII conducted during remote data collection in the four focus countries – Lebanon, Jordan, Tunisia, and Sudan. The over-reliance on one source of data affects the use of triangulation and thus reduces confidence in the findings and reduces the evaluation team's ability to verify findings across multiple data sources. However, KII were largely consistent across interviews and generally aligned with information available in documentation; the evaluation team encountered no specific concerns that cast doubt in the findings, conclusions, and recommendations presented in this report.

ADDENDUM 1 – Document Review Protocols and Guidelines

Project-Related Documents

1) Projects in the sample being rated according to the OECD DAC criteria will typically have multiple documents to be reviewed for possible information and evidence that can be used to help answer the EQs. Just as evidence will be triangulated across data sources, it should be triangulated across documents of the same nature; for example, all project TA reports, and of different nature such as TA reports and a project assessment. Reviewers should informally weight the document by type; for example, an assessment has greater value than a TA report or training syllabus.
2) When reviewing a document, raters should consider each EQ individually. Considering reading a section of the document and then considering the EQs one-by-one. When a relevant point is identified, flag it in the review log (see below) noting the document page and paragraph (if they are numbered). Assign the appropriate Dedoose code to the excerpt in the log.
3) When the review is complete, some but most likely not all EQs will have information/evidence identified in that particular document. At the end of the review log the review results are recorded by EQ. Assign a score when this is the case. For example, if for the Relevance criteria the first EQ, "Do the national authorities consider the objectives important?" the document passage in question provides sound evidence that authorities strongly do, then assign the passage a score of 3.5 or 4.0 indicating "Excellent."
4) For EQs that a document does not provide information/evidence for, assign "N/A" to that particular EQ.
5) When review of all available project documents is complete, the reviewer must then develop an overall aggregate score for that project's document data source. (The same must be done for the other data sources – KII and online surveys.) This must be done first EQ-by-EQ, and then after aggregating those scores, OECD criteria-by-criteria. Thus, each EQ will have an aggregate score for each data source, as will each criterion once its unique EQ scores are racked-up.
6) Be sure to log all docs in the IMF Desk Review Log in SharePoint, checking first to see if it/they are already there. List Key Findings (KF) which are relevant to the EQs as a source of info/evidence and add the appropriate Dedoose code(s) (some KF could have more than one code since they provide evidence for one than one EQ). Multiple evaluators may review the same document and add their own KFs based on their perspective. Do not add, however, a new KF which is already covered in the list, which could result in double-counting and confusion. Many documents having a number of KF will have multiple codes associated with it.

Strategy-Level Documents and KII Transcripts

1) In addition to the EQs associated with the OECD criteria, there are EQs associated with strategy-level issues. The EQs will be answered using data/evidence from reviewed documents, KII questionnaires for IMF HQ and certain SECO staff defined in the KII master list, and to an extent the online survey. This protocol and guidance apply to the first two data sources.
2) The entity-level issues are largely unique to the IMF-SECO program

3) Answering the entity-level EQs will ultimately rest on the opinion of the evaluators informed by all evidence collected from the three data sources and then analyzed while triangulating. Online survey responses reflect respondent opinions, as do the results of KII. Information/evidence obtained from documents, such as an annual report, should be considered as more objective in nature and informally given more weight when triangulating.
4) Aside from numeric figures contained in documents which are less open to interpretation, the review of document narrative should be done in a consistent manner by multiple reviewers; hence, the purpose of this protocol and guidance.
5) The Desk Review Log contains the 81 SECO-related documents including KII transcripts. The majority deal with entity-level issues, including those with EQs. For each document key findings have been identified and are contained in the Log. Where there appears to be a match between a finding and an EQ (including both project and entity-level) a code for the EQ has been placed against it. For example, "ENT_SEC_1.1" is the code for the first EQ for the first SECO strategy-level issue.
6) Using Dedoose, evaluators sort for these codes and thus identify the relevant source of information/evidence based on the key finding(s).
7) Analysts should not assume the key finding is the only relevant evidence in the document, but rather as an investigatory hint there may be more evidence found in that specific source. The evaluator should carefully review the document (again) with the particular EQ in mind; for example, the FY2019 SECO Annual Report.
8) Most of the evidence for entity-level EQs identified in documents will be circumstantial in nature. It is also likely to be incomplete, and upon completion of the document review for these EQs gaps will be apparent. These informed the KII questioning conducted remotely in lieu of the cancelled fieldwork

Project Document Review & Rating Log **Document Name and Number: XYZ**		**Project Name and IMF Project Code: XYZ/XYZXYZ**	**Reviewer: XYZ**	**Date: XX/YY/ZZ**
DAC Criteria	**Key Evaluation Questions**	**Info/Evidence (complete sentence or figure(s), or para. summary, followed by doc and EQ coding)**	**Location in Doc (page and para. no. (if any)**	**Rating Score (0-4 & NA), followed by code for score**
Relevance: Is the intervention doing the right thing? Responds to needs, policies and priorities - and continue to do so if circumstances change. Requires analyzing capacity conditions & changes in context. *(An assessment of the importance of the objectives of the CD intervention.)*	**1.** (REV1) Do the national authorities consider the objectives important? How high do they rank them on their list of priorities? **2.** (REV2) Provide your own assessment of the importance of these objectives. **3.** (REV3) To what extent were the objectives of the CD intervention derived from capacity gaps identified by others (e.g., national authorities, country teams) or international standards? **4.** (REV4) To what extent did the objectives of the CD intervention come from priorities identified in surveillance or an IMF program for the country?			
Effectiveness: Is the intervention achieving its objectives?	**5.** (EFF1) To what extent were the objectives of the CD intervention achieved or are likely to be achieved (refer to the ratings of milestones, outcomes, and			

The extent to which the intervention has (will likely) achieve its objective(s) and closely attributed results. *(The extent to which the CD intervention attained its objectives.)*	objectives in the IMFs RBM framework and validate these ratings)? **6.** (EFF2) Did the government agency effectively implement the actions (e.g., passing laws) required to achieve the objectives?			
Impact: What difference does the intervention make? The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended higher-level effects. *(What changes were attributable to the CD intervention?)*	**7.** (IMP1) Refer to the achievements under the effectiveness section and assess further the extent to which these were *attributable* to (i.e., happened as a result of) the CD activity. **8.** (IMP2) List all changes that can be attributed to the CD intervention, intended or not. **9.** (IMP3) List the reasonably clear cases in which either the outcomes/ objectives would very likely not have occurred in the absence of the CD intervention or would have likely occurred in the absence of the CD intervention. For the cases that do not fall under either category, discuss briefly any relevant information.			

Efficiency: How well are resources being used? A measure of how economically resources/inputs are converted to results in a timely manner. *(Measures the monetary value of the outcomes or benefits of the CD intervention compared to the monetary value of the inputs or costs incurred to achieve them.)*	**10.** (EFC1) Benchmark the costs of the interventions or intervention components against similar interventions or components of interventions in the past (including in other countries), with reasonable adjustments for inflation, etc. **11.** (EFC2) In light of what was concluded above under impacts, estimate the value of those impacts (quantitatively, if feasible, or qualitatively) and compare them to the costs incurred, if possible. **12.** (EFC3) If no estimates can be provided for monetary value of impacts, assess the extent to which objectives were achieved at minimum cost, as assessed by: o Comparison of costs with other similar interventions; or o Examination of the process and implementation, including evidence of excessive staff turnover, unnecessary delays, inefficient organization, etc.			
Sustainability: Will the benefits last?	**13.** (SUS1) To what extent are achievements of the intervention			

The probability of continued long-term benefits; the resilience to risk of the net benefit flows (and capacities/systems underlying the benefits) over time. *(To what extent are changes brought about by the CD intervention likely to continue?)*	supported within the bureaucracy and the institutional structure, thus likely to continue? **14.** (SUS2) To what extent does continuation of the achievements of the intervention hinge on continuation of CD? **15.** (SUS3) To what extent is any transfer of knowledge likely to be retained and/or further disseminated? **16.** (SUS4) If the objective of the CD intervention was to change behavior, assess the extent to which any achieved behavioral change will persist. **17.** (SUS5) If the objective of the CD intervention was to support new policies or laws, assess the extent to which the development and implementation of legislative frameworks, regulations, processes, and institutional structures and mechanisms are likely to last.			

ADDENDUM 2 – Evaluation Terms of Reference

SWITZERLAND TECHNICAL ASSISTANCE SUBACCOUNT

(Letters of Understanding for the East and South and Global Work Programs)

TERMS OF REFERENCE FOR 2019 EXTERNAL EVALUATION

July 2019

In Process

I. BACKGROUND, OBJECTIVES AND GOVERNANCE

A. BACKGROUND

1. Since 1997, Switzerland, through its State Secretariat for Economic Affairs (SECO), has partnered with the IMF to finance capacity development (CD) and technical assistance (TA) in its priority countries. IMF TA helps country authorities to strengthen their capacity for formulating and implementing sound macroeconomic policies in the fiscal, monetary, financial, and related statistical and legal fields. To date, Switzerland has contributed $147.8 million to IMF projects and programs (see Annex I), of which $67.7 million has been channelled through its bilateral subaccount—the Swiss IMF Technical Assistance Subaccount for Selected Fund Activities.

2. The Swiss Subaccount was established in April 1998 to finance TA in Swiss constituency and priority countries in Central Asia and Eastern Europe, which then included Azerbaijan, the Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan, and Serbia. Three additional LOUs were later concluded to cover Mozambique, Tanzania, and Burkina Faso. Projects were submitted and considered on a case-by-case basis.

3. The envelope for SECO priority countries in the East (LOU East) for the period 2009- 2015 was $12.8 million. This LOU covered TA to the following priority countries: Albania, Azerbaijan, Bosnia-Herzegovina, Kosovo, the Kyrgyz Republix, Macedonia, Serbia, Tajikistan, Turkemistam, Ukraine and Uzbekistan. This LOU was scheduled to end in 2015 but project extensions meant that the last project associated with this LOU did not end until mid-2018.

4. The envelope for SECO priority countries in the South (LOU South) for the period 2010- 2015 was $12 million. This LOU covered TA to the following priority countries: Colombia, Egypt, Ghana, Indonesia, Peru, South Africa, Tunisia and Vietnam. While this LOU was scheduled to end in 2015 project extensions have meant that the last two projects associated with this LOU will not end until 2020.

5. An envelope of $24.1 million for a new global program was concluded in 2016. The new global program, which provides for TA to the priority countries previously covered by LOU South and LOU East, runs from 2016 to 2020. TA provided until the global program will form the basis of the 2019 evaluation. This evaluation, will however, cover those projects under LOU East and LOU South that were still active between 2014 and 2018.

6. External evaluations have been conducted in 2009 and again in 2014. The 2009 evaluation found that while the the cooperation modality with the Fund was broadly effective, there was a need to adopt a more strategic and long-term oriented framework for the design and delivery of TA. The report recommended streamlining and simplifyng administrative procedures, while strengthening monitoring for results, and reinforcing the sustainability and impact of TA. The 2014 evaluation results provided a strong justification for the extension of the bilateral program and its approach, rating the quality of TA provided through SECO-funded program as high. The evaluation pointed to a high level of efficiency and the high quality of technical assistance. Despite improvements since the 2009 evaluation, however, the 2014 evaluation regarded sustainability as an ongoing issue and as a result, SECO supported the recommendation to clearly focus on institutional strengthening by a) an overall programming and project selection

process that would prioritize multi-year projects and b) inclusion of provisions for customized trainign and for peer-to-peer meetings and learning events where feasible.

7. The main goal of TA provided under the Subaccount is to promote economic stability and sustainable growth, thereby contributing to poverty reduction in the recipient countries. The intervention domains are delimited by the IMF's and SECO's strategic focus, namely:

i. Public Financial Management (including tax and accounting);
ii. Macroeconomic Analysis and Management;
iii. Financial Market Development;
iv. Central Banking; and
v. Economic and Finance Statistics.

B. OBJECTIVES OF THE EVALUATION

8. The **purpose** of this evaluation is to facilitate learning from the implementation of the current programmatic approach to CD planning and implementation and to improve the future CD initiatives under the partnership of the IMF and SECO through feedback of lessons learned and to provide a basis for accountability through information on results. The evaluation will identify lessons and make recommendations for SECO, the IMF, and decision makers in Switzerland at (a) the strategic (i.e., LOU) level, and (b) at project level (including the linkages between individual projects and the LOUs), related to the identification, design and implementation of TA.

9. In this context, the evaluation has two main **objectives**:

a) To provide advice on ways to improve the strategic nature of SECO support, in particular by focusing on the efficiency of the programming process, the transmission of information, and lessons learned from the bilateral cooperation between the IMF and SECO; and

b) To assess the relevance, effectiveness, impact, efficiency and sustainability of the TA projects under each LOU, with a particular attention to the relevance and design of interventions.

C. CONTENT OF THE EVALUATION

10. The evaluation will focus on CD projects funded by the subaccount, which is the common, comparable core for all IMF CD evaluations regardless of the delivery vehicle. The evaluation will address the degree to which the projects identified have achieved their objectives according to the Organization for Economic Cooperation and Development Assessment Committee (OECD DAC) criteria of relevance, efficiency, effectiveness, sustainability, and impact. The Common Evaluation Framework (CEF) of the IMF

provides further detail about how these criteria are defined in IMF CD evaluations (also see Table 1 below for a more developed version to be used in this evaluation). As mentioned above, the main purpose of this evaluation is learning at both strategic and operational levels. The evaluator will also consider the extent to which the relevant lessons learned have been taken on board.

11. The evaluation should strictly adhere to the definitions of the OECD-DAC criteria adopted in the CEF to preserve the comparability of evaluation findings across both contemporaneous and future IMF CD evaluations.

II. EVALUATION OF CD INTERVENTIONS DELIVERED THROUGH SECO

A. SCOPE

12. The evaluation will cover CD projects financed under LOUs Global, East and South between May 1, 2014 and June 30, 2019. It may be impractical to evaluate all projects and/or all objectives of these projects.[1] Therefore, before applying the DAC criteria, the evaluation should select a representative sample of projects and their important objectives to evaluate, ensuring adequate representation of countries. For a more informative evaluation, the sample should be weighed toward projects that are complete or relatively close to completion (based on their original completion date as articulated at the design stage).

13. The evaluators will be expected to visit three to four countries for an in-depth field investigation of the selected SECO CD to supplement the desk review and for dissemination purposes. The countries to be visited will be discussed and agreed during the Inception Phase and outlined in the Inception Note.

B. OBJECTIVES AND THE RESULTS CHAIN (LOG FRAMES)

14. The evaluators are expected to use the ex-ante log frames in RBM, which will be made available to them prior to the evaluation. For some projects, particularly those that started before the introduction of the RBM catalog in May 2016, the evaluator may need to construct the log frames ex-post using information in the relevant CD reports at the design stage (e.g., a TA report or a mission brief) and/or interviews with staff who supervised the CD activity. In cases where it is not possible to reconstruct a log frame from these sources, the evaluator is encouraged to defer to the RBM catalog when constructing the log frame for the evaluation. In all cases, the evaluator could suggest changes to the log frames for the future along with justifications.[2]

C. ASSESSING THE OBJECTIVES USING THE OECD-DAC CRITERIA

15. The evaluator is expected to assess the degree to which the CD projects (those selected in A above) have achieved or on track to achieving their objectives according to all five DAC criteria, unless there seems, ex ante, good reason why some criteria are not applicable. In applying the DAC criteria, the evaluator will pose the following questions for each objective: (i) Was the objective relevant? (ii) Did the intervention achieve the objective? (a) Effectively? (b) With impact?

(c) Efficiently? (d) Sustainably? This sequence of questions should be repeated for every objective in the representative evaluation sample. Table 1 below provides further guidance on how the DAC criteria are defined and the kinds of questions the evaluator might ask to evaluate whether the criteria were met.

[1] According to the IMF's RBM terminology, in most cases, the achievement of CD objectives will be synonymous with successful outcomes, which are the main focus of the RBM system and refer to concrete, measurable steps forward in CD achieved when the authorities act on CD recommendations. Because capacity development can be a long and involved process, many outcomes will be about making relative, not absolute, achievements. It is then important to assess, given country circumstances, what constitutes an appropriately ambitious improvement in an outcome.

[2] IMF CD providers are required to specify standardized log frames that draw on the Fund's RBM catalog.

16. If the evaluator has little to say about some of the DAC criteria, the evaluation report should note that and explain why the criteria was not applied (e.g., lack of information/evidence) for that project. If the project is incomplete and at the implementation phase, the evaluation will focus on both relevance and whether the project is on track to achieve these effectively, with impact, efficiently, and sustainably. As mentioned above, the evaluator will avoid including in the sample projects and objectives that are far from completion. In the case that such an objective has been included in the sample, the focus will be on whether the project is relevant.

17. RBM ratings entered in the RBM framework, if available, or self-assessment ratings entered in TA assessment reports are a key source of information specifically on effectiveness(the ratings for achievement of objectives derived from the verifiable indicators on the achievement of outcomes). Evaluators are expected to provide ratings of their own, using RBM ratings as one of many inputs. The evaluator should ensure that IMF CD evaluations are based on a common understanding of the issues and a common definition of terms.

Ratings and aggregation.

18. A quantitative rating scheme should be used to record the assessment by the evaluator. Each of the DAC criterion, for which there is sufficient information to make a judgment, will be scored on a 1–4 scale.[3] In assessing the DAC criteria, the evaluator is expected to take into consideration information and evidence collected from a range of sources (see below). When it is desired to calculate a composite rating for a project, the starting point, consistent with the approach used for RBM ratings, is to assign equal weights to each DAC criterion unless justified otherwise by the evaluator.

19. *Aggregate over objectives to evaluate a project.* For each selected project, the evaluator is expected to provide an overall performance rating for each DAC criterion reflecting a weighted average rating over the objectives/outcomes of the project. This will require forming a judgment about the relative importance of the various objectives. The evaluator is encouraged to make these judgments explicit by providing weights that add up to one. In cases, where the CD provider has specified weights in the RBM system or TA proposals or TA assessment reports identify any specific outcome as a more prioritized one, the evaluator should use these weights as a starting point. The evaluator should provide justification for the weights (explicit or implicit) that s/he adopts. Unless explicitly justified by the evaluator, it is expected to assign equal weights across objectives.

20. *Aggregate over projects to evaluate the entity.* For an evaluation of an overall performance of the entity, the evaluation would focus on the degree to which all the projects funded by the subaccount achieved their objectives according to the DAC criteria. The performance of the subaccount would be the aggregation of all these assessments.

[3] The ratings will have the following interpretation: 1=poor, 2=modest, 3=good, and 4=excellent.

Table 1. Common Definitions for the OECD-DAC Criteria and Example Questions (Applied to a CD project)	
DAC Criteria	**Key Evaluation Questions**
Relevance An assessment of the importance of the objectives of the CD project.	• Do the national authorities consider the objectives important? How high do they rank them on their list of priorities? • Provide your own assessment of the importance of these objectives. • To what extent were the objectives of the CD activity derived from capacity gaps identified by others (e.g., national authorities, country teams) or international standards? • To what extent did the objectives of the CD activity come from priorities identified in surveillance or an IMF program for the country?
Effectiveness The extent to which the CD project attained its objectives.	• To what extent were the objectives of the CD project achieved or are likely to be achieved (refer to the ratings of milestones, outcomes, and objectives in the IMF's RBM framework and validate these ratings)? • Did the government agency effectively implement the actions (e.g., passing laws) required to achieve the objectives?
Impact What changes were attributable to the CD project? The positive and negative changes brought about by the project, directly or indirectly, intended or unintended.	• Refer to the achievements under the effectiveness section and assess further the extent to which these were *attributable* to (i.e., happened as a result of) the CD project. • List all changes that can be attributed to the CD project, intended or not. • List the reasonably clear cases in which either the outcomes/ objectives would very likely not have occurred in the absence of the CD project or would have likely occurred in the absence of the CD project. For the cases that do not fall under either category, discuss briefly any relevant information.

Efficiency
The value of the impacts attributable to the CD project compared to the cost.
Measures the monetary value of the outcomes or benefits of the CD project compared to the monetary value of the inputs or costs incurred to achieve them.
	• Benchmark the costs of the projects or project components against similar projects or components of projects in the past (including in other countries), with reasonable adjustments for inflation, etc.
	• In light of what was concluded above under impacts, estimate the value of those impacts (quantitatively, if feasible, or qualitatively) and compare them to the costs incurred, if possible.
	• If no estimates can be provided for monetary value of impacts, assess the extent to which objectives were achieved at minimum cost, as assessed by:
	    ○ Comparison of costs with other similar activity; or
	    ○ Examination of the process and implementation, including evidence of excessive staff turnover, unnecessary delays, inefficient organization, etc.

Sustainability To what extent are changes brought about by the CD project likely to continue?	• To what extent are achievements of the project supported within the bureaucracy and the institutional structure, thus likely to continue? • To what extent does continuation of the achievements of the project hinge on continuation of CD? • To what extent is any transfer of knowledge likely to be retained and/or further disseminated? • If the objective of the CD project was to change behavior, assess the extent to which any achieved behavioral change will persist. • If the objective of the CD project was to support new policies or laws, assess the extent to which the development and implementation of legislative frameworks, regulations, processes, and institutional structures and mechanisms are likely to last.

D. Analysis of Results

21. The evaluation will summarize the key findings from the analysis and draw the key conclusions and lessons to help improve future CD outcomes. This requires examining two related questions:

a. Why is the DAC criterion rating low/high what factors explain it?

b. What alternative interventions, if any, would have provided better results?

22. These questions will be examined at the project level (presented in the project evaluation annex of the evaluation report). Moreover, the evaluators are expected to synthesize their project- level assessments and findings and present a summary pointing to patterns across groups (e.g., specific patterns observed by CD topics, countries or country groups) as well as general patterns affecting all projects in the main text of the report.

23. The first question asks the evaluator for a narrative of what happened, informed by the assessment in C, but not tied to any structure or formula. This sub-section is the place to bring out considerations that are not already covered. For illustration, the lists in Box 1 (in Annex I) give possible explanations to be included, which fall under two categories: (i) the quality of the CD intervention and (ii) exogenous events.

24. Moreover, the evaluator will assess the extent to which projects adequately identified risks and established adequate risk mitigation strategies. However, recommendations of alternate interventions should be accompanied by supporting evidence and should be costed (quantitatively, if feasible, or at least qualitatively). Moreover, when making recommendations the evaluator should consider the implications on all five criteria rather than focusing only on one criterion. Alternative interventions that improve some of the DAC criteria, (e.g., effectiveness) at great cost (which would fail the efficiency criterion) are not practical recommendations.

25. The evaluator could also assess the quality of the log frames, particularly the clarity, measurability, verifiability, and ambition of objectives and outcomes.

E. Conclusions, Lessons Learned and Recommendations

26. The evaluation shall draw conclusions from the findings of the assessment conducted under the DAC Evaluation criteria as outlined in the table above.

27. Based on these conclusions, the evaluation should report on significant lessons that can be drawn both at project and LOU level, highlight the strengths and weaknesses of each, examine the conditions for successful projects, and identify topics/set-ups (e.g., regional versus country approach) that are the most/least promising for successful projects.

28. The evaluation shall distill lessons learned in a separate section and provide consolidated recommendations on appropriate revisions of the program design (e.g., programmatic approach, monitoring framework, reporting channels), methodologies, financing and sustainability in order to achieve set goals (at project and LOU level). The recommendations should be concise, prioritized and grouped by time horizon, target audience, etc. The recommendations should be as targeted as possible to facilitate implementation.

III. Steering Arrangements for the Mid-Term Evaluation

29. This evaluation is being conducted in line with mutual agreement between SECO and the IMF.

30. The Global Partnerships Division of the Institute for Capacity Development (ICDGP) will manage the evaluation process in consultation with the SECO. ICDGP will serve as secretariat of the evaluation, overseeing the procurement process, supporting information-gathering for the evaluation, and keeping the evaluation process on track. An Evaluation Sub-Committee (ESC) will be established to guide the evaluation. The creation of the ESC is part of the IMF evaluation practice and allows stakeholders to actively participate in the evaluation process.

31. The role of the ESC is to provide strategic guidance, and to ensure that the evaluation takes into account issues relevant to stakeholders. The ESC will (a) review and advise on the Inception Note prepared by the evaluators; and (b) review and comment on the draft evaluation report. Whilst the ESC will guide the evaluation and provide comments on draft outputs, it will have no power to determine the content of the report, and the evaluators will remain free to reach their own conclusions.

32. The ESC is proposed to comprise representatives from:

- The IMF
    - ICDGP and ICDSE (Strategy and Evaluation Division) (2)
    - TA implementing departments (3)
    - Area departments if relevant (2)
- SECO

33. ICDGP will:

- Finalize the Terms of Reference, in coordination with SECO and IMF stakeholders[4];
- Propose and finalize the list of companies to be invited to bid, as well as the matrix for the assessment of bids;
- Review the Inception Note prepared by the evaluators and coordinate feedback from IMF stakeholders; and
- Review and coordinate feedback from IMF stakeholders and SECO on the Draft Evaluation Report.

34. As this is an independent external evaluation, comments by the IMF and SECO may be considered by the evaluators at their discretion. However, formal responses from the IMF and SECO will be annexed to the final report. Moreover, the ESC could request for a revision of the report, if it does not comply with the requirements of the Terms of Reference, including page limits and the strict application of the OECD-DAC criteria as defined in the CEF.

IV. Information Sources

35. The evaluation will draw on information from a range of sources, such as documents and data available from the IMF, interviews with selected country authorities, and case studies. It is

[4] The stakeholders include: IMF area departments (African and Western Hemisphere), the IMF TA departments (Fiscal Affairs, Monetary and Capital Markets, Statistics), and Strategy and Evaluation Division at the Institute for Capacity Development.

important that each evaluation criterion be assessed using at least three different information sources.

- **Log frame.** The evaluator is expected to use the RBM log frames as the source for the objectives, outcomes, milestones, indicators, and RBM ratings.[5]

- **Document and data analysis**: The evaluators will be expected to review and analyze all materials, such as project and program proposals, work plans, assessments. The evaluator will have access to information from various IMF sources, including information from the RBM framework, CD reports (TA reports or mission briefs, work plans), back-to-office reports (BTOs) of CD missions, IMF country reports (e.g., Article IV reports, program documents, Financial Sector Assessment Program (FSAP) reports etc.), Regional Strategy Notes (RSNs), any self- assessments by CD providers. All IMF CD activities are expected to have a data collection plan in place before the start of the CD activity. The data that is collected and monitored as part of the IMF's CD activities include indicator variables that are used to verify outcomes, RBM ratings, and the risk analysis framework for the project.[6] Financial information will also be provided.

- **Interviews**: The evaluator will conduct semi-structured interviews with country authorities. Interviews with country authorities are expected to cover the appropriateness and responsiveness of the CD provided by both resident advisors and short-term experts, and to explore and document any specific results that have emerged. Interviews should also allow the evaluator to form a view on the value added of the IMF TA delivered. The evaluators will also be expected to meet in Washington with staff from IMF CD and area departments and with ICDGP. SECO headquarters and field offices should also be interviewed, either by telephone or in person during the field visits.

- **Survey**: Evaluators should conduct a survey to consult a wider range of individuals in the beneficiary countries. Potential partners as well as other CD providers should also be consulted. Cvent is the Fund-approved online survey tool, and it is administered by the IMF.

- **Case studies (sample of countries/projects):** The evaluators will be expected to visit three to four countries for an in-depth field investigation of the selected CD to supplement the desk review (cf. scope in section II A). The selection criteria will be discussed and agreed during the Inception Phase and outlined in the Inception Note

[5] During FY17 the Fund rolled out a new integrated project management system to enhance prioritization, efficiency and monitoring of Fund-wide capacity development activities through wider use of an RBM framework. By end-FY2017, all new and ongoing TA projects use the RBM framework. IMF training is also covered by RBM.

[6] The RBM framework monitors variables associated with increased risk and assumptions that affect the probability of achieving results. Risk-related variables are classified into five categories: political support, management and technical staff's support and commitment, resource adequacy, external conditions, and other. A baseline assessment of risks records expectations at the time the project was initiated.

V. Timing and Deliverables

A. Timing

36. The work is expected to begin between October and November 2019, with the draft report disseminated to the ESC by June 2020. Evaluators will be contracted for a maximum of110 person-working days including travel during that period. The evaluation process will be carried out in three phases: a desk phase, a field phase, and a drafting phase.

- **Desk Phase**: Within four weeks after contract signing, the evaluators will: (i) complete a desk review of documents; (ii) visit IMF Headquarters to interview staff in ICDGP, relevant TA and area departments; (iii) prepare an Inception Note, as outlined below. Total time for this phase is estimated to be about 25 person-days maximum.
- **Field Phase:** The evaluators will visit 3-4 beneficiary countries. The evaluators will ensure adequate contact and consultation with stakeholders, including relevant government authorities and agencies, civil society and other relevant stakeholders in relevant academia/think tanks and, where relevant, donor field offices. The evaluators are also expected to interview SECO representatives. Total time for this phase is estimated 30 person- days maximum, including travel time to the case study countries.

- **Drafting Phase**: The draft report will be prepared in English and submitted no more than four weeks after the end of the field work. The IMF and SECO will provide comments within five weeks. The team will consider the comments at their discretion and prepare a final report to be submitted by October 2020**.** Total work time for this phase of the project is estimated at 55 person-days maximum.

B. Deliverables

37. The evaluators will produce the following:

a) **An Inception Note** setting out (i) an overview of how the evaluation will be conducted; (ii) the methodology for information collection and analysis (including criteria for selecting the case studies); (iii) draft interview guidelines; (iv) a detailed plan for data collection; (v) a list of potential interviewees; (vi) plans for field visits and meetings; (vii) an outline of a quality control mechanism to ensure that drafts of deliverables are of appropriate quality, and (viii) an outline of the Draft Mid–Term Evaluation Report table of contents..

b) **Evaluation Report** (draft and final) in English. The draft Evaluation Report will be disseminated to the ESC for comments. The ESC may request a video or teleconference to discuss consolidated comments to the draft report. The report should focus on presenting evidence and assessing whether the objectives of projects were relevant and to what extent the projects achieved their objectives effectively, with impact, efficiently, and sustainably. The report should describe the projects succinctly: discussing the channels through which projects were expected to achieve outcomes. The evaluation report should avoid giving too detailed and lengthy descriptions of the CD provided. The IMF will provide a template for the evaluation report at the inception report phase to convey the standardized, concise format focusing on key issues of the evaluation.

The draft and final reports will present the main findings, lessons learned, and recommendations taking into account the scope and objectives of the evaluation, with all interviews and meetings listed in an appendix. To sharpen the focus, the Evaluation Report should have an executive summary (1-2 pages) and not exceed 25-30 pages (excluding annexes). Moreover, the report should clearly and concisely convey the evaluation recommendations and provide their evidence-based rationale and implications. The report should contain no more than 10 recommendations (with not too many sub- recommendations) and they should be

- Prioritized, in terms of urgency and timing, and sequenced
- Actionable (under the control of the IMF), feasible, and reflecting an understanding of potential constraints to implementation
- Accounting for the least costly alternative to achieve the objectives and whether the benefits resulting from recommendations exceed the likely cost of implementation,based on existing evidence or the literature. .

For each of the case studies (for field visits), an individual factsheet is required as an annex.

c) **Workshop** with powerpoint presentation to discuss the preliminary findings, lessons learned and recommendations,

d) **A Final Evaluation report** in English.

38. Following is the evaluation suggested timeline, with the main deliverables.

Desk work, HQ visit, and draft Inception Note	Oct - Nov 2019
Circulation of survey instrument Finalization of selection of case studies	Oct - Dec 2019
Fieldwork and preparation of Draft Evaluation Report	Jan – March 2020
Revised draft Evaluation Report sent to SC	June 2020
Workshop to Present Findings and Recommendations	August - Sept 2020
Final Evaluation Report	October 2020

VI. Evaluator Qualifications

39. The evaluation will be carried out by an experienced, independent team (independent from both the IMF and SECO)[7] consisting of a lead and at least two other professionals with backgrounds in TA evaluation, macroeconomics, public financial management (including tax issues), financial market development, or related fields. The team should demonstrate the following qualifications:

[7] Team members will not have worked on any projects under evaluation.

- Extensive knowledge of the issues covered by IMF TA; experience in the delivery and review of such TA. The evaluation team should have members with expertise in the CD areas covered by the evaluation. Strong macroeconomic background, some experience in macroeconomic policy-making are desirable.

- Capacity and background in macroeconomic policy making.

- Extensive experience in evaluation, including evaluation of TA, familiarity with OECD DAC evaluation guidelines.

- Experience in the region and countries covered by the LOU, including relevant linguistic capacity.

Table 1. The SECO-IMF Partnership

Modalities	Signed Agreements (millions of USD)	Period Covered (calendar year)
Bilateral Accounts	**67.7**	
Old Bilateral Program[1]	18.7	1996–2012
LOU East	12.8	2009–2015
LOU South	12.0	2010–2015
Conference	0.1	2013
2016-2020 Program	24.1	2016-2020
Multi-Partner Accounts - TFs	**54.6**	
AML/CFT Phase I	5.0	2009–2015
AML/CFT Phase II	6.7	2014-2020
Debt Management Facility II	2.4	2014-2019
FIRST Phase II	2.2	2007-2014
FIRST Phase III	4.6	2013-2017
FSSF Phase I	4.1	2017-2022
MNRW Phase I	5.0	2011–2017
MNRW Phase I I	7.2	2016-2021
TADAT Phase I	1.3	2014-2019
Revenue Mobilization (Tax Policy & Administration) Phase I	5.0	2011–2017
Revenue Mobilization (Tax Policy & Administration) Phase II	[illegible].1	[illegible]-20[illegible]
D4D Phase 1	4.0	2018-2023
Multi-Partner Accounts - RTACs	**25.6**	
AFRITACs	4.9	2003-2008
AFRITAC East Phase III	1.0	2009–2015
AFRITAC East Phase IV	1.0	2015-2020
AFRITAC West	1.0	2009–2017
AFRITAC West II	5.0	2013–2019
AFRITAC South Phase I	3.0	2011–2017
AFRITAC South Phase II	5.1	2017-2022
METAC Phase IV	4.6	2016-2021
TOTAL	**147.8**	

[1] There were seven signed Letters of Understanding (LOUs) and 21 approved projects.

Source: IMF Institute for Capacity Development, 2018.

List of Bilateral Projects Financed by SECO (from May 1, 2014 to June 30, 2019)

Country	Dept	Project	LOU	Project Description	Project Dates	Project Status	Approved Budget (US$)
Southeast Europe Countries	FAD	FAD_EUR_2017_02	Global 2016-2020	Southeast Europe Revenue Administration	1/1/2017 - 12/31/2018	Ongoing	3.2
Peru	FAD	FAD_PER_2017_04	Global 2016-2020	Public Financial Management	10/1/2016 - 9/30/2019	Ongoing	1.7
Colombia	FAD	FAD_COL_2017_02	South	Revenue Administration	10/01/2016 - 2/28/2020	Ongoing	0.9
Colombia	FAD	FAD_COL_2017_04	Global 2016-2020	Improving Fiscal Transparency	10/1/2016 - 4/30/2020	Ongoing	1.4
Egypt	FAD	FAD_EGY_2015_02	South	Strengthening Budget Formulation	3/1/2016 - 9/30/2018	Completed	0.5
Egypt	FAD	FAD_EGY_2019_01	South	Budget Reform and Management of Fiscal Risks	2/1/2019 - 7/1/2021	Ongoing	2.3
Peru	FAD	FAD_PER_2017_01	South	Revenue Administration	10/1/2016 - 1/31/2020	Ongoing	1.4
Turkmenistan	MCM	MCM_TKM_2015_01	East	Modernizing central bank operations in Turkmenistan	10/15/2014- 4/30/2018	Completed	0.4
Albania	MCM	MCM_ALB_2017_03	Global 2016-2020	Monetary Policy Advisor to the Governor of the Bank of Albania	1/16/2017 - 7/31/2018	Completed	0.5
Ghana	MCM	MCM_GHA_2017_01	Global 2016-2020	Strengthening Regulatory and Supervisory Capacity	10/18/2016- 10/17/2019	Ongoing	1.0
Kyrgyz Republic	MCM	MCM_KGZ_2017_01	Global 2016-2020	Banking Supervision and Regulation	4/9/2017 - 7/8/2019	Ongoing	1.1
Tajikistan	MCM	MCM_TJK_2017_02	Global 2016-2020	Strengthening Bank Supervision	5/1/2017 - 8/31/2019	Ongoing	1.0
Tajikistan	MCM	MCM_TJK_2018_02	Global 2016-2020	Strengthening Monetary and Exchange Rate Policy and Operations at the NBT	7/1/2018- 12/31/2019	Ongoing	0.8
Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia	STA	STA_EUR_2017_01	Global 2016-2020	Improve Capacity for Government Finance Statistics in South Eastern European Countries	[illegible]/1/20[illegible] - [illegible]/30/2019	Ongoing	1.8
Colombia, Indonesia and Peru	STA	STA_IMF_2017_04	Global 2016-2020	Develop capacity to Compile Sectoral Accounts and Balance Sheets	6/1/2016 - 4/30/2020	Ongoing	0.9
Colombia, Peru, Tunisia, and Ukraine	STA	STA_IMF_2017_05	Global 2016-2020	Improve Capacity for Residential Property Price Indexes	6/1/2016 - 4/30/2020	Ongoing	1.0
Azerbaijan, Kyrgyz Republic, and Tajikistan	STA	STA_MCD_2017_01	Global 2016-2020	Central Asia Fiscal Transparency	6/1/2016 - 4/30/2020	Ongoing	0.9

Box 1. Why achievement of the DAC criteria was low/high; what factors explain it?

1. This box presents lists that give possible explanations under two categories: (i) the quality of the CD intervention and (ii) exogenous events to be included in the analysis of results section.

2. **In case of low ratings,** explanatory factors related to the quality of the CD intervention might include:

- The original rationale for the intervention was poorly conceived.
- Delivery or execution was below standard.
- The CD activity was not sufficiently tailored to the absorptive capacity of the recipient.
- The activity was not sufficiently comprehensive (e.g., more training of staff was required).
- Other interventions were required to achieve the objective but were not attempted or accomplished.

Explanations related to exogenous events might include:

- Background conditions required for success were not sufficiently in place (e.g., lack of political support, weak ownership).
- Unforeseen exogenous factors changed and undermined the success of the project.
- An assumption for an exogenous variable (e.g., GDP growth) made before the TA project started turned out to be worse than anticipated.
- Other parts of the government passed legislation that counteracted the impact of the TA.

3. **In case of high ratings,** explanatory factors related to the quality of the CD intervention might include:

- The intervention was based on a sound diagnosis of the critical problem.
- The mode of delivery was appropriately tailored to the absorptive capacity of the recipient.
- TA was supported with training or vice versa.

Explanations related to exogenous events might include:

- Unforeseen favorable exogenous factors occurred.
- Background conditions required for success were implemented simultaneously (e.g., strong political support and country ownership).

APPENDIX

List of Documents to be Provided by the IMF

The following documents will be available to the external evaluators only:

- Work plans
- Project proposals
- Project assessments
- The list of CD activities and any associated RBM log frames
- Annual budgets
- Project/mission TORs
- Previous evaluation report

ANNEX III Past Evaluation

The previous independent SECO evaluation was conducted in 2014 and covered the LOU for the East and South work programs. It appears to the current evaluation team to be a thorough and well conducted work. The evaluation report, issued in April 2015, included findings, conclusions, and a number of recommendations. SECO issued a management response in August 2015. The overall reaction was positive, with the response noting, "The report(s) provides a good overview of the achievements under this facility and the findings a solid and well documented (sic)." The response addressed 11 recommendations made by the evaluators, noting the management response, responsibility, and deadline/timing. Several of the later notations were "on-going." The recommendations, the response stated, would be fed into the elaboration of the next phase of the Subaccount despite some cases faulted for not being more explicit.

The SECO Annual Report for 2015 cites the recent evaluation (pg. 9) and notes the "findings" informed the drafting of the new bilateral program LOU for 2016-20, which was signed in December 18, 2015. While no specific status of the evaluation recommendations is given, the Annual Report contains a section on "lessons learned" in which several recommendations are referenced, including greater emphasis on sustainability and "documenting project design." The report noted the latter is being addressed through use of an "enhanced RBM framework" which will make CD planning and monitoring more effective.

A review of the 2016-20 LOU, dated December 2015, does not reveal that evaluation findings informed it, other than a reference to a future (the current) evaluation which would be conducted by the IMF within 3.5 years of the LOU's signing. It does, however, refer to new "operational guidelines" which were part of the SECO management response to the evaluation issued in August 2015. The guidelines became effective in July 2016 and were last revised in November 2018. They constitute the most tangible response to the evaluation with potential operational impact and thus were reviewed closely by the evaluators.

The guidelines note that the majority of projects financed under the LOU will be multi-annual, which aligns with an evaluation recommendation. The number of "priority and constituency" countries was, however, not reduced from the number (19) at the time of the evaluation per a recommendation. The guidelines note, "For the first year of the LOU, emphasis will be placed on the assessment of needs in priority and constituency countries. Based on needs assessment, project ideas will be developed by the IMF and discussed with SECO." The guidelines note that for multi-year projects "formal annual review and planning will be demand driven…" These steps, and indeed the entire operational guidelines process respond well to evaluation recommendation #6, "A new programming process should be revised and agreed with the IMF."

The operational guidelines contain a section detailing the contents of "project proposals." These are to contain, *inter alia*, a short needs assessment, pre-established objectives, outcomes, means of verification and a project-specific risk analysis. Although the proposals themselves are not required to contain a Log Frame, they "will contribute to the overall strategic objectives as outlined in the Program Log Frame."

A review of the IMF's February 2019 project proposal for Egypt covering budget reform and management of fiscal risks reveals it contains a well-prepared risk assessment and mitigation table and project-level Logframe which specifies objectives, outcomes and verifiable indicators. There is, however, no needs assessment nor mention of the (Global) "Program Log Frame." Thus, it remains difficult to understand the justification for the project (other than a continuation of what came before) and how the project contributes to the higher-level program objectives. The first project objective is "better budget preparation" which apparently aligns with the Program Log Frame strategic objective of "budget preparation improved." Two of the three project outcomes under the objective correspond with a single Program Log Frame outcome under the strategic objective, but the third project outcome under the same objective does not appear in the higher-level Logframe. Thus, while there is some relationship between these two frameworks, it is uncertain and/or incomplete.

The guidelines also mention "project assessments" to be completed annually for multi-year projects, although there is no detail on what the assessment should include other than a financial statement. A review of the annual assessments (5/18-4/19) for Peru (FAD_PER_2017_01) and Colombia (FAD_COL_2017_02), both covering their respective revenue administration projects, indicates a standard format is used covering the project purpose, implementation and achievements. Included are a results overview, summary of challenges and lessons learned, highlights of partner outreach and coordination, and next steps. The Colombia assessment contained the project Log Frame with an assessment of whether outcomes and milestones had been not, partially, or fully achieved.[248]

The final evaluation recommendation (#11) deals with improving communication between SECO and the IMF and suggested formalizing the processes for the transmission of information. In response, the operational guidelines contain a section on "annual consultation" and IMF communication with SECO headquarters and Swiss country representatives, such as by having resident advisors (LTX) keep SECO country offices and/or Embassy updated on progress over the course of the project.[249] The annual consultations are to be organized at two levels – strategic and operational – and include (at one or the other level) a review of implementation and results achieved to date, identification of lessons learned, and discussion of emergent issues. Since the annual project assessments basically cover these same areas, the evaluators presume the consultations comprise a more in-depth discussion of the brief assessment reports.

One of the main conclusions and set of recommendations in the 2014 evaluation pertains to "improving project design and use of the Logical Framework" (pg. 45). With a few minor caveats, SECO agreed with the recommendations in its management response (items 7, 9 and 10), including the value of the design being based on a "thorough needs assessment." The evaluation team reviewed three subsequent IMF-SECO project proposals in detail involving work in Egypt (FAD-EGY-2019-04), Colombia (FAD-COL-2017-02) and Peru (FAD-PER-2017-01).

While all of these new efforts noted they were based on past IMF assistance, the current evaluator's review did not find evidence that any of the "project designs" was based on a current needs assessment as recommended by the past evaluation. Each of the project proposals does contain a Logframe to support RBM, as well as a section on risk assessment and mitigation. In the case of Colombia and Peru, this section also discusses initial assumptions, e.g., "The political climate is conducive to implement reforms." Each of the

[248] In this case, the lack of achievements led to a suspension of planned project activities for FY20 as noted at the conclusion of the assessment.
[249] This past recommendation was not fulfilled completely, and the issue is a subject of a new recommendation of the current evaluation.

identified risks is assessed and given a score from “very high” to “low” risk. The expected results of the project are of course linked to the identified risks, and when high, their successful mitigation.

An examination of two Colombia risk assessments (FAD_COL_2017_02 and FAD_COL_2017_04)) is illuminating. The first risk noted in both assessments involves “political support.” The assessment for first project notes that “Colombia has prioritized this project based on its needs assessment for the Compliance Improvement Plan.” IMF/FAD-SECO had supported work around a CIP since 2011, and the risk was assessed as “low.” The risk assessment does not mention that a presidential election was scheduled for May 2018, which ordinarily is viewed as a political risk factor that would increase the risk level. In contrast, the political support assessment for the second project, which was started earlier, notes “As the presidential election will take place in 2018, there is a risk of slowdown or reforms and changes in priorities.” The risk was rated as “medium.” The irony is for the first project which seemed to ignore the political risk inherent in the elections, the new administration did have different priorities. In the case of the second project, which did flag the risk, it benefited from the new administration according to country authority KII, “They found the project highly relevant to where the treasury needed to go.” Significantly, the performance of this project was the most highly rated in the entire sample. The performance of the first project, on the other hand, was the lowest rated.

In summary, the IMF appears to have done a good job at complying with most of the past evaluation recommendations with which they formally agreed. The Operational Guidelines are the most notable evidence of this finding by the current evaluation team. Having said this, while creating a new framework such as the guidelines is a very significant step, consistently and well applying the improved procedures in practice is the ultimate evidence that diagnostic tools like evaluation add value to the overall programming cycle. Whether this is indeed the case is a major objective of the present evaluation as evidenced by one of the program-level issues addressed – “efficiency of the programming process.”

ANNEX IV Results Based Management

As noted in the section on RBM in the main body of the report, the IMF's use of RBM and the Logical framework Approach (LFA) in its CD programming has four key issues that should be considered. It is also important to reiterate that the Fund has recently released a new RBM Governance Framework which addresses many of the points raised among the issues in this report. The fact that the evaluation identified these areas of improvement based on recent CD project design and implementation serves to validate the thrust of the new Framework.

First is the need to integrate risk and performance management, **second** is the importance of associating outputs and outcomes with the responsible parties, **third** recognizing that many RBM "verifiable indicators" used by IMF are inherently subjective measures assessed with little rigor, and **fourth** is the need to estimate the resources required (inputs) by all parties to achieve the objectives. These critiques are not unique to IMF or SECO but rather are widespread among practitioners of RBM.

Risk is inherently tied to performance, a common-sense recognition which accounts for the risk assessment and mitigation material contained in project proposal and other IMF documentation. Yet it appears that once the assessment and mitigation measures (which are the means of managing the risk) are offered, there are little if any formal steps taken to monitor the basic assumptions and associated risk. As performed by the IMF, there is little connection between the risk and performance, but well executed RBM requires this as the case from Colombia illustrates. The solution is that in addition to the normal performance indicators contained in the Logframe, indicators should also be identified which help monitor assumptions and risks – these are sometimes referred to as "context indicators" and are increasingly being used by USAID and other development agencies to support "adaptive management" of programming like IMF CD projects. Given that so much depends with these projects on "political will," which is the essence of a contextual indicator, albeit subjectively measured, the exclusion of this dimension of RBM routinely risks failure as the case of Colombia noted in the prior annex demonstrates. It is commendable that project managers suspended the program in the face of setbacks.

IMF-SECO project Logframe such as that for Peru contain objectives, outcomes with verifiable indicators and milestones. Other development organizations that utilized the approach typically replace milestones with "outputs." These are what the project has the capacity to produce. IMF Logframes do not cover outputs (which they are responsible for) and thus there is no means to assess progress made by them towards outcomes. Outcomes are dependent on actions by the government authorities beyond the manageable control of the IMF. The IMF's own "Results Based Management (RBM) – A Short Primer" recognizes this. It states on the first page that, "A clear distinction needs to be made between *outputs* – what the IMF is responsible for (TA reports, training, etc.) – and the interim steps – milestones towards *outcomes* – measurable changes in, and benefits to, the recipient." The Primer also notes that outputs should be monitored by "tracking time-bound activities and outputs specified in the work plan." Aside from the fact that confusion is introduced by suggesting outputs can be monitored by tracking themselves, work plans are not typically prepared so they can play no role in RBM implementation.

If work plans are not used, then perhaps TA reports following missions record outputs delivered. This is certainly not always the case. For example, take three TA reports from the project, STA Improve Capacity for GFS in South Eastern European Countries

(STA_EU_2017_01), prepared following missions in August and September 2017, and October 2018. The reports include a "summary of mission outcomes and priority recommendations." Aside from mischaracterizing mission results as "outcomes" and not "outputs" as is the correct term under the IMF's RBM schema, the reports reflect other interesting evidence. First, they are largely devoid of any inference of capacity development. No mention of training, even "on-the-job," or any skill introduced or enhanced. To the contrary, the reports imply the missions involved supplementation of country authority efforts. For example, "The mission continued the development of compilation processes started during the May 2018 mission." The report notes the mission reviewed the (country) outcomes (i.e., milestones) of five compilation units since the previous mission and "completed the reconciliation process for these units."[250] At a minimum, the TA reports are poorly prepared, but they may indicate systemic issues not just with the IMF practice of RBM but the whole premise of capacity development vis-à-vis advisors supplementing work.

The second issue is that in most IMF-SECO Logframes outcomes and milestones are treated the same with no differentiation between the responsible parties. This is one reason why, for just one example, the Colombia Logframe is so flawed (see below). For RBM to be meaningful it must assign responsibilities for the results to be achieved. At the present time governmental authorities, who need to take responsibility for the real results, are not meaningfully included in the RBM process, including development of the Logframe RBM currently appears to be an IMF construct with little if any connection with beneficiaries who are critical to the overall system.

The third RBM issue pertains to the nature of the verifiable indicators associated with capacity development, particularly at the outcome level. The overall purpose of CD efforts is to improve/strengthen individual skills and organizational systems and processes to achieve better results. In the case of IMF-SECO this might be more accurate economic statistics or improved public financial management. Determining whether there has been positive change, and if so, its degree can be a challenge. The process requires time, effort, and resources to ensure an acceptable degree of rigor and ultimately confidence in the findings. Available evidence from a review of IMF documents leaves doubt as to how rigorous RBM is applied in the practice of IMF-SECO programming.

Take for example the 2016-19 Public Financial Management Project in Peru. A Fiscal Transparency Evaluation (FTE) was conducted in 2015 which provided a roadmap for the project design and a baseline to assess improvements brought about by the 3-year IMF-SECO project. The use of the FTE and its scoring based on "not met," "basic" and "good" indicators is in itself a best practice which should be used more widely. What is not clear is how these scores are assessed and how subjective the process is. To its credit the project's Logframe describes the baseline and targets, which in most cases involves moving from a score of "basic" to "good." Hints are provided in several cases of what weaknesses must be addressed to achieve the target; for example, under the project's third objective moving from "basic" to "good" requires reducing the number of unreported assets and liabilities. Yet in this case the fourth project objective has a "good" baseline for asset and liability management and the target is "make progress in the indicator by implementing the BCP (Business Continuity Plan)."

[250] Report on the Government Finance Statistics Technical Assistance Mission (August 28 – September 1, 2017), issued January 2018.

Hopefully, this was clearer to IMF-SECO project managers and the counterpart government authorities than it is to current evaluators. The point in this example, which is not uncommon in IMF-SECO and other IMF CD programs, is that the ambiguity of a key outcome indicator calls into question the whole rationale of RBM. This is because the indicator itself is difficult to verify. Without appropriate parameters "progress" is a subjective and therefore weak metric. This challenge is not unique to the IMF but is rather common to many CD programs. Utilizing tools such as PEFA (which is based in part on quantitative measures) and international standards such as IPSAS as benchmarks can help alleviate the problem.

The final issue concerns a key missing element of the LFA – inputs. These are the resources required to achieve the project objective(s) made available by *all* parties, including the Fund, the beneficiary country, and in some cases other donor partners. While the Framework's Operational Guidance shows inputs at the beginning of the causal chain (see Logframe diagram on pg. 3), it does not define nor discuss them as done for other LFA components. This a revealing. To the degree that LFA provides a model for any project based on logic and planning, to not devote time and effort to determining the resources required to achieve the desired results undermines the entire RBM effort. This was seen repeatedly in the evaluation's project assessments when resource deficiencies stymied the operationalization of agreed upon recommendations.

As an example, the following portion of the Logframe for Colombia (FAD_COL_2017_02) illustrates several weaknesses:

1) Fails to distinguish between responsibilities (deliverables) of the IMF through TA inputs/outputs, and the country authorities in terms of milestones (intermediate results) and outcomes.
2) Contains no valid indicator targets. Three agencies are involved, with different baselines. One, DIAN, has achieved the (mis)stated verifiable indicator of a "CIP in place." However, the baseline for DIAN mixes in a future target (i.e., "...updated to incorporate…") with its baseline.
3) Unclear how and by whom achievement of second verifiable indicator, "institutional risks identified, assessed and ranked," will be assessed. There are no achievement standards that can be used such as are associated with a PETA or TADAT.
4) Does not cover/contain project inputs that needed to be provided by the Program and the GOC (and other donor partners, if necessary). Such inputs must cover all resources necessary for achievement of project objectives such as in this case those necessary to address the insufficient IT capacity highlighted in the project assessment. As noted in the Interim Project Assessment, the project foundered and was suspended based on obstacles that were not covered in the Logframe (including the risk management framework). This is evidence of its deficiency, and indeed of the project design as a whole.

Project Log Frame		
Project Objective 1		
Better revenue administration, management and governance arrangements		
Outcome 1.1	**Verifiable Indicator**	**Baseline**

For the Tax and Customs Agency, the Social Security Agency, and the Tax Gambling Agency: Corporate priorities and compliance better managed through effective risk management.	-Compliance improvement program CIP) in place to mitigate identified risks. -Institutional risks identified, assessed and ranked.	Baseline: -The SSA and the GTA do not have in place any CIP -The DIAN has in place a CIP; however, it needs to be updated to incorporate risk mitigation activities for key economic sectors and taxpayer segments Baseline: None of the three agencies has formally identified its institutional risk

Milestones	**Date**
1.1.1 An action plan to develop a compliance improvement program is in place by the social security agency, the tax gambling agency, and the DIAN.	October 2017
1.1.2 Institutional risk mitigation activities are monitored and evaluated by the DIAN.	June 2018
1.1.3 Compliance risk mitigation activities related to economic sectors, medium and small activities, taxpayer segments, and high net wealth individuals are monitored and evaluated by the DIAN.	October 2018
1.1.4 Compliance risk mitigation activities related to base erosion, profit shifting, and aggressive tax planning are monitored and evaluated by the DIAN.	June 2019
1.1.5 Institutional and compliance risk mitigation activities are monitored and evaluated by the social security and tax gambling agency.	June 2019
1.1.6 Reforms on corporate priorities and compliance are adopted by the authorities and aligned with the new compliance plan.	December 2019

In taking the commendable yet ambitious step of adopting the use of RBM, the IMF demonstrated to its member states and donor partners its commitment to national capacity development. This evaluation revealed both the progress that has been made in operationalizing the system as well as many remaining issues. The latter may seem daunting, but with its new RBM Governance Framework the Fund is demonstrating its renewed commitment to performance improvement both involving RBM practice itself and of its capacity development efforts.

Aside from the operational issues noted above, some development practitioners express concern that systems like RBM and tools such as LFA can be applied rigidly and thus, given the uncertainties associated with development, unintentionally undermine performance improvement. Referring to the LFA, this pitfall has been called “lock-frame.” The obvious mitigation is to take steps to ensure that RBM generally, and the LFA specifically, do not allow or force either thinking or actions to become cast in stone.

This is why an increasing number of development practitioners are wedding RBM/LFA with what is called “adaptive management,” which can be defined as *a structured process where organizational actors engage in iterative learning and decision making as a means of dealing with uncertainty. It is based on a systems view of organizational change/learning where planning, action, performance monitoring, evaluation, and learning become integrated* *processes to progressively strengthen over time an organization's (results based) management capacity.*

The Framework hints at this feature when it says, "RBM data helps staff and authorities plan, monitor, *adapt,* and evaluate CD (italics added)." The Framework states that it outlines how CD results data should be collected and reported in order to inform strategy and implementation. The "informing" comes by way of evidence and lessons learned gained both from the data and experience. Unfortunately, the operational guidance does not provide much information on how managers and decision makers, so informed, can adapt either programming (i.e., project design and implementation) or strategies.

Fortunately, the Fund's "RBM Corner," managed by ICDSE, is intended to serve as a source of new and supplementary operational guidance on how to apply the Framework in practice, including how to integrate RBM and adaptive management principles and approaches. The evaluators suggest two sources of the latter.

The first is a seminal paper written in 2012 by World Bank economists and development practitioners on an approach they named "Problem Driven Iterative Adaptation (PDIA)," which has since expanded into a worldwide community of practice.[251] PDIA is ideally suited for use in capacity development efforts and indeed has been applied in such work involving *inter alia* economic growth strategies, PFM, and budget reform supported by the Building State Capability program at Harvard University's Center for International Development.

The second is a consortium, supported by DFID and USAID, of donor organizations led by the U.K.'s Overseas Development Institute (ODI) which established the Global Learning on Adaptive Management (GLAM) initiative in 2018.[252] GLAM's work addressed the perception of adaptive management held by some that the approach is an excuse for "making things up as you go along." The initiative's operating premise is that programs utilizing adaptive management approaches can be rigorous, with evidence and associated with high levels of accountability – if practiced properly. GLAM partners argue that "adaptive rigor" requires having a documented, transparent trail of intentions, decisions, and actions. "Intentions" refers to the original project design and Logframe, while "decisions and actions" refers to adaptive management steps. This doctrine allows the scope to change what is measured and evaluated; i.e., the contents of the Logframe including both outcomes and indicators, if warranted, when based on evidence and/or a changed operating environment (e.g., election results),

As itself notes, the Framework's operational guidance is a "living document" that will be updated when new guidelines, lessons learned, and best practices are identified. It is hoped the current evaluation provides one such source that will support the Fund's clear interest in improving its RBM practice.

[251] (Andrews, Pritchett, Samji, & Woodcock, 2015)
[252] See https://www.odi.org/publications/11311-making-adaptive-rigour-work-principles-and-practices-strengthening-mel-adaptive-management for a thorough discussion of "adaptive rigor."

Annex V: Inception Note

Independent Evaluation:
Switzerland Technical Assistance Subaccount, State Secretariat for Economic Affairs (SECO)

INCEPTION NOTE

December 16, 2019
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Submitted to the International Monetary Fund by
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Acronyms

AFR	Africa Department
CD	Capacity Development
CEF	Common Evaluation Framework
DAC	Development Assessment Committee
ESC	Evaluation Sub-Committee
FAD	Fiscal Affairs Department
HQ	Headquarters
ICD	Institute for Capacity Development
IMF	International Monetary Fund
LEG	Legal Department
LOU	Letter of Understanding
MCM	Monetary and Capital Markets Department
NA	Not Assessed
OECD	Organization for Economic Co-operation and Development
PFM	Public Financial Management
RBM	Results-Based Management
RTAC	Regional Technical Assistance Center
SECO	State Secretariat for Economic Affairs
STA	Statistics Department
TA	Technical Assistance
TOR	Terms of Reference

Introduction

1. This is the Inception Note for the evaluation of the IMF's capacity development activities, funded by the State Secretariat for Economic Affairs (SECO) based in Bern, Switzerland. The SECO-supported IMF activities to be evaluated include capacity development activities, through technical assistance (TA) missions, trainings, and workshops.

2. Since 1997, SECO has partnered with the IMF to finance capacity development (CD) and technical assistance (TA) in its priority and constituency countries. The main goal of TA provided under the Subaccount is to promote economic stability and sustainable growth, thereby contributing to poverty reduction in the recipient countries. The intervention domains are delimited by the IMF's and SECO's strategic focus, namely: (i) public financial management; (ii) macroeconomic analysis and management; (iii) financial market development; (iv) central banking; and (v) economic and finance statistics.

3. The evaluation team consists of Ms. Ilisa Gertner (Director of Monitoring and Evaluation) as Team Lead, Mr. Alvaro Manoel (DevTech Consultant) as Economist, and Ms. Marisa Acierno (Monitoring and Evaluation Associate) as Monitoring and Evaluation Specialist. Dr. Rafael Romeu (President and CEO of DevTech) will serve as Senior Technical Reviewer to review deliverables produced by DevTech for this evaluation.

Overview of the Evaluation

4. **Purpose of the evaluation.** The purpose of this evaluation is to facilitate learning from the implementation of the current programmatic approach to CD planning and implementation and to improve the future CD initiatives under the partnership of the IMF and SECO.

5. **Objectives of the evaluation.** The evaluation has two main objectives to (i) provide advice on ways to improve the strategic nature of SECO support, in particular by focusing on the efficiency of the programming process, the transmission of information, and lessons learned from the bilateral cooperation between the IMF and SECO; and (ii) assess, at project level based on DAC OECD criteria, the relevance, effectiveness, impact, efficiency and sustainability of the TA projects under each LOU, with a particular attention to the relevance and design of interventions.

6. The OECD criteria are defined within the Common Evaluation Framework (CEF), which guides all external evaluations for the IMF. The evaluation will identify lessons from past and current SECO/IMF bi-lateral cooperation and make recommendations for SECO, the IMF, and decision makers in Switzerland.

7. **Scope.** The evaluation will cover CD projects financed under LOUs Global, East and South between May 1, 2014 and June 30, 2019. The evaluation will select a representative sample of projects which should weighed toward projects that are complete or relatively close to completion. The evaluators will visit three countries, and conduct audio/visual conference calls for a fourth country, for an in-depth field investigation of the selected SECO CD to supplement the desk review and for dissemination purposes.

8. **Methodology.** The evaluation will draw from a range of sources. The team will collect, process, and analyze information gathered from a desk review of documents and data, from

interviews with IMF HQ staff, a survey of beneficiaries, and visits with up to three partner nations where the evaluation team will interview management and operational staff at relevant government offices as well as SECO staff in headquarters via videoconference and in field offices. The Logframes for LOU South, LOU East, and LOU Global activities will serve as the basis to identify SECO objectives and achievements for the LOUs covered by this evaluation. LOU South and East Logframes are customized to the specific programmatic context while Logframes for LOU Global, with its 2016 inception, are reflective of the IMF's results-based management (RBM) system. See Criteria for selection of countries in Section V for the projects to be covered in this evaluation.

9. The team will conduct rigorous data analysis to triangulate information from multiple evaluation methodologies and data sources to respond to each evaluation criterion.

10. **Rating scheme.** A rating system of 1-4 and Not Assessed (NA) will be used to the extent possible for each of the OECD DAC criteria, based on the project assessments, interviews, surveys, country visits, and desk review of other documentation. Achievements under these criteria will be rated as follows:

- Excellent when all or substantially all objectives were met, rated with a score of 3.5 – 4
- Good when most objectives were met, rated with a score of 2.5 – 3.4
- Modest when few/a minority of objectives were met, rated with a score of 1.5 – 2.4
- Poor when very few of objectives were met, rated with a score of 1 – 1.4
- Not Demonstrated when none of the objectives were met, rated with a score of 0

If there is not enough information to substantiate a rating, NA will be utilized.

11. **Deliverables.** In addition to this Inception Note (draft and final versions), the team will present a draft evaluation report (25-30 pages, excluding annexes) for comments from the IMF and the ESC and will present a final evaluation report that incorporates these comments.

12. **Governance of the evaluation.** The Institute for Capacity Development's Global Partnerships Division (ICDGP) is managing the evaluation process and will coordinate the IMF's institutional responses to each deliverable. An Evaluation Sub-Committee (ESC) comprised of ICDGP, Institute for Capacity Development Strategy and Evaluation Division, technical assistance implementing departments, area departments, and SECO, will provide strategic guidance and comment on drafted deliverables. The evaluation team will consider comments on their merits at their discretion considering evaluation evidence.

Methodology for Information Collection and Analysis

13. **Desk review of documents.** A comprehensive review of IMF documents will be conducted, including SECO TA-related documents for the specified evaluation period.

14. **Interviews**. Based on a list to be provided by the IMF, the interviewees will include IMF staff and experts based at IMF HQ and at SECO HQ and field-based staff, government authorities who participated in TA-related activities, and senior management staff at relevant government offices.

15. **Surveys**. The evaluation team will request a comprehensive list of all TA beneficiaries from the IMF to construct an aggregated respondent population. The online survey of beneficiaries will be live for two to three weeks to maximize the potential response rate.

16. **Visits to selected recipient countries.** Interviews will be held with SECO staff, government and central bank officials, and other stakeholders outside of the government.

Work Progress So Far

17. **Initial briefings.** Reuben Hermoso from DevTech met with Rocio Sarmiento to discuss the evaluation, documents to be assessed by the evaluation team, proposed timeline, and contracted deliverables.

18. **Documents provided by the SECO PMs at IMF.** After the initial briefings, the team received documents required to conduct the desk review, including annual reports and workplans, project assessments, TA reports, BTOs, and project proposals. The IMF also provided the evaluation team access to a Box account to access TA reports and briefing papers.

19. **Desk review.** The evaluation team is in the process of conducting a desk review of documentation, including TA proposals, briefing papers, TA reports, back-to-office reports, and annual reports. Information gathered through the desk review has helped the evaluation team to determine the countries to be examined and assess more in depth and to prepare questions for the interviews and online questionnaires.

Potential Interviewees and Survey Respondents, Interview Guidelines, and Survey Instruments

20. The evaluation team conducted interviews with IMF HQ, December 5 – 12, 2019. Further interviews or follow-up contact will be scheduled as needed prior to field work.

Interviews with Stakeholders: Potential Interviewees and Interview Guidelines

21. **Potential interviewees.** Potential interviewees include ESC representatives, IMF staff including LTX and external consultants (where possible), SECO staff in HQ and in-country, selected country officials, and representatives of other institutions involved in TA for SECO's technical areas of focus.

- ***Interviews with ESC members.*** Interviews will be conducted by telephone or teleconference.

- ***Interviews with IMF and SECO staff.*** In-depth discussions will be held with representatives of departments involved in the SECO/IMF partnership — ICD, FAD, the Monetary and Capital Markets Department (MCM), and the Statistics Department (STA).

    - Interviews were held with staff from ICD's Global Partnerships Division and other ICD staff involved in the management of the IMF's TA funding.

    - In the case of the TA-providing departments, interviews were held with senior staff responsible for supporting or providing TA, IMF/SECO counterparts in the Departments, and project managers.

  - Interviews will be held via videoconference with representative(s) in SECO's HQ and SECO staff in visited countries.

- ***Selected country officials.*** Selected country officials will be interviewed in the field visits of up to three countries and/or by telephone.

22. **Interview guidelines.** Questions for discussion with various stakeholders will be informed by the key evaluation questions set out in the TOR, TA documentation, and project proposal and assessment documents. The interview questions are submitted as Annexes in this Inception Note. They are drawn from the following broad topics, among others, and will seek to elicit stakeholders' views on lessons learned and suggestions for improvement:

- ***Governance of SECO.*** Role of SECO, relations between IMF and SECO, project endorsement and monitoring procedures, lessons learned from the bilateral cooperation between the IMF and SECO.

- ***Assessment of TA projects.*** Each activity will be assessed in the evaluation subsample across the dimensions set forth in the OECD DAC's five evaluation criteria per Table 1, which also ensure activities comply to RBM objectives. The evaluation team will triangulate information from SECO TA-related documents for the specified evaluation period, key informant interviews, and the online survey.

Table 1. Common Definitions for the OECD-DAC Criteria and Example Questions
(Applied to a CD activity)

DAC Criteria	Key Evaluation Questions
Relevance An assessment of the importance of the objectives of the CD activity.	**18.** Do the national authorities consider the objectives important? How high do they rank them on their list of priorities? **19.** Provide your own assessment of the importance of these objectives. **20.** To what extent were the objectives of the CD activity derived from capacity gaps identified by others (e.g., national authorities, country teams) or international standards? **21.** To what extent did the objectives of the CD activity come from priorities identified in surveillance or an IMF program for the country?
Effectiveness The extent to which the CD activity attained its objectives.	**22.** To what extent were the objectives of the CD activity achieved or are likely to be achieved (refer to the ratings of milestones, outcomes, and objectives in the IMFs RBM framework and validate these ratings)? **23.** Did the government agency effectively implement the actions (e.g., passing laws) required to achieve the objectives?
Impact What changes were attributable to the CD activity? The positive and negative changes brought about by the	**24.** Refer to the achievements under the effectiveness section and assess further the extent to which these were *attributable* to (i.e., happened as a result of) the CD activity. **25.** List all changes that can be attributed to the CD activity, intended or not. **26.** List the reasonably clear cases in which either the outcomes/ objectives would very likely not have occurred in the absence of the

activity, directly or indirectly, intended or unintended.	CD activity or would have likely occurred in the absence of the CD activity. For the cases that do not fall under either category, discuss briefly any relevant information.
Efficiency The value of the impacts attributable to the CD activity compared to the cost. Measures the monetary value of the outcomes or benefits of the CD activity compared to the monetary value of the inputs or costs incurred to achieve them.	**27.** Benchmark the costs of the activities or activity components against similar activities or components of activities in the past (including in other countries), with reasonable adjustments for inflation, etc. **28.** In light of what was concluded above under impacts, estimate the value of those impacts (quantitatively, if feasible, or qualitatively) and compare them to the costs incurred, if possible. **29.** If no estimates can be provided for monetary value of impacts, assess the extent to which objectives were achieved at minimum cost, as assessed by: o Comparison of costs with other similar activity; or o Examination of the process and implementation, including evidence of excessive staff turnover, unnecessary delays, inefficient organization, etc.
Sustainability To what extent are changes brought about by the CD activity likely to continue?	**30.** To what extent are achievements of the activity supported within the bureaucracy and the institutional structure, thus likely to continue? **31.** To what extent does continuation of the achievements of the activity hinge on continuation of CD? **32.** To what extent is any transfer of knowledge likely to be retained and/or further disseminated? **33.** If the objective of the CD activity was to change behavior, assess the extent to which any achieved behavioral change will persist. **34.** If the objective of the CD activity was to support new policies or laws, assess the extent to which the development and implementation of legislative frameworks, regulations, processes, and institutional structures and mechanisms are likely to last.

- ***Workshops.*** Usefulness and benefits of the deployment of resources for capacity-building workshops to disseminate issues and good practices and policies in the identified technical areas.

- ***Coordination.*** Coordination of project managers for the SECO funded projects with other TA stakeholders; for example, in the form of meetings and sharing of information of tax administration stakeholders with other donors, and coordination in the modernization of tax administration in the region with the recipient countries and other donors through IMF staff.

- ***Quality control and monitoring arrangements.*** Role played by SECO and the TA departments regarding the evaluation of project proposals, monitoring of progress under the project, and compliance with project objectives and outcomes.

Surveys of Stakeholders: Potential Respondents and Survey Instruments

23. **Potential survey respondents.** Evaluation survey questionnaires will be distributed, tailored to two groups of stakeholders involved in SECO-supported projects:

- ***IMF project managers and experts working on the projects***. ICD and IMF staff in the participating TA departments will be asked to prepare a list of project managers, long-term resident advisors, and functional backstoppers in functional divisions, to be sent the survey. In addition, they will be asked to identify all experts to be sent the survey. The experts may be IMF staff or external consultants. Staff in the TA departments and experts will receive the same questionnaire.

- ***Country officials knowledgeable about the TA activities.*** Prior to sending the questionnaires, IMF project managers will be asked to identify country officials knowledgeable about the project. The evaluation team will attempt to interview or survey all identified government officials, if possible, to obtain information from the beneficiaries' perspectives.

24. **Survey instruments.** A model questionnaire for country officials knowledgeable about TA is included in the annex to this inception note.

- The questionnaires will be customized for the two groups of stakeholders, while maintaining a significant core set of questions to facilitate comparisons across countries and across stakeholders.

- For online surveys, the questionnaires will be addressed personally, with adequate procedures for security and anonymity. They are designed to be user-friendly in order to elicit a high response rate. The survey will be delivered in coordination with ICD through the IMF's online CVent software.

- The evaluation team proposes all questionnaires be delivered through the IMF's CVent software by March 17. The target date for completing the reception of the responses is April 7.

Plans for Field Visits and Meetings

25. **Country visits.** The team is proposing to visit up to three recipient countries. Field visits will include interviews with:

- Senior government officials and government officials and agencies involved in the design and implementation of the TA activity who have acted (or are acting) as counterparts to IMF project managers; and

- SECO national offices, the Swiss embassies and country or regional offices of other TA providers in TA areas covered by SECO-funded IMF CD projects.

Criteria for selection of countries. The sample of the countries to be visited is intended to be representative and balanced. The team considers that to be able to obtain the required information, a key selection criterion is that the countries chosen should have received a minimum sufficient amount of TA to ensure an adequate body of work for evaluation. The evaluation team will also consider (a) geographical and country income grouping diversity; (b) the size of the country's TA budget relative to the overall TA budget for all countries serviced by SECO; and (c) the number of TA activities and length of time of implementation, and the diversity of activities and participating TA departments. The evaluation team selected 20 of the 54 projects for inclusion in the evaluation using the following criteria: (a) Projects that are complete or near completion, (b) represent all CD departments; (c) prioritize objectives that are shared by multiple countries to allow for learnings across country contexts; (d) prioritize countries that receive more funding; (e) geographic diversity (western hemisphere, European, Central Asia, and Pacific); (f) for countries where the team plans to speak directly with country authorities (either through field visits or audio-visual conferencing), the team selected projects from multiple functional areas to allow evaluation of the range of CD provided to that country. For example, the team will visit Albania and projects from MCM, FAD, and STA were selected; (g) maintaining a manageable sample size (n=20) to allow for meaningful evaluation of each project. A larger sample size is likely to yield less detailed and less nuanced findings. The evaluation team proposes to visit Colombia, Peru, and Albania, and to conduct interviews via audio-visual conference with Tajikistan, to best satisfy the above selection criteria.

Preliminary Outline of the Evaluation Report

26. **Contents of the report**. The evaluation report will contain a description of the methodology and evaluation approach used to assess projects and the overall activities of SECO; of the quantitative and qualitative evidence-based findings; an assessment of the projects and workshops contribution to enhance the TA provided with SECO support; and conclusions, lessons learned, and concrete recommendations for future program design. It will include an Executive Summary (1 – 2 pages). The 5-8 recommendations to be put forward will be concise, concrete, targeted, and prioritized.

27. **Preliminary structure of the report.** The preliminary outline proposed is as follows, with further details in Annex IV:

Acknowledgements, abbreviations	
Executive Summary - context for the evaluation and concisely focus on the main evaluation findings and evaluation recommendations	1 – 2 pages
Introduction purpose and scope of evaluation	2 pages
Project Evaluation – Evaluation of SECO-funded IMF Technical Assistance scope; assessment and analysis at an aggregated level using OECD-DAC Criteria; assessment of RBM log frames	10 pages
Evaluation of SECO/IMF Partnership Processes and Governance	10 pages
Conclusions and Evaluation Recommendations	4 pages
Annexes – individual projects, methodology	

Quality Control Mechanisms

28. **Evaluation reporting and quality assurance.** DevTech will ensure that the evaluation team maintains an effective and transparent relationship with the IMF. Monthly meetings will be conducted between ICD and the evaluation team to monitor progress. DevTech staff will support the work of the evaluation team with suggestions and recommendations. DevTech will

review all deliverables to ensure that they comply with the proposal presented to the IMF and are in accordance with the quality standards required.

29. **Team Leader**. The team leader will be responsible for timely and reliable communications with ICD Global Partnerships Division, will inform DevTech periodically of progress made and issues encountered, and maintain an open communication stream with DevTech and the IMF. If issues arise that could adversely impact the work plan or that may have wider implications, the team leader will contact DevTech and the IMF to address issues in a timely manner.

30. **DevTech evaluation team staff.** The DevTech staff members of the evaluation team will maintain fluid communications and periodic check-ins with the team leader. Questions from the IMF that pertain to their responsibilities will be discussed with the rest of the evaluation team and answered to the IMF through the team leader. The DevTech home office staff will review and conduct a final edit of the draft evaluation report prior to conveying it to the IMF for comments and will review the final report to help ensure quality and conformity with the requirements of the evaluation.

Work Plan

31. The evaluation process began on October 1, 2019, and, depending primarily on the time needed to elicit the target response to the questionnaires, and due to travel concerns related to COVID-19, data collection will extend until May 30, 2020. We will revisit travel plans with IMF in mid-April to determine whether travel should move ahead, be further postponed, or shift all the planned in-country interviews to audio-video conference. The evaluation process is being carried out in three phases: an inception phase; a data collection and field phase; and an analysis and reporting phase.

Inception Phase (October 1, 2019-December 30, 2019)

32. The Inception Phase involves: (i) a desk review of documents, including program documents and project proposal and assessment documents, TA reports, research project documents, workshop presentations, and macroeconomic and statistical data; (ii) preparation of this Inception Note; and (iii) visits to IMF Headquarters to interview staff in ICD, TA delivering departments, and relevant regional departments.

Field Phase (May 2020)

33. One economist and one evaluator from the evaluation team will visit three recipient countries. Colombia, Peru, and Albania are presently being considered for field visits based on data gathered and interviews conducted to date. Tajikistan will be interviewed by audio-video conference in March and April. Final selections will be made through consultations with ICD and SECO. The travel schedule is further subject to the availability of counterparts in country and the feasibility of scheduling the necessary interviews during the proposed dates. The proposed schedule for the country visits is the following, assuming the travel restrictions due to COVID-19 are lifted by mid-April:

May 6 - 8: Colombia

May 11 – 12: Peru

May 18 – May 22: Albania

Analysis and Reporting Phase (May – June 2020)

34. This phase will cover the processing and tabulation of the data obtained through document review, interviews, questionnaires and country visits, and the preparation of the draft evaluation report, with any necessary follow-up interviews with IMF staff.

Submission and Review Phase (June 2020 – October 2020)

35. The schedule for the preparation and submission of the evaluation report is as follows:

- June 30, 2020. Submission of draft evaluation report, which will present the main findings, lessons learned, and recommendations. It will be prepared in English.
- July 30, 2020. Submission of revised report based on initial comments.
- August 2020. IMF and ESC review and comment period on the revised report submitted July 30, 2020.
- October 2020. Preparation and submission of final report based on IMF and ESC comments. Submission date to be specified.

Annex I: Questionnaire for Authorities

IMF SECO Evaluation

Questionnaire for Authorities (In-Person Interview)

Introduction

Thank you for participating in this interview regarding Technical Assistance (TA) and training provided by the IMF in partnership with the Switzerland State Secretariat for Economic Affairs (SECO). The interview is being conducted as part of an independent evaluation of the IMF's CD project activities and achievements supported by SECO.

The information you will provide will be kept strictly confidential, and there will be no disclosure of your individual responses. The only information that will be used for disclosure to third parties will be aggregates and summaries of the results from all participants, and a selection of comments made, without attribution to any individual who made them.

We are grateful for your participation in this evaluation. The information you provide will contribute significantly to the IMF's and SECO's evaluation and work in your country.

Thank you very much.

Sincerely,
The DevTech Evaluation Team

Respondent's Name: ___________________ Unit: ___________________
Interview No. ____

TA Background

1. What support activities have you received from the IMF TA project funded by SECO (in-country advisors, TA missions, trainings, workshops)?

   (a) Short-term TA missions led by IMF HQ and/or short-term experts (STX)
   (b) TA missions led by the in-country resident advisor (LTX)
   (c) National trainings (either LTX-led or STX-led)
   (d) Regional workshops
   (e) Regional courses (with ICD)
   (f) Attachment/mentoring programs
   (g) Online training (IMF Headquarters website)
   (h) Other

2. What planning tasks were conducted prior to providing support by the IMF TA project funded by SECO? Please choose one or more options that apply to your case.
   (a) Needs assessment performed by the authorities
   (b) Needs assessment performed by a scoping mission or prior TA
   (c) Discussion of the TA objectives, outcomes, and design with the authorities
   (d) Agreement on the work plan for the achievement of TA objectives and outcomes
   (e) Other: Please specify__________

Relevance

"Relevance" relates to the extent to which the activity addressed the institution/country's needs and the institution/government's priorities; was coordinated with, and complementary to, projects by other TA providers; and was appropriately sequenced.

3. Who initiated the original idea for the TA?
   a. Recipient government
   b. Representatives of TA Departments of the IMF
   c. Representatives of an area department of the IMF
   d. A combination of these
   e. Other parties: Please specify__________

4. How are the TA activities aligned with your institutional priorities?
   a. 4: fully aligned
   b. 3: mostly aligned
   c. 2: partially aligned
   d. 1: Not aligned
   e. I don't know option/not applicable to me

5. **[If you chose 3 or 4 in Q5]** How high do you rank the TA activities in terms of institutional priorities?
    a. 4: Among the top priorities
    b. 3: high priority
    c. 2: medium priority
    d. 1: low priority
    e. I don't know option/not applicable to me

6. **[If you chose 1 or 2 in Q5]** What are 2-3 higher priority objectives for your institution?

7. Please indicate which of the following reasons best explain why the government accepted the TA. (Rank as many as relevant, starting from 1, most important)
    a. The government agreed that the TA was important
    b. The TA was required/suggested as part of an IMF program
    c. The government agreed to accept the TA to maintain good relations with the IMF
    d. The government did not have a strong opinion and considered it not worth opposing
    e. Other reasons (Please explain)

8. Could the relevance of the assistance have been improved? (If "yes," please consider why and how in responding to questions that follow.)

Effectiveness

"Effectiveness" is a measure of the extent to which the TA attains its objectives. Is the activity achieving its outcomes and delivering results? Are the risks to the activity being identified and addressed?

9. To what extent did the CD delivered meet their objectives in terms of supporting (your) country priorities and RBM logframe (outcomes and milestones)?
    a. 4: Fully met
    b. 3: mostly met
    c. 2: partially met
    d. 1: not met
    e. I don't know/not applicable to me

10. Was the CD activity well sequenced with other assistance provided by the IMF TA project funded by SECO?
    a. 4: well sequenced
    b. 3: mostly well sequenced
    c. 2: partially well sequenced
    d. 1: poorly sequenced
    e. I don't know/not applicable to me

11. **[If you chose 1, 2, or 3 above]** How could the CD activity have been better sequenced with other assistance provided by the IMF/SECO?

12. Was the time frame for delivery adequate to achieve the objectives? Why or why not?
    a. 4: Adequate
    b. 3: Minor delays
    c. 2: Significant delays
    d. 1: extremely tight/overambitious
    e. I don't know/not applicable to me

13. **[If you chose 1, 2, or 3 above]** What were the factors that led to delays in achieving the objectives according to the original time frame?

14. What challenges, if any, were encountered during the delivery of support? Please select all that apply.

    a) Political support at the highest level
    b) Interagency tensions
    c) Change in authorities
    d) Implementation capacity
    e) Overambitious time frame
    f) Overambitious activity outcomes and objectives
    g) Dealing with conflicting policy advice from other TA providers
    h) Gaps in TA
    i) Sustainability
    j) Other (please describe) _________________________________

15. To what extent were the challenges to delivery identified correctly prior to or during implementation?
    a. 4: Thoroughly identified
    b. 3: Somewhat identified
    c. 2: Largely unidentified
    d. 1: Challenges were ignored
    e. I don't know/not applicable to me

16. When CD activities' recommendations were not adopted/implemented, what were the key reasons? (Rank as many as relevant, starting from 1, most important)
    a) Insufficient resources to implement
    b) Insufficient trained staff of implementing institution
    c) Insufficient high-level support
    d) Recommendations too ambitious/unrealistic
    e) Disagreement with the recommendations
    f) Recommendations not suitable for local conditions
    g) Prior necessary TA not executed
    h) Other: please specify ________

i) Don't know/not applicable to me

Efficiency

"Efficiency" measures the monetary value of the outcomes or benefits of CD activities compared to the monetary value of the inputs or costs incurred to achieve them. Quality of outputs, effective management, and the appropriate selection of TA modality should be addressed.

17. Do you think the CD activities you received could have been delivered in a more cost-effective way – either from what you may know about IMF's costs for CD delivery or direct and indirect costs the authorities incurred in supporting CD delivery? If yes, how?

18. How appropriate was the selection of CD delivery modality (TA missions, trainings, workshops, etc.) to the authorities' needs?
    a. 4: very appropriate
    b. 3: mostly appropriate
    c. 2: partially appropriate
    d. 1: not appropriate
    e. I don't know/not applicable to me

19. How do you consider the balance between the different types of activities provided (see question 1 on list of activities)?
    a. 4: well balanced
    b. 3: mostly balanced
    c. 2: partially balanced
    d. 1: poorly balanced
    e. I don't know/not applicable to me

20. What is the quality of the outputs of the CD activities and the relevant advice you received?
    a. 4: excellent
    b. 3: very high
    c. 2: fair
    d. 1: poor
    e. I don't know/not applicable to me

21. **[If you chose 1 or 2 in Q22]** How can output quality be substantially improved? Please explain.

22. What factors adversely affected the efficiency of delivery and resulting output quality? (Check all that apply.)
    a. No work plan in the activity design
    b. Nonviable work plan
    c. Delays in the execution of the work plan

d. Actions by the authorities that have required revisions of outputs
e. Actions by the authorities that have resulted in delays of outcomes
f. Weak implementation capacity which requires the repetition of outputs
g. Need to deal with conflicting policy advice from other TA providers
h. Insufficient coordination of TA delivery resulting in gaps or duplication of efforts
i. Insufficient coordination of TA delivery with other TA providers resulting in gaps of TA and/or duplication of efforts
j. Other (please describe)

Sustainability

Measures the extent to which the outcomes or benefits achieved by the TA activity are likely to continue or last beyond the delivery of the TA.

23. What are the benefits of TA that are likely to remain without the continued support of TA? Please explain.

24. What factors could affect the sustainability of CD activities provided? (Select all that apply)
    a) Lack or shortage of capable staff
    b) Difficulty in retaining capable staff
    c) Insufficient funding to operate effectively
    d) Coordination with other government entities
    e) Inadequacy of legal and regulatory framework
    f) Insufficient support or political commitment from government at the levels required
    g) Lack of IT, systems to implement TA recommendations on capacity building
    h) No concerns
    i) Other (please describe) ________________________________

25. Was the attainment of milestones or outcomes a condition for the continuation of CD activities by IMF/SECO?
    a. Yes
    b. No

Impact

The impact of an activity is the difference in outcomes that occurred with the activity compared to what would have occurred without the activity.

26. What long-term impact (positive or negative/intended or unintended, if any, did the activities provided by the IMF TA project funded by SECO have on your capacity and processes? Please explain.

27. What would have been the possible scenario in terms of impact if the CD activities from the IMF TA project funded by SECO was not provided to your office?

a. No results would have been achieved as no alternative to IMF CD
b. Same results would have been achieved without any CD
c. Same results would have been achieved by CD from non-IMF providers
d. Better results would have been achieved by CD from non-IMF providers
e. Worse results would have been achieved by CD from non-IMF providers
f. Other (please describe) ________________________________
g. I don't know/not applicable to me

28. **[For those who chose c, d, or e above]** Please describe the alternative sources of CD and compare their quality to the quality of the IMF TA project funded by SECO on the same CD topic.

Coordination

Coordination refers to complementarity with the projects and activities of other TA providers; exchange of information with other stakeholders; coordination through the recipient government; integration of the activity with the IMF's surveillance and program operations.

29. Is your institution/country receiving CD from other providers in addition to that delivered by the IMF TA project funded by SECO? If "yes," are there formal or informal inter-government coordination efforts on the TA being provided in your country? Please explain.

30. The IMF TA project funded by SECO planning has taken explicit steps to ensure that IMF/SECO (select all that apply)
    a. does not overlap with other CD providers
    b. does not duplicate other CD providers
    c. complements those of other CD providers
    d. requests support from other CD provides to help implement IMF/SECO's CD recommendations, where needed
    e. integrates with IMF's surveillance
    f. integrates with IM''s program operations
    g. I don't know/not applicable to me

31. To what extent, if at all, do you believe that lack of coordination with other TA providers has reduced the effectiveness of IMF TA?
    a) A great deal
    b) Somewhat
    c) Very little
    d) Not at all
    e) Do not know/not applicable to me

Lessons Learned

32. What is the most important lesson that can be learned from the TA project planning and implementation?

Looking Ahead

33. Please share your views on your country's TA needs that you think the IMF can help you to address in the next five years.

34. Is there anything else you would like to add; do you have any suggestions as to what could have been done differently?

End of questionnaire. Thank you.

Annex II: Questionnaire for Project Managers

IMF SECO Evaluation

Questionnaire for IMF Project Backstoppers, SECO HQ and national staff, and LTXs (In-Person Interviews)

Introduction

Thank you for participating in this interview regarding Technical Assistance (TA) provided in partnership with the Switzerland Technical Assistance Subaccount State Secretariat for Economic Affairs (SECO). The interview is being conducted as part of an independent evaluation of the IMF's TA project activities and achievements supported by SECO.

The information you will provide will be kept strictly confidential, and there will be no disclosure of your individual responses. The only information that will be used for disclosure to third parties will be aggregates and summaries of the results from all participants, and a selection of comments made, without attribution to any individual who made them.

We are grateful for your participation in this evaluation. The information you provide will contribute significantly to the IMF's evaluation and work.

Thank you very much.

Sincerely,
The DevTech Evaluation Team

Respondent's Name: ____________________ Unit: ____________________
Interview No. ____

TA Background

1. What TA activities have you provided under the TA project funded by SECO (in-country advisors, TA management, backstopping, missions, workshops, trainings)?

Relevance

"Relevance" relates to the extent to which the activity addressed the institution/country's needs and the institution/government's priorities; was coordinated with, and complementary to, activities by other TA providers; and was appropriately sequenced.

2. Who initiated the original idea for the TA (e.g., recipient government, representatives of TA Departments of the IMF, representatives of an area department of the IMF, a combination of these, or other parties)?

3. What planning tasks were conducted prior to providing TA (needs assessments, scoping missions, road maps, work plans)?

4. If there were planning tasks, were those prepared:
   a. By the IMF
   b. By the IMF with the authorities
   c. By the authorities only

5. Please indicate which of the following reasons best explain why the government(s) accepted the TA? (Rank as many as relevant, starting from 1, most important)
   a. The government agreed that the TA was important
   b. The TA was required/suggested as part of an IMF program
   c. The government agreed to accept the TA to maintain good relations with the IMF
   d. The government did not have a strong opinion and considered it not worth opposing
   e. Other reasons (Please explain)

6. Could the relevance of the assistance have been improved? If so, how? If not, why?

Effectiveness

"Effectiveness" is a measure of the extent to which the TA attains its objectives. Is the activity achieving its outcomes and delivering results? Are the risks to the activity being identified and addressed?

7. To what extent did the CD activities meet their objectives in terms of supporting (your) country priorities and RBM logframe (outcomes and milestones)?

a. 4: Fully met
b. 3: mostly met
c. 2: partially met
d. 1: not met
e. I don't know/not applicable to me

8. Could the activity have been more effective? How?

9. To what extent were challenges and risks to delivery identified correctly?

10. What challenges, if any, were encountered during the delivery of support? (Rank as many as relevant, starting from 1, most important)
( ) Political support at the highest level
( ) Interagency tensions
( ) Change in authorities
( ) Implementation capacity
( ) Overambitious time frame
( ) Overambitious activity outcomes and objectives
( ) Dealing with conflicting policy advice from other TA providers
( ) Gaps in TA
( ) Not properly sequenced with other assistance provided by IMF/SECO
( ) Sustainability (technical sustainability, financial)
( ) Other (please describe) ________________________________

11. When CD activities' recommendations were not adopted/implemented, what were the key reasons? (Rank as many as relevant, starting from 1, most important)
a) Insufficient resources to implement
b) Insufficient trained staff of implementing institution
c) Insufficient high-level support
d) Recommendations too ambitious/unrealistic
e) Disagreement with the recommendations
f) Recommendations not suitable for local conditions
g) Prior necessary TA not executed
h) Other: please specify ________
i) Don't know/not applicable to me

Efficiency

"Efficiency" measures the monetary value of the outcomes or benefits of CD activities compared to the monetary value of the inputs or costs incurred to achieve them. Quality of outputs, effective management, and the appropriate selection of TA modality should be addressed.

12. Do you think the CD activities you supported could have been delivered in a more cost-effective way? If yes, how?

13. In terms of delivery of CD activities, was the selection of TA modality appropriate to the client's needs? How do you consider the balance between the different types of activities provided (see question 1 on list of activities)?

14. What factors adversely affected the efficiency of CD delivery for activities that you've supported? (Check all that apply.)
    a. No work plan in the activity design
    b. Nonviable work plan
    c. Delays in the execution of the work plan
    d. Actions by the authorities that have required revisions of outputs
    e. Actions by the authorities that have resulted in delays of outcomes
    f. Weak implementation capacity which requires the repetition of outputs
    g. Need to deal with conflicting policy advice from other TA providers
    h. Insufficient coordination of TA delivery with other TA providers resulting in gaps of TA and/or duplication of efforts
    i. Other (please describe)

Sustainability

Measures the extent to which the outcomes or benefits achieved by the TA activity are likely to continue or last beyond the delivery of the TA.

15. What are the benefits of TA that are likely to remain without the continued support of TA? Please explain.

16. What factors affected the sustainability of the results achieved via the CD activities? (Check all that apply.)
    a. Lack of a clearly defined work plan
    b. Lack of commitment at the highest political level
    c. Interagency tensions
    d. Poor ownership by the authorities
    e. Change in authorities
    f. Weak implementation capacity
    g. High rotation of counterpart staff
    h. Conflicting policy advice from other TA providers
    i. Overambitious outcomes and objectives
    j. Gaps in TA
    k. Inadequate time frame
    l. Other (please describe)

17. Was the attainment of milestones or outcomes a condition for the continuation of TA by the IMF activities supported by SECO?

Impact

The impact of an activity is the difference in outcomes that occurred with the activity compared to what would have occurred without the activity.

18. What long-term impact (positive or negative/intended or unintended), if any, did the activities provided by IMF/SECO have on the government(s)' capacity and processes?

19. What would have been the possible scenario in terms of impact if the CD activities from IMF/SECO was not provided to the client?

20. If the CD activities could have been received from another source or provider, would it have been equal to, better than, or not as good as the assistance received from IMF/SECO? Please elaborate/explain.

Coordination

Coordination refers to complementarity with the projects and activities of other TA providers; exchange of information with other stakeholders; coordination through the recipient government; integration of the activity with the IMF's surveillance and program operations.

21. Is the client receiving similar CD activities from other providers in addition to that delivered by the IMF/SECO? Please explain.

22. IMF CD activities planning supported by SECO has taken explicit steps to ensure that IMF/SECO (select all that apply)

    a. does not overlap with other CD providers
    b. does not duplicate other CD providers
    c. complements those of other CD providers
    d. requests support from other CD provides to help implement IMF/SECO's CD recommendations, where needed
    e. integrates with IMF's surveillance
    f. integrates with IM''s program operations
    g. I don't know/not applicable to me

23. To what extent, if at all, do you believe that lack of coordination with other TA providers has reduced the effectiveness of IMF TA?
    a) A great deal
    b) Somewhat
    c) Very little
    d) Not at all
    e) Do not know/no opinion

24. Are you aware, through formal or informal processes, what TA authorities are receiving from other TA providers?

IMF-SECO partnership

25. Is the present governance arrangement, including modalities of information exchange and coordination, conducive to achieve results and allow for coordination with other activities and development partners? What are your recommendations to improve the governance arrangement?

26. How can the current level of reporting better provide SECO with the necessary information for strategic decision-making?

27. How is information transmitted between headquarters, IMF teams, and SECO local offices? How can information flow be improved?

28. What are the knowledge retention process and practices? How can IMF strengthen and maximize knowledge retention of SECO-related resident advisors and short-term experts?

29. What lessons can be learned from the bilateral cooperation between the IMF and SECO?

Miscellaneous

30. What is the role, use, and utility of RBM? How do the RBM affect CD planning, delivery and results?

Lessons Learned

31. What is the most important lesson that can be learned from the TA project planning and implementation?

Looking Ahead

32. Please share your views on your country's TA needs that you think the IMF can help the authorities to address in the next five years.

33. Is there anything else you would like to add; do you have any suggestions as to what could have been done differently?

End of questionnaire. Thank you.

Annex III: Online Questionnaire

IMF SECO Evaluation

Online Questionnaire for Authorities, Project Backstoppers, and SECO national offices

Introduction

Thank you for participating in this interview regarding Technical Assistance (TA) provided in partnership with the Switzerland Technical Assistance Subaccount State Secretariat for Economic Affairs (SECO). The interview is being conducted as part of an independent evaluation of the IMF's TA project activities and achievements supported by SECO.

The information you will provide will be kept strictly confidential, and there will be no disclosure of your individual responses. The only information that will be used for disclosure to third parties will be aggregates and summaries of the results from all participants, and a selection of comments made, without attribution to any individual who made them.

We are grateful for your participation in this evaluation. The information you provide will contribute significantly to the IMF's evaluation and work.

Thank you very much.

Sincerely,
The DevTech Evaluation Team

Respondent's Name: ___________________ Unit: ___________________
Interview No. ____

Note: Capacity development (CD) is an umbrella term encompassing all technical assistance, training, mentoring, workshops, and other capacity building activities provided by IMF/SECO.

TA Background

1. What support activities have you received from the IMF TA project funded by SECO (in-country advisors, TA missions, trainings, workshops)?

   (a) Short-term TA missions led by IMF HQ and/or short-term experts (STX)
   (b) TA missions led by the in-country resident advisor (LTX)
   (c) National trainings (either LTX-led or STX-led)
   (d) Regional workshops
   (e) Regional courses (with ICD)
   (f) Attachment/mentoring programs
   (g) Online training (IMF Headquarters website)
   (h) Other

2. What planning tasks were conducted prior to providing support? Please choose one or more options that apply to your case.
   (a) Needs assessment performed by the authorities
   (b) Needs assessment performed by a scoping mission or prior TA
   (c) Discussion of the TA objectives, outcomes, and design with the authorities
   (d) Agreement on the work plan for the achievement of TA objectives and outcomes
   (e) Other: Please specify__________

Relevance

"Relevance" relates to the extent to which the activity addressed the institution/country's needs and the institution/government's priorities; was coordinated with, and complementary to, projects by other TA providers; and was appropriately sequenced.

3. Who initiated the original idea for the TA?
   a. Recipient government
   b. Representatives of TA Departments of the IMF
   c. Representatives of an area department of the IMF
   d. A combination of these
   e. Other parties: Please specify__________

4. How are the TA activities aligned with your institutional priorities?
   a. 4: fully aligned
   b. 3: mostly aligned
   c. 2: partially aligned
   d. 1: Not aligned
   e. I don't know option/not applicable to me

5. **[If you chose 3 or 4 in Q5]** How high do you rank the TA activities in terms of institutional priorities?
    a. 4: Among the top priorities
    b. 3: high priority
    c. 2: medium priority
    d. 1: low priority
    e. I don't know option/not applicable to me

6. **[If you chose 1 or 2 in Q5]** What are 2-3 higher priority objectives for your institution?

7. Please indicate which of the following reasons best explain why the government accepted the TA. (Rank as many as relevant, starting from 1, most important)
    a. The government agreed that the TA was important
    b. The TA was required/suggested as part of an IMF program
    c. The government agreed to accept the TA to maintain good relations with the IMF
    d. The government did not have a strong opinion and considered it not worth opposing
    e. Other reasons (Please explain)

8. Could the relevance of the assistance have been improved? (If "yes," please consider why and how.)

Effectiveness

"Effectiveness" is a measure of the extent to which the TA attains its objectives. Is the activity achieving its outcomes and delivering results? Are the risks to the activity being identified and addressed?

9. To what extent did the CD activities meet their objectives in terms of supporting (your) country priorities and RBM logframe (outcomes and milestones)?

    a. 4: Fully met
    b. 3: mostly met
    c. 2: partially met
    d. 1: not met
    e. I don't know/not applicable to me

10. Was the CD activity well sequenced with other assistance provided by the IMF/SECO?
    a. 4: well sequenced
    b. 3: mostly well sequenced

   c. 2: partially well sequenced
   d. 1: poorly sequenced
   e. I don't know/not applicable to me

11. **[If you chose 1, 2, or 3 above]** How could the CD activity have been better sequenced with other assistance provided by the IMF/SECO?

12. Was the time frame for delivery adequate to achieve the objectives? Why or why not?
   a. 4: Adequate
   b. 3: Minor delays
   c. 2: Significant delays
   d. 1: extremely tight/overambitious
   e. I don't know/not applicable to me

13. **[If you chose 1, 2, or 3 above]** What were the factors that led to delays in achieving the objectives according to the original time frame?

14. What challenges, if any, were encountered during the delivery of support? Please select all that apply.

   a) Political support at the highest level
   b) Interagency tensions
   c) Change in authorities
   d) Implementation capacity
   e) Overambitious time frame
   f) Overambitious activity outcomes and objectives
   g) Dealing with conflicting policy advice from other TA providers
   h) Gaps in TA
   i) Sustainability
   j) Other (please describe) ________________________________

15. To what extent were the challenges to delivery identified correctly prior to or during implementation?
   a. 4: Thoroughly identified
   b. 3: Somewhat identified
   c. 2: Largely unidentified
   d. 1: Challenges were ignored
   e. I don't know/not applicable to me

16. When CD activities' recommendations were not adopted/implemented, what were the key reasons? (Rank as many as relevant, starting from 1, most important)
   a) Insufficient resources to implement
   b) Insufficient trained staff of implementing institution
   c) Insufficient high-level support
   d) Recommendations too ambitious/unrealistic

e) Disagreement with the recommendations
f) Recommendations not suitable for local conditions
g) Prior necessary TA not executed
h) Other: please specify ________
i) Don't know/not applicable to me

Efficiency

"Efficiency" measures the monetary value of the outcomes or benefits of CD activities compared to the monetary value of the inputs or costs incurred to achieve them.

17. Do you think the CD activities you received could have been delivered in a more cost-effective way – either from what you may know about IMF's costs for CD delivery or direct and indirect costs the authorities incurred in supporting CD delivery? If yes, how?

18. How appropriate was the selection of CD delivery modality (TA missions, trainings, workshops, etc.) to the authorities' needs?

    a. 4: very appropriate
    b. 3: mostly appropriate
    c. 2: partially appropriate
    d. 1: not appropriate
    e. I don't know/not applicable to me

19. How do you consider the balance between the different types of activities provided (see question 1 on list of activities)?
    a. 4: well balanced
    b. 3: mostly balanced
    c. 2: partially balanced
    d. 1: poorly balanced
    e. I don't know/not applicable to me

20. What is the quality of the outputs of the CD activities and the relevant advice you received?
    a. 4: excellent
    b. 3: very high
    c. 2: fair
    d. 1: poor
    e. I don't know/not applicable to me

21. **[If you chose 1 or 2 in Q22]** How can output quality be substantially improved? Please explain.

22. What factors adversely affected the efficiency of delivery and resulting output quality? (Check all that apply.)

    a. No work plan in the activity design
    b. Nonviable work plan
    c. Delays in the execution of the work plan
    d. Actions by the authorities that have required revisions of outputs
    e. Actions by the authorities that have resulted in delays of outcomes
    f. Weak implementation capacity which requires the repetition of outputs
    g. Need to deal with conflicting policy advice from other TA providers
    h. Insufficient coordination of TA delivery resulting in gaps or duplication of efforts
    i. Insufficient coordination of TA delivery with other TA providers resulting in gaps of TA and/or duplication of efforts
    j. Other (please describe)

Sustainability

Measures the extent to which the outcomes or benefits achieved by the TA activity are likely to continue or last beyond the delivery of the TA.

23. What are the benefits of TA that are likely to remain without the continued support of TA? Please explain.

24. What factors could affect the sustainability of CD activities provided? (Select all that apply)
    a) Lack or shortage of capable staff
    b) Difficulty in retaining capable staff
    c) Insufficient funding to operate effectively
    d) Coordination with other government entities
    e) Inadequacy of legal and regulatory framework
    f) Insufficient support or political commitment from government at the levels required
    g) Lack of IT, systems to implement TA recommendations on capacity building
    h) No concerns
    i) Other (please describe) __________________________________

25. Was the attainment of milestones or outcomes a condition for the continuation of CD activities by IMF/SECO?
    a. Yes
    b. No

Impact

The impact of an activity is the difference in outcomes that occurred with the activity compared to what would have occurred without the activity.

26. What long-term impact (positive or negative/intended or unintended, if any, did the activities provided by IMF/SECO have on your capacity and processes? Please explain.

27. What would have been the possible scenario in terms of impact if the CD activities from IMF/SECO was not provided to your office?
    a. No results would have been achieved as no alternative to IMF CD
    b. Same results would have been achieved without any CD
    c. Same results would have been achieved by CD from non-IMF providers
    d. Better results would have been achieved by CD from non-IMF providers
    e. Worse results would have been achieved by CD from non-IMF providers
    f. Other (please describe) ________________________________
    g. I don't know/not applicable to me

28. **[For those who chose c, d, or e above]** Please describe the alternative sources of CD and compare their quality to the quality of IMF/SECO CD on the same CD topic.

Coordination

Coordination refers to complementarity with the projects and activities of other TA providers; exchange of information with other stakeholders; coordination through the recipient government; integration of the activity with the IMF's surveillance and program operations.

29. Is your institution/country receiving CD from other providers in addition to that delivered by IMF/SECO? If "yes," are there formal or informal inter-government coordination efforts on the TA being provided in your country? Please explain.

30. IMF/SECO CD activities planning has taken explicit steps to ensure that IMF/SECO (select all that apply)

    a. does not overlap with other CD providers
    b. does not duplicate other CD providers
    c. complements those of other CD providers
    d. requests support from other CD provides to help implement IMF/SECO's CD recommendations, where needed
    e. integrates with IMF's surveillance
    f. integrates with IM''s program operations
    g. I don't know/not applicable to me

31. To what extent, if at all, do you believe that lack of coordination with other TA providers has reduced the effectiveness of IMF TA?
    a) A great deal
    b) Somewhat
    c) Very little

d) Not at all
e) Do not know/not applicable to me

32. How do you share the results of CD activities with the IMF/SECO? This can include updating the IMF/SECO about implementing learnings from a recent workshop, progressing towards milestones, etc. (Please select all that apply)
    a. Through informal communication with the LTX, STX, or other advisors
    b. Through informal communication with staff at IMF headquarters
    c. Through formal reports and/or updates
    d. At the annual meetings
    e. Other (please specify)
    f. I do not share results of CD activities with the IMF/SECO

IMF-SECO partnership

33. Is there a Coordination (or management level) structure at the IMF in charge of SECO projects and activities? If yes, are there reports and/or consolidation of information about objectives and achievements of the activities?

34. How can SECO maximize results reporting at the strategic level?

35. How is information transmitted between headquarters, IMF teams, and SECO local offices? How can information flow be improved?

36. How can IMF maximize knowledge retention of SECO-related resident advisors and short-term experts?

37. What lessons can be learned from the bilateral cooperation between the IMF and SECO?

Miscellaneous

38. What is the role, use, and utility of RBM? How do the RBM affect CD planning, delivery and results?

Lessons Learned

39. What is the most important lesson that can be learned from the TA project planning and implementation?

Looking Ahead

40. Please share your views on your country's TA needs that you think the IMF can help you to address in the next five years.

41. Is there anything else you would like to add; do you have any suggestions as to what could have been done differently?

End of questionnaire. Thank you.

Annex IV. Outline: The Evaluation Report

The report should not exceed 25-30 pages in length (excluding annexes), including the executive summary. It is expected to include the following sections:

- **Executive summary.** After a short paragraph on the context for the evaluation, the executive summary will concisely focus on the main evaluation findings and evaluation recommendations.
- **Introduction.** The introduction will briefly present the purpose and the scope of the evaluation.
- **Project evaluation.** This section should focus on presenting evidence and assessing the objectives of the projects according to the relevant DAC criteria. The section will present an aggregated assessment of projects covered in the evaluation, based on the bottom-up project-by-project assessment (which will be presented separately in an annex). The project evaluation section will cover the following:
    - *Scope.* The total number and scope of projects covered in the evaluation, descriptive statistics on these projects, and the evaluation sample that is used when assessing the DAC criteria will be presented.
    - *Assessment and analysis at an aggregated level (i.e. topic, country groups, modality) using the OECD-DAC Criteria.* Although ratings are done at the project level, the main report is not expected to reflect the assessment at that granular level.
      The evaluator will present the assessment in two ways: (i) by DAC criteria aggregated across projects; and (ii) by other aggregation criteria deemed useful in the context of the evaluation. For the latter, at the inception note stage, the evaluator and evaluation manager would have agreed on the level of aggregation of project ratings, as well as of the assessment. Following this agreed level of aggregation (i.e. topics, country groups, modality), this section presents the assessment, based on project-level OECD-DAC ratings.

      In addition, this section will also present the factors that affected the assessment of the DAC criteria as well as the assessment by other aggregated groups and alternative interventions that would have provided better results.

      To facilitate dissemination and publication of the main report, the evaluator will avoid presenting country-specific ratings and/or direct TA advice (see phase 3 on dissemination).
    - *Assessment of RBM log frames.* The evaluator can also present an overall assessment of the quality of log frames of the projects (e.g., whether the projects have clearly defined objectives and log frames marking the

results chain from input, activities, output, and milestones to outcomes and objectives with well-defined verifiable indicators).

- **Non-project related questions.** The evaluation manager and evaluators may agree to assess the delivering entity's operations with some entity-level questions, in addition to the project-based evaluation. In this section, the evaluator will present their assessment for such non-project related questions (as opposed to project-level questions). The OECD-DAC criteria do not have to apply to this part of the evaluation.
- **Conclusions and evaluation recommendations.** The report should contain no more than 10 recommendations and they should be:
  - Prioritized, in terms of urgency and timing, and sequenced
  - Actionable (under the control of the IMF), feasible, and reflecting an understanding of potential constraints to implementation
  - Cost effective (i.e., focused on affordable alternatives to achieve the objectives).
- **Annex on individual projects.** In addition to the main report, the evaluation should include an annex that describes each CD project succinctly: listing major interventions and the channels through which they were expected to achieve outcomes and objectives. In a table, the evaluators should present the DAC criteria rating by project and in aggregate, as well as the RBM rating, where available.[253]
- **Annex on methodology.** This annex will describe the evaluation methodology and include the ToR of the evaluation.

[253] Conceptually, the RBM ratings for the achievement of objectives and outcomes correspond to the effectiveness ratings.

ANNEX VI List of Review Documents

No.	Document Title	Publication Date
1	SECO FY2019 Annual Report	2019
2	SECO FY18 Annual Report	2018
3	RBM – A Short Primer	
4	RTAC Handbook	10/2019
5	SECO Independent Evaluation	4/2015
6	SECO Evaluation Response & Action Plan	8/2015
7	SECO STA Project Assessment	6/2019
8	SECO Albania TA Report	1/2018
9	SECO Colombia TA Report	10/2018
10	SECO Meeting Notes	12/2019
11	SECO Project Proposal-Peru	10/2016
12	SECO Project Proposal-Colombia	7/2017
13	SECO Project Proposal-Egypt	2/2019
14	SECO Project Assessment-Colombia	5/2019
15	SECO Project Interim Assessment-Peru	5/2019
16	SECO Kyrgyz Republic TA Report	2/2018
17	SECO Kyrgyz LTX Quarterly Report	5/2019
18	SECO Project Assessment- Tajikistan	4/2019
19	SECO- Project Assessment Egypt	5/2019
20	SECO- Project Proposal Egypt	2016
21	SECO- Project Review Egypt	5/2017
22	SECO- IMF LOU	12/2015
23	SECO- IMF Operational Guidelines	11/2018
24	SECO- Ghana BTO	2/2019
25	Common Evaluation Framework for IMF CD	7/2016
26	OECD Better Criteria for Better Evaluation	11/2019
27	IMF Regional Strategy Notes for CD	1/2016
28	UNDG RBM Handbook	10/2011
29	WHD RSN on Capacity Development	12/2019
30	2018 Review of Funds of CD Strategy	10/2018
31	SECO Colombia Rev. Admin. Briefing Paper	8/2017
32	SECO Colombia TA Report	10/2017
33	SECO Colombia CDPORT Budget Dashboard	3/2020
34	SECO Colombia Project Proposal	10/2016
35	SECO Colombia Project Appraisal Mission	1/2016
36	SECO Colombia Briefing Paper	11/2016
37	SECO Colombia Briefing Paper	9/2017
38	SECO Colombia Briefing Paper	3/2019
39	SECO Colombia TA Report	9/2017
40	SECO Colombia TA Report	5/2019

41	SECO Colombia Project Assessment	5/2019
42	SECO Egypt Briefing Paper	7/2019
43	SECO Egypt Briefing Paper	12/2019
44	SECO Egypt CDPORT Budget Dashboard	3/2020
45	SECO EUR Project Proposal	1/2017
46	SECO EUR Project Annual Assessment	6/2018
47	SECO EUR Project Final Assessment	6/2019
48	SECO Peru Project Proposal	10/2016
49	SECO Peru TADAT Assessment	6/2017
50	SECO Peru TA Report #17	5/2019
51	SECO Peru Project Assessment	5/2019
52	SECO Peru CDPORT Dashboard Budget	3/2020
53	SECO Peru PFM Project Proposal	10/2016
54	SECO Peru PFM TA Report	3/2017
55	SECO Peru PFM TA Report	6/2019
56	SECO PFM Project Interim Assessment	5/2019
57	SECO Peru PFM CDPORT Budget	3/2020
58	SECO Monetary Policy Project Proposal	1/2016
59	SECO Monetary Policy Project Design	4/2016
60	SECO Monetary Policy Project Assessment	7/2018
61	SECO CD at BoG Project Proposal	10/2016
62	SECO CD at BoG Project Progress Report	3/2018
63	SECO CD at BoG Project Assessment	4/2019
64	SECO Kyrgyz Banking Project Proposal	4/2017
65	SECO Kyrgyz Updated Project Proposal	8/2018
66	SECO Kyrgyz Project Interim Assessment	4/2019
67	SECO Kyrgyz TA Needs Assessment	5/2019
68	SECO Tajikistan Super Project Proposal	5/2020
69	SECO Tajikistan Bank Super Project Assessment	4/2019
70	SECO GFS SE Europe Project Proposal	5/2016
71	SECO GFS SE Europe TA Report	9/2017
72	SECO GFS SE Europe TA Report	9/2017
73	SECO GFS SE Europe TA Report	10/2017
74	SECO GFS SE Europe TA Report	10/2018
75	SECO GFS SE Europe Project Assessment	6/2019
76	SECO Sectoral Accts Project Proposal	5/2016
77	SECO Sectoral Accts Projects Assessment	6/2019
78	SECO CA Fiscal Trans. Project Proposal	5/2016
79	SECO CA Tajikistan TA Report	10/2017
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Annex VIII: Key Informants Interviewed

Respondent Group	Number
IMF	14
Country Authorities	23
LTX	3
SECO	16

Date	Respondent Group	Country
12/4/2019	IMF	Colombia
12/4/2019	IMF	Albania, North Macedonia, Bosnia, Kosovo, Serbia
12/5/2019	IMF	Tajikistan
12/5/2019	IMF	Tajikistan
12/5/2019	IMF	Peru
12/5/2019	IMF	N/A
12/5/2019	LTX	Kyrgz Republic
12/5/2019	IMF	Ghana
12/5/2019	IMF	N/A
12/5/2019	Authorities	Peru
12/9/2019	IMF	N/A
12/9/2019	IMF	N/A
12/9/2019	IMF	N/A
12/9/2019	Authorities	Peru
12/10/2019	IMF	Colombia
5/13/2020	SECO	N/A
5/18/2020	IMF	Kyrgyzstan/Tajikistan/Azerbaijan
5/19/2020	SECO	N/A
5/21/2020	SECO	Peru
6/2/2020	Country Authority	Albania
6/2/2020	Country Authority	Albania
6/2/2020	SECO	N/A
6/3/2020	Country Authority	Albania
6/3/2020	Country Authority	Albania
6/3/2020	Country Authority	Albania
6/11/2020	Country Authority	Colombia
6/11/2020	Country Authority	Colombia
6/11/2020	Country Authority	Colombia

6/11/2020	Country Authority	Tajikistan
6/12/2020	SECO	N/A
6/15/2020	Country Authority	Peru
6/18/2020	Country Authority	Colombia
6/18/2020	Country Authority	Colombia
6/18/2020	Country Authority	Colombia
6/19/2020	Country Authority	Albania
6/19/2020	Country Authority	Colombia
6/19/2020	Country Authority	Tajikistan
6/22/2020	Country Authority	Peru
6/23/2020	SECO	Tajikistan
6/23/2020	SECO	Serbia
6/23/2020	SECO	Serbia
6/24/2020	SECO	Peru
6/24/2020	SECO	Peru
6/25/2020	IMF	Albania
6/25/2020	SECO	Bosnia Herzegovina
6/25/2020	SECO	Albania
6/26/2020	LTX	Albania
6/26/2020	SECO	Kyrgyzstan
6/29/2020	Authorities	Peru
6/29/2020	LTX	Tajikistan
6/30/2020	Authorities	Peru
7/1/2020	Country Authority	Colombia
7/1/2020	Country Authority	Colombia
7/1/2020	SECO	Tajikistan
7/2/2020	SECO	Colombia
7/2/2020	SECO	Colombia

Annex IX: Compilation of Project Good Practices

The evaluation identified a variety of "good practices" for SECO-funded IMF projects. The term "good practice" is defined as a strategy, approach, activity, or action that has been shown to work effectivity or produce successful results, or shows promise to do so, based on evidence. These good practices are identified throughout the report but are documented here for ease of identification and uptake. The sections of the report where these good practices are discussed in greater detail are included for reference.

1. Design of CD interventions that are part of a government prepared action plan to address improvements linked to a TADAT, FSAP, FTE or similar standardized needs assessment (footnotes 10 & 20; Annex I project FAD_PER_2017_04)
2. Practicing adaptive management within project implementation to address emergent needs (footnote 15)
3. Design and implementation of interventions which leverage the efforts of others in a collaborative effort towards a common objective (Annex I project MCM_KGZ_2017_01)
4. Strong local language skills as basis for clear communications between LTX and STX, and country authorities (Annex I projects MCM_KGZ_2017_01 & STA_MCD_2017_01)
5. Use of the same STX providers recurrently over the life of the intervention (Annex I project STA_MCD_2017_01)
6. Supporting country authorities to strengthen internal coherence, cooperation and collaboration to improve project efficiency (Annex I projects STA_IMF_2017_04 & FAD_COL_2017_04)
7. Ensuring that the scale of the change reform program is fully appreciated by country authorities (footnote 11)
8. Changing traditional ways of thinking perhaps from IMF repository of good practice from elsewhere in the world (footnotes 39 & 40)
9. Directing CD at systems improvement and strengthening to improve project sustainability (footnote 41)
10. Use of political economy, stakeholder or similar analytical tools to better understand the interests, obstacles and possible incentives associated with the desired change (reform)
11. Encourage and support of country authority political and material commitment(s) and agency, especially during and following political transitions (Annex I projects FAD_COL_2017_04 & FAD_PER_2017_04)

IMF Staff Response to the Independent External Evaluation of the Switzerland Capacity Development Subaccount for 2014-2019

October 2021

IMF staff welcomes the comprehensive evaluation of the capacity development (CD) activities financed by the Switzerland Subaccount between May 1, 2014 and June 30, 2019 under the East, South and Global Letters of Understanding (LOUs).

The overall positive assessment and the overall score of "good" confirms the relevance of the IMF's demand driven capacity development approach, the positive impact IMF CD has on building macro-economic institutions in our member countries, and the progress that has been made since the last evaluation. Staff appreciates the positive feedback from country authorities who value the Fund's high quality of support.

Staff notes the areas for improvement, including regarding the operational guidelines, programming processes, log frames and RBM, and information sharing between SECO and the IMF and is committed to improving in these areas. Some of the areas, namely "ensuring country authorities are committed to reforms" have been and will always be of special focus for CD since it is crucial for making lasting impact. IMF can only deliver CD upon request from the recipient. While the Fund works towards enhancing country ownership of CD, it should also be noted that recipient engagement and ownership are not something the Fund is in direct control of and always will be a challenge, in particular in countries where CD is needed the most. Detailed responses to the recommendations are laid out in the table attached.

Then, some aspects of the recommendations are not compatible with the way Fund CD operates, especially the recommendation "when the need for CD is macro-critical in association with IMF programs, then include CD as a structural benchmark in the program". While it is important to ensure synergies between CD, surveillance, and lending, CD provision should continue to be "demand-driven" and not a conditionality for a lending program. Moreover, under the IMF Conditionality Guidelines the primary responsibility for the design of the program lies with a member's authorities, with the intent to promote national ownership in the process of developing, implementing, and monitoring a Fund-supported program. In that regard, CD cannot systematically be included as a structural benchmark to a program (e.g., if there are concerns about implementation capacity or the member's circumstances) and would require the member to be fully on board.

Fund Staff would have liked to see a more even selection of country cases across projects as we believe it would have provided more balanced and insightful conclusion (In STA_IMF_2017_04 all countries were included in the evaluation (Peru, Colombia, and Indonesia) while for STA_EUR_2017_01, Kosovo, North Macedonia, Serbia, and Albania were not evaluated. By selecting only Bosnia and Herzegovina alone, being the country that has the most complex government structure, provides an unbalanced view of the results achieved in the project).

Ongoing reform efforts already address some of the recommendations of the evaluation and can be summarized as below:

Management of Fund CD: The Fund is implementing its new Capacity Development Management and Administration Program (CDMAP), which is transforming how the Fund manages its CD activities. CDMAP is designed to eventually provide comprehensive data on CD plans, budgets, and results across the Fund's CD portfolio. It is designed to

- design projects that bring together and better coordinate different CD activities linked to country needs (recs 2, 4, 5 and 8 on "major projects")
- provide a more comprehensive overview on country demand (rec 6 on internal demand drivers);
- deepen collaboration and integration of core activities of surveillance, lending, and CD (rec 5);
- better inform the decision-making process surrounding planning and execution of CD (rec. 2 on the "how");
- reorient from a mission-focused prioritization process towards a comprehensive outcome-based CD model and support enhanced results-based management (rec 2 on RBM);
- provide holistic views on medium-term workplans (Rec 4 on longer-term projects)

Results-based management (RBM), Logframes and Risk Assessments: In August 2020, the Fund adopted an updated RBM Governance Framework that addresses Recommendation 2 on RBM. The Framework sets out how RBM data should be used for project management, portfolio-management, accountability and reporting, evaluations, and strategic decision-making. It also clarifies roles and responsibilities for RBM. It also states that log frames should reflect authorities' needs and views and should ideally be discussed with the authorities. Finally, the Framework and its operational guidelines also define how risks should be identified and documented at the beginning of the project and monitored throughout the project lifecycle.

Operational Guidelines: SECO and IMF agreed to further strengthen the operational guidelines to address the recommendations that are specific to the partnership between Switzerland and the IMF (rec 1). These updates include:

- A stated shared strong commitment to designing impactful funding programs and will work together to enhance program design to clearly reflect how change will be achieved, how recipients will be involved and how flexibility for adaptive management will be provided (rec 2).
- A stated shared strong commitment to collaboration and information sharing. In this spirit, exchanges between IMF Missions and SECO country teams are strongly encouraged. As needed, ICD and SECO HQ will work together to facilitate information flow on specific funding programs, including the organization of meetings and informal exchanges. In addition to the already ongoing communications, each SECO-financed resident advisor (LTX) will at a minimum reach out to the relevant Swiss Cooperation Office or local Swiss Embassy at the commencement of a funding program, upon their deployment, semiannually during their deployment, and when concluding their deployment to exchange updates and views on TA activities, funding programs and other relevant topics. (rec 3)
- On a pilot basis, exploring the use of inception phases to strengthen funding program design through more comprehensive need assessments and assessment of relevant risks to the implementation and traction of IMF CD projects (rec 7, also rec 6 and 8).

Recommendation	Staff Response	Comments/Actions
1. Update the IMF-SECO Operational Guidelines	Agreed	
2. Design “major” projects to highlight both the “what” (captured in the Logframe) and “how”	Agreed, and this is currently under implementation as stipulated in the Fund’s RBM Framework	The Fund will continue to deliver multi-year CD activities that follow its RBM and risk management frameworks. Depending on need and demand, activities are extended and/or follow-up activities are implemented.
3. When a long-term expert (LTX) Resident Advisor is deployed, require meetings with local SECO/Swiss Cooperation staff at least semi-annually. All short-term expert (STX) and IMF HQ staff missions should send a description of the mission’s objectives and main tasks in advance of travel and then, if requested, debrief local Swiss officials at the conclusion of the mission.	Partially agreed.	The Fund is committed to strengthen communications with local Swiss authorities. At the same time it should be noted that the first line of communication sits with the recipient of CD who has control of the information that can be shared with other including donors of the program. SECO and the Fund to agree on updated communications procedures in the updated Operational Guidelines.
4. Consider the designation and design of “major projects” with a five-year life-of-project (LOP), or alternatively 3-year IMF-SECO interventions with a planned hand-off to Swiss bilateral assistance	Partially agreed.	The Fund will continue to deliver multi-year CD activities that are tailored to countries’ demand, and can be multi-country and multi-thematic. Follow-up to an activity after its conclusion is situations-specific and cannot be planned from the outset. Potential “hand-off” depends on many factors and agreeing on “handing-off” upfront does not seem to be practical.
5. Move project design beyond the current nearly sole focus on TA, especially for “major projects”	Not agreed.	As noted already, while it is important to ensure synergies between CD, surveillance, and lending, CD provision should continue to be “demand-driven” and not a conditionality for a lending program. Moreover, under the IMF Conditionality Guidelines the primary responsibility for the design of the program lies with a member’s authorities, with the intent to promote national ownership in the

		process of developing, implementing, and monitoring a Fund-supported program. In that regard, CD cannot systematically be included as a structural benchmark to a program (e.g., if there are concerns about implementation capacity or the member's circumstances) and would require the member to be fully on board.
6. Identify and tie projects to demand drivers linked to both internal and external drivers that not only increase relevance but lead to greater impact and sustainability.	Agreed.	The Fund assesses the authorities' needs and the surrounding economic and political context to properly design projects. CD-surveillance-program integration is a priority for the Fund, and linking projects to compliance with international standards, and/or authorities' desire to gain access to international organizations and to improve their market access will inform CD design. The Fund will explore strengthening preparation and design and preparation through inception phases on a pilot basis in the next Phase of the bilateral program..
7. Include costed implementation plans which identify both IMF and partner authority responsibilities in all major project proposals	Non-applicable	It is already good practice that IMF CD and SECO-financed projects have costed implementation plans and define actions/deliverables. Where applicable, this includes actions by recipients of CD
8. Projects, especially "major projects," should conduct thorough needs assessments that identify root causes of capacity constraints.	Partially agreed.	See (6.) on demand drivers which are at the core of needs assessments.
Additional Recommendation: Conduct detailed project-level developmental evaluations using a case study method comparing similar paired projects	Agreed.	Project-level evaluations are conducted as part of the Fund's CD as part of the Fund's CD Evaluation Workplan.
Additional Recommendation: Conduct a stocktaking exercise of the Fund's recent use of RBM to inform actions undertaken to operationalize the new RBM Governance Framework	Agreed.	This is at addressed to a large extent by the ongoing IEO evaluation of the Fund's CD. Other stocktaking exercises can be conducted building on the IEO findings.

Management Response

To the External Evaluation of the SECO's Technical Assistance Subaccount Programe with the IMF

(conducted by DevTech Systems, Inc.)

April 2021

1) Introduction

An essential part of the Economic Cooperation and Development Division's (WE) evaluation policy is to ensure an impartial assessment of its interventions. External evaluations are therefore regularly conducted on WE's priority themes for accountability and learning purposes.

The External Evaluation of phase four of SECO's Technical Assistance Subaccount Program (the Subaccount Program) was conducted as agreed with the IMF in the Letter of Understanding (LOU), which is the bilateral agreement concerning this Program.

In line with WE's evaluation policy the evaluation had two main objectives:

(i) to provide advice on ways to improve the strategic nature of SECO support, in particular by focusing on the efficiency of the programming process, the transmission of information, and lessons learned from the bilateral cooperation between the IMF and SECO; and

(ii) assess, at project level based on OECD DAC criteria, the relevance, effectiveness, impact, efficiency and sustainability of the Capacity Development (CD) projects under the LOU, with a particular attention to the relevance and design of interventions.

The evaluation applied a scoring in line with the IMF methodology and graded projects on a scale including Excellent (3.5-4); Good (2.5-3.4); Modest (1.5-2.4); and Poor (1-1.4). The evaluation followed a two step bottom-up approach: 1) each of the 13 sampled projects was assessed and scored along the five criteria based on findings from the desk review, including key informant interview notes, and online survey results; 2) findings and scores for each of the 13 projects were then aggregated to reflect overall program performance.

SECO notes that the performance of the portfolio against the DAC criteria is assessed overall as 'good' (2.7), with assessments of 'excellent' (3.08) for relevance, 'Good' (3) for efficiency, 'Good' (2.59) for sustainability and 'Modest' (2.46/2.41) for effectiveness and impact respectively.

While the recommendations are relevant and helpful the readability and structure of the recommendations remain below expectations, making it hard to digest and communicate the

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insights. The IMF has agreed with this assessment and shared the feedback with the evaluators.

2) Main Findings

Relevance

Relevance was the highest scoring OECD DAC criteria among the project sample, with an average score of 3.08. SECO is pleased to see that the evaluation found that SECO-funded IMF CD interventions are, with few exceptions, highly relevant. The evaluation attributes this finding to the strong collaboration between country authorities, IMF HQ, and functional and area departments to jointly identify priorities and develop appropriately tailored work plans to address those priorities.

Efficiency

Efficiency was also found to be high across the sampled country objectives, with a mean score of Good - 3.0. Country authorities involved with SECO-funded IMF CD programming overwhelmingly describe it in very positive terms. The evaluation found a correlation between good coordination with other CD projects in the country and efficiency. In addition, the long term expert (LTX) implementation modality is associated with better efficiency relative to short term experts, although the later preformed slightly better with regards to the impact criterion. It is not clear whether the sample size is sufficient to generalize this finding. Therefore, this finding may require further analysis. These challenges notwithstanding, the finding seems to underline the importance of ensuring the right mix of implementation modalities.

Effectiveness

Effectiveness across the program was assessed to be modest with an average score of 2.46. The evaluation found that project effectiveness was in some instances undermined by (i) events such as a change in government, (ii) a lack of flexibility in adjusting intervention modalities during project implementation, and (iii) insufficient implementation capacity. These are important findings and SECO has developed recommendations to strengthen project design and recipient involvement (see recommendation 2, 5 and 7 below).

Impact

Impact across the program was assessed to be modest with an average score of 2.41. In this context, some of the evaluation recommendations related to strengthening the relevance of CD may also contribute to improve the impact of the Subaccount Program. SECO finds the observation that strengthening links to an IMF program or other external drivers can increase ownership and traction particularly pertinent and welcomes this finding (see recommendation 6 below).

Sustainability

Program sustainability was assessed as modest, with an average score in the sample of 2.59. Evaluators found that the primary factors which influence sustainability include incentives and political will, as well as institutional capacity to implement reforms. SECO will work with the IMF to increase ownership and ensure that capacity and incentives are duly considered in project design (see recommendations 2, 5, 6 and 7 below).

3) Specific Recommendations

Please, refer to the table in the Annex.

Rosmarie Schlup

Head of Macroeconomic Support (WEMU)

Annex 1: Specific Recommendations and Management Response

Recommendations	Management Response	Responsibility	Deadline / Timing
REC 1. Update the IMF-SECO Operational Guidelines to reflect selected evaluation recommendations and appropriate adaptations from the proposed mid-LOU “stocktaking” exercise examining project assessment “lessons learned;” and, more consistently follow Guidelines in project design, implementation, and assessment.	SECO agrees with the recommendation that is in line with the approach SECO and the IMF have followed in recent years. The Operational Guidelines (OG) are an important instrument and have been crucial in implementing the recommendations from the previous evaluation. REC 1 will be implemented by updating the OG in view of recommendations 2, 3, 5, 6 and 7. Going forward, the need for potential updates to the document will be discussed annually at the strategic and operational consultations.	SECO / IMF	Q2 2021, ongoing

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REC 2. Design "major" projects to highlight both the "what" (captured in the results framework) and "how" the intervention will be implemented, including the use of RBM to monitor performance and risks in the operating environment, and adaptive management techniques to respond to collected data and information; improve Results framework utility for RBM by consistently including all required inputs for achievement of sought results and indicator baseline and end-line targets (quantifiable if possible); and further encourage and support the use of RBM among TA providers and country authorities as a performance management and reporting tool during project implementation in line with the new RBM Governance Framework.	SECO agrees with the recommendation but does not think it should be limited to major projects. To better understand the 'how' of how interventions will be implemented, SECO will work with the IMF to better reflect the Theory of Change for all projects. The OG will be updated accordingly. To enhance country ownership, a requirement for the IMF to discuss results frameworks with country authorities will also be added. As RBM is a system that goes beyond the SECO Subaccount, SECO will encourage the IMF in its annual strategic consultations to further enhance the performance management capacity of its RBM system.	IMF / SECO	Q2 2021, ongoing
REC 3. When a long-term expert (LTX) Resident Advisor is deployed, require meetings with local SECO/Swiss Cooperation staff at least semi-annually. All short-term expert (STX) and IMF HQ staff missions should send a description of the mission's objectives and main tasks in advance of travel and then, if requested, debrief local Swiss officials at the conclusion of the mission. Use these opportunities to discuss progress based on RBM monitoring as well as any possible shifts in risk assessment and Results framework assumptions.	SECO welcomes the recommendation which is in line with its efforts to expand the positive spirit of cooperation beyond HQs into the regional and country offices. In the past years, SECO country offices have repeatedly urged for more frequent exchanges with IMF LTXs and SECO appreciates that the evaluation confirms the value of in-country cooperation. To enhance exchanges going forward, a requirement for LTXs to be in contact with SCOs upon deployment and then semiannually throughout their tenure has been added to the OG. SCOs are encouraged to take advantage of these exchanges as well as additional exchanges during missions. The requirement aims at encouraging communication and exchange without creating formal and burdensome structures.	IMF / SECO, SCOs	Q2 2021, ongoing

REC 4. Consider the designation and design of “major projects” with a five-year life-of project (LOP), or alternatively 3-year IMF-SECO interventions with a planned hand-off to Swiss bilateral assistance to support implementation and institutionalization of reforms. Aside from involving “significant change” and a five year period of performance, other “major project” criteria might involve multi-country and multi-topic efforts which tend to be more complex, and/or countries with low absorptive capacity which have special challenges.	SECO agrees with some aspects of the recommendation. For instance, SECO agrees on the need to extend project timelines. However, the IMF has been very reluctant to extend the timeframe of its projects in the past. Observing a practice of repeated requests to extend project durations, SECO encouraged the extension of project time horizons in 2019 but was not able to achieve more than the inclusion of an additional six month projects time reserve per project. With regards to a planned hand-off to Swiss bilateral assistance, SECO does not agree that this should become a feature of Subaccount projects. Rather, IMF projects should be designed such that they institutionalize reforms. Therefore, SECO is pushing for a stronger consideration of implementation capacity and drives of reform to increase sustainability (see recommendations 2 and 6). In addition, SECO will increase its efforts to strengthen synergies and coherence at the country portfolio level. The OG have been updated to ensure that the new Capacity Development Management and Administration Program (CDMAP) supports this effort. The impact of CDMAP on SECO country portfolio planning will also be considered at the annual consultation.		

REC 5. Move project design beyond the current nearly sole focus on TA, especially for "major projects," to develop recommendations to actively support great country ownership/agency, and implementation capacity through actions such as use of tools like political economy analysis to better understand the interests, obstacles and possible incentives associated with the desired change; support country authority understanding of, commitment to, and greater responsibility for RBM as well as capacity development of recipient institution staff to operationalize recommendations linked to the reform program; Emphasize coherence along with other OECD/DAC criteria when designing, implementing, and evaluating projects. When projects with significant CD requirements are linked to a Fund program, and when the need for CD is macro-critical in association with IMF programs, then include CD as a structural benchmark in the program. An additional option to safeguard sufficient resources in the budget for implementation and sustainability of CD is close coordination between the Area Department for the country and the CD delivery teams for resource intensive projects to avoid insufficient resources for implementation of the intervention's recommendations. Foster closer coordination (i.e., coherence) of IMF-SECO and Swiss Cooperation programming in the provision of post-IMF-SECO intervention implementation support.	SECO agrees with the thrust of this recommendation. The OG will be updated for project proposals to include a needs assessment, a political economy analysis, and an overview of external drivers. As a first step towards enhancing country authorities understanding of ownership, there is a requirement added for a discussion of the results framework with beneficiaries. A process has also been defined that allows the piloting of inception phases. Further ways to better include recipients in RBM as well as the potential of inception phases, have been noted as two topics for the next strategic consultations. SECO agrees that closer synergies with other IMF activities would enhance traction of IMF CD. As the evaluation shows, links to Fund programs can enhance impact and effectiveness of projects. However, the extent to which this REC can be implemented will need to be discussed and agreed with the IMF. SECO does not fully agree with the recommendation on post-IMF SECO implementation support. SECO has been pushing the IMF to better conceptualize exit strategies and will continue to do so. A 'hand-off' to SECO can be considered in specific cases but should not be the default modality (see recommendation 4). IMF projects, such as any good development project, should include sustainability considerations and not rely on external implementation support. This being said, SECO will work with the SCOs to ensure project proposals are assessed with portfolio coherence in mind. Strong embeddedness in the country can have positive impact on project sustainability.	IMF / SECO	Q2 2021, ongoing

REC 6. Identify and tie projects to demand drivers linked to both internal and external drivers that not only increase relevance but lead to greater impact and sustainability. Internal factors include political support, building on past CD investments, and current absorptive capacity. External factors involve meeting international standards including those associated with membership in international bodies (e.g., the EU, OECD), IMF programs, and Article 4 surveillance. Market attractiveness (for investment in government securities) is a demand factor driven by both internal and external interests. Do not extend projects to salvage earlier investments absent demonstrated demand and therefore continued relevance.	SECO agrees with the recommendation. The recommendation on internal drivers will be addressed by the measures SECO will implement for recommendation 5, namely the requirements for project proposals to include a needs assessment, a political economy analysis, and an overview of external drivers. Closer beneficiary involvement, such as the required discussions of results frameworks, will also provide better understanding of absorptive capacity.	IMF / SECO	Q2 2021, ongoing
REC 7. Include costed implementation plans which identify both IMF and partner authority responsibilities in all major project proposals and expand project manager responsibilities to cover technical tasks of management as well as administrative tasks. For major projects, include an inception phase during which assessment of institutional needs and absorptive capacity can be conducted.	SECO agrees with the recommendation. Closer involvement of recipient authorities in the design of projects, the development of the Theory of Change and the RBM system are important to strengthen ownership and effectiveness of interventions. As mentioned earlier, SECO agrees with the usefulness of including inception phases, and has agreed with the IMF to pilot this approach. In line with our earlier comments, we do not fully see the need for so-called “major projects”. (see recommendation 5 and 8).	IMF / SECO	Q2 2021, ongoing
REC 8. Projects, especially “major projects,” should conduct thorough needs assessments that identify root causes of capacity constraints. Design and implement interventions to address capacity gaps which must be filled to affect and sustain recommendations. Regularly reviewing and possibly updating the project risk assessment during implementation should be a standard operating procedure.	SECO does not agree that only major projects should benefit from a thorough needs assessment. As discussed in the context of recommendation 5, going forward all project proposals are to include a needs assessment which includes an analysis of capacity constraints. Exchanges with recipients on results framework as described under recommendation 5, should further remedy this challenge.	IMF / SECO	Q2 2021, ongoing

ADDITIONAL REC. While the value of this evaluation and others like it at the level of RTAC and bilateral subaccount level cannot be in doubt, some comments posed by reviewers of this (draft) report, from the perspective of a development practitioner, call into question whether program-level TA evaluation is sufficient to provide the learning required to significantly move the needle towards better outcomes. Experience from decades of developmental evaluation indicate that needed knowledge and understanding can only be gained through well-conducted evaluation at the project-level, from which findings, conclusions and recommendations can be applied to similar programming. Recommendations: Conduct detailed project-level developmental evaluations using a case study method comparing similar paired projects to assess: (i) underlying country□specific political economies; (ii) the degree of country ownership during project formulation and implementation; (iii) project implementation efficiency; and (iv) the relationship of these factors to project achievements. Conduct a stocktaking exercise of the Fund's recent use of RBM to inform actions undertaken to operationalize the new RBM Governance Framework and update the associated Operational Guidance with lessons from experiential learning and examples of best practice.	SECO agrees with the recommendations. The Storyline SECO-WE 2021-24 made important contribution to linking the PFM portfolio and the Swiss Dispatch on International Cooperation. Spelling out the contribution of projects towards SDG progress as part section 2.3 'relevance', ensures this link is more clearly formulated at project level.	IMF / SECO	Q2 2021, ongoing

Annex 2: Standing agenda items to be discussed at the annual strategic consultation (internal list)

- Potential updates to the Operational Guidelines
- Ongoing enhancements of the RBM system (including performance management capacity)
- Potential impact of CDMAP and SECO country portfolio planning
- Ownership and Impact: Recap on OG requirements on needs assessment, political economy analysis, external drivers,
- Ownership and Impact: Recap on inception phases