External Mid-Term Evaluation of the Regional Technical assistance Center for Southern Africa: AFRITAC South

Phase II (May 2017 – April 2022)

(Volume I)

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List of Acronyms

AfDB	African Development Bank
AFS	Regional Technical Assistance Center for Southern Africa (AFRITAC South)
BSR	Banking Supervision and Regulation
CD	Capacity Development
CEF	Common Evaluation Framework
COMESA	Common Market for Eastern and Southern Africa
CSN	Country Strategy Note
CADM	Customs Administration
DAC	Development Assistance Committee
DFID	Department for International Development (UK)
EIB	European Investment Bank
EU	European Union
FAD	Fiscal Affairs Department
FCDO	Foreign and Commonwealth Development Office (UK)
FFL	Financial and Fiscal Law
FMI	Financial Market Infrastructure and Payments
FPAS	Forecasting and Policy Analysis System
FSAP	Financial Sector Stability Review
FSR	Financial Sector Regulations
FY	Financial Year
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (Germany)
HQ	Headquarters
ICD	Institute for Capacity Development
IOC	Indian Ocean Commission
LCA	Low-Capacity Assessment
LTX	Long Term Expert
MCM	Monetary and Capital Markets Department
MPO	Monetary Policy Operations
OECD	Organization for Economic Cooperation and Development
PEFA	Public Expenditure and Financial Accountability
PM	Project Management
RA	Resident Advisors
RAD	Revenue Administration
RBM	Results Based Management
RSN	Regional Strategy Notes
RBS	Risk-Based Supervision
RCDC	Regional Capacity Development Center
RSS	Real Sector Statistics
RTAC	Regional Technical Assistance Centers
SAARTAC	South Asia Regional Training and Technical Assistance Center
SACU	Southern African Customs Union
SADEC	Southern Africa Development Community
SC	Steering Committee
SECO	State Secretariat for Economic Affairs
SMP	Staff-Monitored Program
SSA	Sub-Saharan Africa
STA	Statistics Department
STX	Short-Term Expert
TAD	Tax Administration
ToR	Terms of Reference

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We would finally like to thank the IMF for their continuous guidance as well as their flexibility and the trust placed in the Evaluation Team to undertake this remote-based evaluation approach. The views expressed in this evaluation report do not necessarily reflect the position of the IMF or any other stakeholder consulted during the evaluation.

Executive Summary

The evaluation results of the second phase of AFRITAC South (AFS) are generally positive, although there are areas for further improvement. The evaluation findings are broadly consistent between the two components of the evaluation, i.e. at the individual CD activity level and at the entity level (for the RTAC as a whole) and supported by the results of an Online Survey and Resource Allocations analyses. Figure 1 shows the individual scores per Development Assistance Committee (DAC)[1] criteria resulting from the evaluation at the CD level (1-4, with 4 being the highest).

Within the six DAC criteria, the evaluation was particularly positive in terms of the relevance of the CD activities, which were derived from rigorous capacity gaps assessments, supporting the countries' priorities. In terms of efficiency, effectiveness and coherence, the results point at good performance, considering the reduced costs and a high number of activities accomplished; the milestones and, to a lesser extent, outcomes met; and the positive synergies between CD activities and other interventions carried out by the government. However, the evaluation also found room for improvement, mainly because compliance with milestones and outcomes deteriorated post-COVID-19. The results for impact and sustainability were somewhat more modest or average, with important areas for improvement, particularly in terms of creating and maintaining local absorption capacity.

Performance is assessed as having improved in phase II and underlines a likely strong demand for continued CD services under the projected phase III. While numerical scores were somewhat lower than those of the 2015 evaluation, the methodologies are not comparable, including because the number of DAC criteria was expanded and the IMF-Results Based Management (RBM) framework was not available during Phase I.[2] Moreover, interviews at the AFS Center and IMF-HQ and

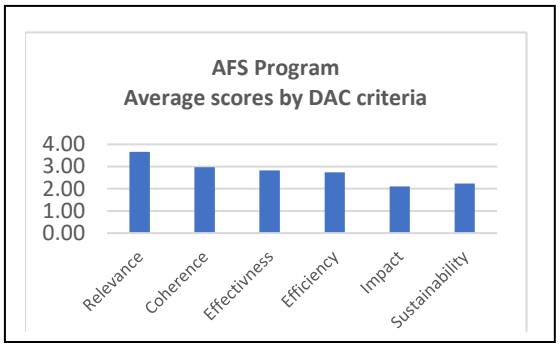


Figure 1: AFS Program Average scores by DAC criteria

the responses from the Online Survey strongly support the view that, despite the pandemic, the performance has significantly improved. Taken together, they consolidate the AFS position as a key provider of high-quality technical advice.

Evaluation at the CD Level. Concrete improvements have been achieved since phase II, but there are still some issues to address in terms of:

- **Relevance:** The relevance of AFS CD activities is judged as 'Excellent" (3.63 out of 4). Strong efforts have been made by all funding programs to rely on *ex-ante* diagnostics of capacity gaps for preparing the annual workplan of most CD activities, and to adjust resource reallocations supporting AFS' gradual response to countries' needs post-COVID.19. However, it will be useful to reconsider further reallocations of resources among funding programs, adapted to changing needs, and shifting, as appropriate, to include a new and

[1] The OECD-DAC is a forum to discuss issues surrounding aid, development, and poverty reduction in developing countries. It describes itself as the "venue and voice" of the world's major donor countries. Meetings take place every 2-3 years. Its role is to promote development co-operation so as to contribute to the implementation of the 2030 Agenda for Sustainable Development. At present, to evaluate the degree to which its projects, like AFS CD services, have achieved their objectives, the OECD-DAC uses six criteria: relevance, coherence, efficiency, effectiveness, sustainability and impact.

[2] Previously, AFS had been using the results-based management (RBM) framework developed internally by its Center; but in phase II, the Center started using the Fund-wide RBM framework. For broad comparison purposes, as criteria and data sources were different, the scores of the 2015 evaluation were: 3.7 for Relevance, 3.5 for Efficiency, 3.2 for Effectiveness (Outcome) and 3.1 for Sustainability.

cost-efficient virtual delivery model and the introduction of new global topics.

- **Coherence**: The coherence of AFS CD activities is judged as 'Good' (2.97 out of 4). Strong results have been achieved in terms of coherence, thanks to efforts undertaken to support the alignment of CD activities with other governments, IMF, and donor TA interventions. However, some weaknesses were identified, arising either from the lack of internal coordination among certain government agencies or from insufficient external coordination between AFS Secretariat and CD interventions by regional bodies, including those that have an Observer status at the AFS SC.
- **Effectiveness**: The effectiveness of AFS CD activities is judged as 'Good' (2.82 out of 4). What works? In terms of funding programs, some positive achievements in milestones post-pandemics are remarkable. However, two major issues should be addressed: first, the persistently lower ratings of outcomes than those of milestones (outputs), which was an expected finding given that outcomes are set for the medium-term, and outputs are aligned with them at a higher level. Second, the falling trend in the level of achievement of milestones during COVID-19 across all funding programs, in part justified by the unavoidable and intentional shift toward more pressing CD activities related to the pandemic, change in the delivery model from in-person to virtual, and likely constraints in countries' logistics and infrastructure.
- **Efficiency**: The efficiency of AFS CD activities is judged as 'Good' (2.74 out of 4). In terms of funding programs improvements in this criterion have come from three sources: pre-COVID-19 efforts by most funding programs to compress STX daily costs, the move to cost-saving virtual missions that halved STX mission costs and the quality of seminars. It is worth noting the introduction of virtual meetings has not prevented a higher number of missions, while more participants than planned have benefited from AFS services. However, an area of improvement is the need to review unit costs of STXs hiring in order to reduce their high dispersion.
- **Impact**: The impact of AFS CD activities is judged as 'Modest' (2.10 out of 4), with all funding programs scoring similarly. What works? First and foremost: remarkable AFS efforts were carried out to support a gradual and flexible response to the countries' most urgent short-term needs linked to COVID-19. However, given limited resources, this low rating might be explained by the forced postponement of many pre-scheduled activities as well as misperceptions about the role of AFS' intervention in the design of fiscal responses by its member countries. In addition, two other reasons may also explain it: (i) a sometimes unfavorable institutional environment – mainly related to political economy or absorption capacity issues – fostering a rapid translation of the benefits of CD activities into visible structural change, plus (ii) the rather preliminary work related to the emerging global topics, which still is for most of them at the diagnostic stage and lacks well-defined outcomes and milestones. Looking ahead, two suggestions that may have potential for improving impact are: linking CD delivery to IMF programs conditionality (CD-surveillance) and ensuring that selected in-person delivery (vs virtual) offsets local skills constraints, despite the higher cost of this delivery.
- **Sustainability**: The sustainability of AFS CD activities is judged as 'Modest' (2.24 out of 4), with lower ratings for fragile countries. What works? In terms of funding programs, activities linked to staff at the Central Bank, requiring higher technical skills and steadier jobs, seem more sustainable. However, despite varied efforts made to find and preserve skilled staff in other counterpart institutions, as well as the empowerment of counterpart teams, information gathered confirmed serious problems of sustainability: these problems are linked to limited local absorption capacity and insufficient ownership. Key barriers to sustainability that need to be tackled include: short supply and high rotation of skilled staff, poor funding and organizational capacity in many target institutions, and lack of focus on follow-up activities by AFS staff.

Evaluation at the Entity Level. Findings on strengths and areas for improvement regarding AFS management and governance are as follows:

Strategic Guidance. The strategic guidance of AFS by the SC was assessed as broadly effective, supported by well-structured RTAC policies: well-prepared Steering Committee (SC) annual meetings, timely decisions on strategic matters, and regular engagement by

the Center Director with member countries and its staff. However, an area for improvement would be the periodicity of SC meetings, its level of representation, and the possible participation of delegates from some counterpart agencies, such as Tax, Customs and Statistics.

Application of the RBM System. Major progress is observed in the RBM catalogue as a highly valuable tool for monitoring and reporting on progress in the achievement of the RTAC objectives. However, it still faces important issues of consistency, verifiability and measurability. The Online Survey also revealed mixed views from its users about its effectiveness. However, the regularity of reporting on outcomes and milestones and its user friendliness must be improved. The move toward CD-MAP, still at its infancy stage, should gradually help the RBM system's integration.

Internal Learning. The evaluation found that the quality of internal learning has been successful in terms of knowledge transfer among RTACs. However, transition between outgoing and incoming LTXs showed important learning gaps, due to the high rotation rate of LTXs/STx. These gaps are found to have led to implementation delays, mainly in the MPO and DSR funding programs.

Use of Regional vs Non-Regional Experts. Since Phase I, AFS has looked for ways to engage more regional experts in its CD activities, and varied efforts have been made. In practice, however, there is a relatively low use of regional expertise. The share of non-regional Sub-Saharan Africa (SSA) experts among LTXs and STXs was above 80 percent during most of Phase II. This ratio is probably one of the highest among RTACs worldwide and is explained by some difficulties to find available skilled SSA staff.

Incorporation of Global Topics. The evaluation reveals that some global topics, like governance and financial inclusion, are not entirely new for AFS countries. Phase II has not only reinvigorated efforts toward addressing them, but added gender, digitalisation and financial inclusion. However, the work undertaken to introduce and customize them in every country is patchy and often remains at the diagnostic stage. National awareness of these topics seems limited and, what is more problematic, the IMF roster of experts on these topics is perceived by donors as insufficient for meeting future high demand. Whereas an improved roster is an IMF global human resources issue, AFS should focus on improving the level of ownership amongst CD recipients. A mix of proper planning and sequencing of CD activities, with the assignment of a minimum of resources to implement a strong outreach and communication effort, could help.

Donor Coordination. Our information gathered in interviews provided a generally positive view of the coordination with key donors, notably with the European Union, the UK, Germany and Switzerland. However, some donors consider that there are still some important areas for improvement, especially in terms of setting up a clear procedure for information sharing. An important issue raised, which was also a recommendation from the previous evaluation, was that AFS coordination with regional bodies – COMESA, SADC and IOC – was still spotty and lacked sufficient planning.

Exogenous shocks, resilience, and adaptability (including COVID-19). The initial reaction by the Center to the pandemics could have come a bit earlier, but was well justified and reflected the need to 'wait and get' the best guidance possible from IMF-HQ, in order to assess the impact of the pandemic and design policy responses. A fairly positive response from AFS, with the support of IMF-HQ, was the completion of some 11 webinars on the most pressing topics related to responses to the pandemic. However, COVID-19 underlined the unavoidable need to restructure the budget of funding programs with flexibility, i.e. with a different mix of virtual vs in-person mission ratios and by prioritizing short-term over medium-term objectives.

The Evaluation Team has reached 12 cross-cutting conclusions and a related set of recommendations. Further details on these conclusions and recommendations are presented in the last section of Chapters 2 & 3.

Table 1: Table of Recommendations

Priority level	Recommendations
	On Relevance
	Justification: The scope of the AFS program has increased and requires reprioritization followed by its budget restructuring.
1	***1. CD-Level: AFS SC should look for a budget restructured in Phase III with respect to Phase II, accommodating the new priorities – fragile countries and global topics – and reviewing the composition of budget allocations per funding program: i.e., a new resource allocation formula***. Consideration should be given to the streamlining of PFM and RSS portfolios of CD activities, prioritizing areas that are essential (*track 1*) or show strong compliance.
2	**Justification: SC strategic guidance would benefit from more regular follow-up and participation.**
	***2. Entity Level: AFS SC monitoring should be strengthened by adopting a mid-year virtual meeting review of its program, in addition to its annual meeting, and consider participation from Planning, Tax and Customs, Statistics agencies and relevant regional bodies*.**
	On Coherence and Impact
	Justification: Political economy constraints do affect the pace of reforms.
1	***3. CD-Level: AFS Center, supported by LTXs, should prioritize CD activities that face upfront lower political economy constraints that may prevent/delay the implementation of CD-related recommendations or the achievement of their associated milestones***. Political economy constraints can be split into: (i) vested interests against reform implementation; (ii) electoral environments opposed to breaking the status-quo; or (iii) absence of or low leverage from reform champions to make regulatory changes or obtain sufficient budget.
2	**Justification: Wrap-up meetings on AFS missions among donors are irregular and spotty, and multi-donor co-financing of CD activities is *ad-hoc*.**
	4. Entity Level: AFS Center, through LTXs, should organize regular CD briefings meetings with donors, defining ex-ante and per funding program, the chair of those meetings (focal points): either the local IMF Resident Representative or a leading DP which has a significant program in that area. IMF-HQ should look more proactively for strategic projects where complementary multi-year donor involvement may help guarantee sustained implementation.
	On Effectiveness
1	**Justification: Some outcomes and milestones show minimal progress and may be outdated. For global topics, sound diagnostic studies before implementation should be best practice among RTACs.**
2	***5. CD Level: AFS Center, supported by LTXs and in collaboration with IMF-HQ, should carefully review the existing country-based outcomes and milestones of the RBM logframe and collaborate with IMF HQ in the gradual definition of those referring to the global topics.*** These should contribute to justify the budget reallocations supporting the implementation of CD services in Phase III. Notably, MCM has already started this exercise. A review of this kind should be done in consultation with Authorities and donors involved in certain CD activities, so as to gain their ownership in setting the targets. And as soon as diagnostic studies are concluded on the new global topics, AFS Center should collaborate with the respective departments at IMF-HQ to gradually define country-based outcomes and milestones in the RBM catalog that will justify the budget allocated to their CD services. Proper baselines should also be set up front.

	Justification: User-friendliness of the RBM logframe (and CD Port) can be improved. ***6. Entity Level: IMF-HQ should continue providing regular trainings and set put appropriate management checks to ensure compliance by LTXs with regular updating of the ratings in the RBM logframe, and refine criteria to evaluate the DAC ratings of Impact and Efficiency.***
1	**On Efficiency** **Justification: The pandemic brought significant cost-savings with virtual missions, but AFS fees for STXs show large dispersion.** **7. CD- and Entity Level:** ***To foster cost efficiency, AFS Center, supported by LTXs, should define an optimal mix ratio between in-person and virtual missions for each funding program; and IMF-HQ should review and, if possible, adjust STX daily fees so as to reduce their dispersion.*** New ratios might learn from those of 2021, adjusted by CD activities that (i) have strategic priority; (ii) do require in-person missions; and (iii) do show progress in milestones. And as AFS does not set STX salaries and therefore cannot unilaterally adjust STX daily fees especially if these same STXs work for other Fund RTACs such revision can only be done by IMF-HQ while acknowledging the professional background and international salary scales that justify different levels of remuneration.
1	**On Impact** **Justification: Progress on and impact of selected reforms proposed by CD delivery can benefit from joining efforts with IMF programs conditionality (CD-surveillance). Regarding the introduction of five global topics – good governance and anti-corruption, climate change, gender, digitalisation and financial inclusion – the two main issues are: national awareness of their importance remains low, and the pool of IMF experts on global topics remains limited and gender-biased.** ***8. Entity Level: AFS Center, in collaboration with IMF-HQ, (i) should consider linking certain CD delivery to IMF programs conditionality of certain structural benchmarks or quantitative targets (CD-surveillance) when appropriate as CD activities are generally demand-driven; (ii) organize national conferences on global topics, so that they are not perceived as donor-imposed in the national consultations of Phase III; and IMF-HQ should keep creating a wider pool of potential STX and LTX experts.*** Extensive dissemination should be carried out for their diagnostic studies, through a well-planned and implemented Outreach and Communication Program. Moreover, special efforts should be made in hiring to include more regional LTXs and STXs from SSA, and in particular women. The ongoing STA exercise review of its roster of experts could usefully be replicated by all functional IMF departments.
1 2	**On Sustainability** **Justification: Sustainability also faces three issues: (i) lowest absorption capacity, especially in fragile countries, (ii) follow-up supervisory missions are presently under-budgeted, and (iii) lack of a clear sustainability/exit/building capacity strategy.** ***9. CD-Level: For low-capacity fragile countries, AFS Center should not refrain from asking IMF-HQ for the appointment of a dedicated resident LTX; and for all countries, AFS Center should ensure a sufficient budget for peer-learning and/or follow-up supervisory missions as well as for the design of customized sustainable exit building capacity strategies***. LTX should be appointed in fragile countries in well-justified discipline(s) and have a comprehensive CD program, so as to optimize their hiring. Follow-up missions and exit strategies should be particularly needed for those CD activities whose initial positive compliance with milestones and TA recommendations shows promising achievement of outcomes. **Justification: LTXs rotation gaps have been too large and affect program implementation.** ***10. Entity Level: AFS Center should monitor new procedures aimed at ensuring advanced, timely and effective recruitment of LTXs by IMF-HQ, led by back-stoppers. If unexpected delays occur, it should have the capacity to hire temporary STXs in order to bridge the gap of the transition period, thus leveraging out-going LTXs with STXs to facilitate the handover.***

I. Background Information

1.1. Objectives and Scope of the Evaluation

1. **This report presents the results of a Mid-Term Evaluation of the Capacity Development (CD) activities of the IMF's Regional Technical Assistance Center (RTAC) for Southern Africa – AFRITAC South (AFS), undertaken under the Phase II program.** Managed by its own Steering Committee (SC), the Center serves Angola, Botswana, Comoros, Eswatini Lesotho, Mauritius, Madagascar, Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe. The phase II of the AFS program has a budget of US$59.5 million for activities taking place between August 2017 and April 2022. RTAC's overarching objectives are to help these countries achieve: (1) inclusive and sustained growth, and (2) make progress on the Sustainable Development Goals (SDGs) and the Financing for Development (FfD) agenda.

2. **The report corresponds to the mandate for a Mid-Term Evaluation within 40 months of the start of each funding cycle and is intended to inform AFS future operations and the preparation for a third program phase.** It covers CD activities that occurred from May 2017 to December 2020.[3] The history of Phase I and the objectives and main areas covered by the funding programs are included in Annex VI.

3. **The report assesses the extent to which AFS is achieving its objectives under Phase II**, i.e.:
(i) To evaluate the performance of AFS as guided by the updated 2020 version of the IMF's Common Evaluation Framework (CEF) at the CD level (technical assistance and training) according to the six OECD DAC criteria (Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability); or at the RTAC-entity level, according to the seven dimensions of its governance and operations: Strategic Guidance, Adequacy of its Institutional Setup, Recruitment and quality and its Network of Experts, Coordination with Donors, Flexibility to Shocks, Adequacy of New Topics and Sustainability.

(ii) To evaluate (quantitatively, if feasible, or qualitatively), and provide recommendations (whenever possible, costed) that would enhance the ability of AFS CD interventions to achieve their objectives.

4. **The scope of the evaluation is as described below:**

- The evaluation covers the 13 countries benefitting from the CD program of AFS. Among them, four countries – Angola, Botswana, Comoros and Madagascar – were selected as representative sample cases for certain aspects of the evaluation.[4]
- The evaluation of the CD interventions assesses quantitatively and/or qualitatively a set of DAC criteria, including the effectiveness of the interventions in terms of country-objectives, rated on a scale from 1 (lowest) to 4 (highest). It justifies these scores using the answers to key evaluation questions by interviewees and information of the RBM logframe.
- The interviews of the evaluation cover many (about two-thirds) of the total CD activities – including TA, training, and seminars – done in the four sampled countries during Phase II.
- A particular emphasis is placed on evaluating the quality of seminars, and the implications of adopting innovative modes of CD delivery during COVID-19, such as in virtual mode.
- Progress is assessed on bolstering support to fragile states, as well as to emerging issues like good governance and anti-corruption, climate change, gender, digitalisation and financial inclusion.
- The evaluation also covers the impact that the COVID-19 pandemic has had on AFS activities, the adaptation measures and the lessons learned.

[3] The evaluation period under the original ToR was from May 2017 to April 2020. However, given the delays in launching the evaluation following the 2020 Covid-19 pandemic, the evaluation period has been extended through December 2020 and, in some cases, April 2021 (end of the FY21).

[4] Criteria for sampling were: the number of CD activities and days used on TA (Botswana, Comoros and Madagascar); the type and level of IMF engagement (fragile RCF-recipients Comoros and Madagascar, EFF program-based Angola); economic diversity (landlocked mid-size Botswana economy, continental large-size with sea access Angola, and Comoros and Madagascar islands); and language diversity (English: Botswana; French: Comoros and Madagascar; and Portuguese: Angola).

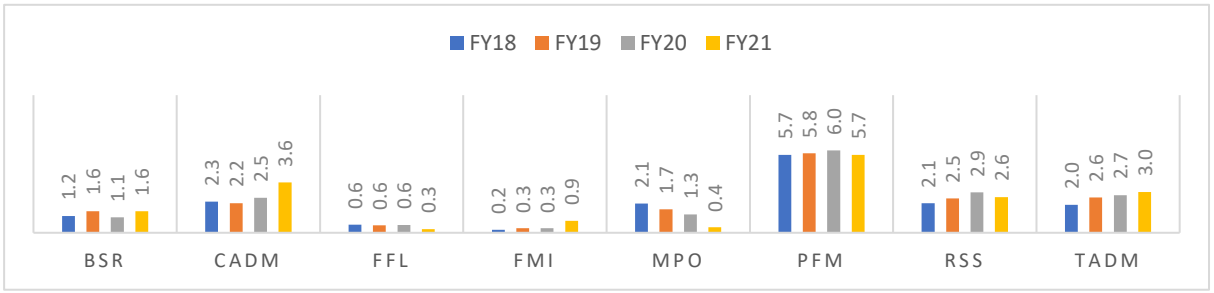
1.2. AFS Program Adaptation Pre- and Post-COVID 19 in Mode of Delivery and Areas of CD

5. **In Phase II, perhaps the most important change was how budget execution changed pre- and during COVID 19 due to a major change in the mode of CD delivery.** AFS annual working budget increased steadily from US$8 million in FY18 to US$11.5 million in FY21, but the latter amount could not be entirely executed due to travel restrictions. Indeed, since March 2020, travel restrictions were already put in place globally to control the spread of the COVID-19 pandemic. The ensuing cancellations of many on-site activities led to significant savings, arising from the introduction of virtual missions requiring far fewer resources than field missions. Hence, the rate of budget execution (outturn) was high at 90 percent on average per funding program over FY18 and FY19; but budget outturns in FY20 and FY21 were much lower at 79 percent and 46 percent respectively. Notably, the budget outturn in FY21 more than halved to US$5.3 million, and savings were reallocated to a restructured working budget for the last year of Phase II.[5]

6. **Paradoxically, the volume of TA delivered expanded significantly to accommodate growing demand from member countries (*see Figure 2*)**. Before COVID-19, the growing demand for AFS services could be met thanks to the scaling-up of its working budget and, during COVID-19, through sizable cost-savings. Key features of the adaptation over time of CD services in Phase II were:[6]

- Growing volume for CD services – measured by work in Full-Time Equivalent (FTE)[7] years – steadily rose from 16.2 in FY18 to 18 in FY21. In order of magnitude (FTE years), most funding programs that increased their work were: Tax Administration (TADM) and Customs Administration (CADM), Financial Market Infrastructure (FMI), Banking Supervision and Regulation (BSR), Real Sector Statistics (RSS) and Public Financial Management (PFM).
- Only two funding programs – Monetary Policy Operations (MPO) and Financial and Fiscal Law (FFL) – saw their number of CD services significantly decreased. The former was due to the extended time it took to replace their Resident Advisor (RA) in Mauritius (a topic explored in more detail in Section III); and the latter was due to the severe lags in the passing of proposed regulations, duly reviewed, accompanying the legal texts previously approved.
- Paradoxically, the number of CD activities rose post-pandemic: the number of CD missions (and TA reports) increased by around 30 percent in FY21. This was partly due to the opening of the virtual window in 2020, which increased the opportunities to accommodate more training events targeting larger groups of participants: the number of annual events increased from 22 in FY20 to 30 in FY21, allowing a record 1,391 officials to receive training. A second reason was the large number of CD activities required initially by the global topics and later from the pandemic.
- Overall, the shares (%) of AFS CD services provided by funding program had few changes between FY18 and FY21: PFM (from 35 to 32), CADM (from 14 to 20), TADM (from 12 to 18), RSS (from 13 to 14), BSR (from 7 to 9), FMI (from 1 to 4), MPO (from 13 to 2) and FFL (from 4 to 1).

Figure 2: Figure 2: Evolution of CD activities per Funding program, FY18-FY21 (in FTE years).



Source: Cowater staff illustration based on data provided by RTAC-AFS Secretariat. Note: Tax (TADM) and Customs (CADM) Administration, Financial Market Infrastructure (FMI), Banking Sector Regulations (BSR), Real Sector Statistics (RSS) and Public Financial Management (PFM), Monetary and Policy operations (MPO), and Financial and Fiscal Law (FFL).

[5] Total FY21 expenses, including administrative expenses, TF management and IMF contribution amounted to US$6.5 million.

[6] AFS, Report to the Steering Committee, FY21 Execution and FY22 Work plan.

[7] 1 FTE year = 260 days.

7. **COVID-19 had a major impact on AFS performance per funding program.** Data on the pre- and during COVID-19 periods show major changes in the level of implementation of milestones *per funding program* (*see Table 3*).

- Overall implementation across funding programs with fully or largely achieved milestones decreased from 82 percent in FY19 to 68 percent in FY21.
- The three most affected funding programs – FFL, MPO and FMI – saw their level of implementation with fully or largely achieved milestones fall significantly to below 55 percent.
- As a middle ground, MPO partial achievement of milestones rose significantly from 26 to 45 percent. As outliers, TADM and RSS kept above 85 percent of milestones fully or largely achieved.

Table 2: Status of Milestones by Funding program

Funding Program	Total Milestones	Fully/Largely Achieved	Partially Achieved	Not Achieved
FY19	195	82%	13%	5%
AFS Banking Supervision and Regulation (BSR)	20	90%	0%	10%
AFS Financial Market Infrastructures (FMI)	16	69%	31%	0%
AFS Money & FX Market Operations (MPO)	43	74%	26%	0%
Customs Administration (CADM)	5	100%	0%	0%
Financial and Fiscal Law in AFRITAC South (FFL)	4	25%	0%	75%
PFM AFRITAC South	40	80%	20%	0%
Real Sector Statistics in AFS (RSS)	47	85%	4%	11%
TAX Admin AFRITAC (TADM)	20	100%	0%	0%
FY20	198	55%	23%	22%
FY21	284	68%	22%	5%
AFS Banking Supervision and Regulation (BSR)	42	65%	7%	8%
AFS Financial Market Infrastructures (FMI)	10%	55%	25%	10%
AFS Money & FX Market Operations (MPO)	59%	50%	48%	2%
Customs Admin AFRITAC South (CADM)	66%	63%	25%	13%
Financial and Fiscal Law TA in AFRITAC South (FFL)	10%	16%	5%	0%
PFM AFRITAC South	21	68%	29	2%
Real Sector Statistics in AFS (RSS)	42	86%	7%	6%
TAX Admin AFRITAC South (TADM)	34	94%	3%	3%

Source: Preliminary data provided by AFS Secretariat. Note: Total Milestones include those awaiting rating.

8. **Hence, at the end of FY21, the status of the AFS program revealed contrasting results.** On the one hand, AFS budget closed with a significant surplus that did not halt the completion of more activities than planned (i.e. increased efficiency). On the other hand, the level of achievement of milestones by funding program fell in general, with few exceptions (i.e. decreased effectiveness).

9. **Overall, these changes reflect how AFS prioritized during COVID-19 CD those activities focused on short-term needs over medium-term objectives.** As virtual meetings multiplied, reaching out to all member states to discuss policy responses, provide guidance and review CD priorities, proper recognition should be given to some 11 AFS webinars covering a broad range of topics arising with the COVID-19 pandemic: Crisis Management and Resolution, Regulatory and Supervisory Responses to the Pandemic, Fiscal Challenges, Debt Management, Corporate Governance, Monetary Policy and Central Bank support, Fintech, Cyber Risk, Cyber Resilience, Insurance Sector's Regulatory and Supervisory Responses, and Central Bank Support to Financial Markets**.** As Authorities shifted their focus to crisis-fighting measures, all funding programs redirected CD-activities towards helping those efforts. It is even possible that some unregistered results (milestones) were met, while compliance with the scheduled ones was delayed:[8]

[8] In this regard, the Evaluation Team could not clarify which CD activities were postponed deliberately, as some of the most pressing activities were neither planned nor registered in the RBM logframe.

- On the fiscal front, CD activities shifted to: Emergency Supplementary budgets, rapid sources of revenue such as collecting tax arrears or reducing fiscal risks, debt management, and emergency financing and procurement.
- On the monetary front, and in a context of fiscal dominance, transitions in monetary regimes were delayed in favor of temporary liquidity mechanisms.
- On the statistical front, delays in survey-based work in National Accounts, GDP rebasing and Consumer Price Indexes (CPIs) also multiplied.

2. Evaluation Results at the CD Level

1. **This chapter is divided into three sections:** (i) a first section presenting the methodology used to collect information supporting the evaluator judgments and scores; (ii) the evaluation findings and scores at the CD level, and (iii) the conclusions, recommendations and lessons learned

2.1. Methodology

2. **The proposed methodology at the CD level is detailed in Annex I. It aims to assess the degree to which the CD vehicles of the three RTACs have achieved their objectives, according to the five criteria of relevance, efficiency, effectiveness, sustainability, and impact by responding and scoring based on a set of evaluation questions from the Common Evaluation Framework (CEF)**, refined during the Inception Phase (*Table 4*). The CEF of the IMF[9] provides further detail about how these criteria are defined in IMF CD evaluations.[10]

Tableau 3: Evaluation questions at the CD Level

DAC Criteria
1. Relevance: To what extent were the CD objectives derived from capacity gaps identified by the authorities, IMF surveillance/program, or other partners/institutions? Do the national authorities consider CD objectives among their priorities? To what extent was the design sensitive to the context in which it took place? **2.** To what extent were the CD objectives and design successfully adapted to changing circumstances? Notably considering the recent impact on the Covid-19 crisis on delivering CD.
3. Coherence: **Internal:** What is the level of synergies and interlinkages between the CD project and other interventions carried out by the agency/ government? Or with other IMF recommendations from surveillance, program.
4. Coherence: External: What is the level of consistency of the CD project with interventions by development partners? Including complementarities of AFS with regional organizations.
5. Effectiveness: To what extent were the CD outcomes and objectives, as defined by the RBM framework, achieved or likely to be achieved? To what extent were the observed direct results attributed to/happened, as a result of the CD?
4. Efficiency: Were the CD inputs converted to outputs, outcomes, and impact in the most cost-effective way possible? To what extent has an appropriate mix of inputs (national, regional, international) been utilized? To what extent were inputs converted to outputs cost-efficiently? And implemented to schedule?
5. Impact: To what extent has the CD project enhanced the country's macroeconomic & financial stability and supported inclusive growth? **6.** To what extent has the CD project had any consequences on relevant Fund strategic priorities, such as climate change and inequality (economic, gender, and financial inclusion)?
7. Sustainability: To what extent does preserving the net benefits of the CD project hinge on its continuation? What is the level of capacity of the recipient country's system to sustain the net benefits of the CD project over time?

3. **This methodology relies on three sources of evidence that were used to generate the findings and scores presented under Section 2.2.: (i) a thorough desk review, (ii) two online Surveys, (iii) a series semi-structured interviews with key stakeholders:**

[9] See https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/04/27/pp040717new-common-evaluatioin-framework-for-imf-capacity-developement; and www.imf.org/~/media/files/Publications/PP/new-common-evaluation-framework-for-imf-capacity-development.ashx

[10] See Table 1 ToR AFS p5;

(i) The Desk review aimed to provide factual evidence from strategic, programmatic, monitoring documents (including BP and TA reports as well as the RBM databases), but also financial data to report on the performance of AFS in achieving its planned objective via the delivery of CD over the evaluation period.

(ii) The online surveys targeted three groups of respondents: AFS SC members, IMF staff supporting the delivery of TA and Trainings (including staff from HQ, AFS) and TA beneficiaries. These surveys aimed at collecting quantitative and qualitative information on the perception of AFS performance over the evaluation period. The response rate for Groups 1, 2 and 3 respectively was 15.4% (8 respondents), 40% (12 respondents) and 14.6% (194 respondents). A detailed analysis of the results of this is presented in *Annex V*.

(iii) Semi-Structured interviews: **To select the participants for the Interviews, the Evaluation Team first mapped a set of sampled CD activities to 14 objectives, identifying those that could be subject to a more granular analysis during FY18-21**. ***According to this selection, the Evaluation Team covered above 60 percent of the total number of CD activities grouped under 14 AFS Objectives as case studies in these four countries*.** A 1-4 scale score (with 1 being the lowest and 4 the highest rating) was assigned to each DAC criterion, on the level of completion based on the performance of AFS in achieving the planned objectives. For effectiveness, the team extracted data from the RBM logframe on whether CD activities delivered the expected milestones and outcomes, assigning equal weights to their average scores.

4. **As a result, our ratings were based on a wide range of quantitative and qualitative evidence in the form of narrative assessments for a total of 30 case studies, registered in a 'Notebook' application that collected responses from interviews and cross-referenced them with our informed judgments.** In addition, we aggregated the scores of the sample of 14 objectives for seven funding programs: PFM, Revenue Administration (RAD=TADM+CADM), BSR, MPO, FMI, RSS and FFL. More detailed information on the application of the mapping instruments, the Notebook and scoring rationale is included in the Annexes.

5. **The Evaluators also relied on the IMF RBM system to score effectiveness, after mapping the sampled CD activities to the objectives of the RBM system in order to assign an alternative score to the effectiveness criterion.** To this end, the team first analyzed the mission reports corresponding to the activities and then linked the activities identified in each of the mission reports (about two-thirds of missions identified in the AFS CD tracking system) to the objectives included in the RBM system. It should also be noted that the RBM system was used differently according to the CD departments and the system does not show any comments associated with the scoring.[11]

6**. The rating for efficiency was based on the calculation made from the score given for Effectiveness and the number of days allocated for each mission.** Cost or use of resources would have been better than the number of days used, but it was not possible to incorporate cost considerations because data provided were not disaggregated enough.

7. **The ratings of the other criteria** (relevance, coherence, impact, sustainability) **were based on the assessments of the interviewees and of the analysis of the documentation** and the survey results**.** Therefore, the lowest level of scoring applied was at the country-objective-criteria, later on aggregated by criteria and/or workstreams depending on the needs of the analysis. A detailed table of scores by workstream is provided in the Section 2.2.1. below, while a more detailed table presenting the score at the country-objective-criteria level is presented in Annex II.

[11] It must be pointed out that the Center started to use the RBM system only by the end of 2018. Moreover, the Center did not have an advisor showing the staff how to use the system. Operational guidance did provide detailed operational guidelines for the implementation of the 2020 RBM Governance Framework, but it was drafted only in August 2020 and it was not used by the Center.

2.2. Findings

2.2.1. Overview of AFS Scores

8. **A total of 14 Objectives aimed at by CD activities were analyzed covering the CD work undertaken by funding programs in the four sample countries between FY18 and FY21**.[12] The individual scores for each Objective per country is enclosed in *Annex II*. We aggregated the scores of the 14 sampled objectives on seven sampled funding programs: PFM, Revenue Administration (RAD=TADM and CADM), BSR (CBO and FSR), MPO, FMI, RSS and FFL.

9. ***Table 5* shows the ratings for each funding program of the six performance DAC criteria: Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability**. We also provide composite scores based on simple averages for each criterion and funding program.[13]

Table 4: Performance ratings per funding program – aggregated from the 14 sampled objectives (1-4 scale)

Funding programs	Relevance	Coherence	Effectiveness	Efficiency	Impact	Sustainability	TOTAL
CBO	4.00	3.00	3.00	3.00	2.50	3.00	3.08
FSR	3.50	3.00	2.00	2.50	2.00	1.50	2.42
MPO	3.00	2.50	3.25	2.75	2.50	3.00	2.83
PFM	3.56	2.81	2.81	2.63	2.06	1.88	2.63
RAD	3.83	3.17	3.33	2.83	2.33	2.67	3.03
RSS	3.50	3.00	3.00	2.50	2.00	2.00	2.67
FFL	4.00	3.33	2.33	3.00	1.33	1.66	2.61
Average	3.63	2.97	2.82	2.74	2.10	2.24	2.75

Notes: Ratings are 1=Poor; 2=Modest; 3=Good; and 4=Excellent. CBO=Central Bank Operations, FSR=Financial Sector Regulations, MPO=Monetary and Policy operations, PFM=Public Financial Management, RAD=Revenue Administration (includes Tax and Customs Administration), RSS=Real Sector Statistics and FFF=Financial Fiscal Law. For comparison with other Tables and Graphs purposes: BSR=CBO+FSR. No Financial Market Infrastructure (FMI) CD activity was sampled.

10. **Overall, the scores over the sampled Objectives reveal a positive AFS performance in the delivery of CD services, achieving an average rating of 2.75 overall and 2.74 or above in four out of the six criteria (Relevance, Coherence, Effectiveness and Efficiency)**. Performance was rated exceptionally high for Relevance (3.66 out of 4), and lowest for Impact and Sustainability (2.10 and 2.24 respectively). Results are consistent with the perceptions obtained from the Online Survey: the high praise for Relevance and the worrying views about the impact and sustainability of AFS services.[14]

11. **In terms of funding programs, Central Bank Operations and Revenue Administration achieved the highest scores, while Financial Sector Regulations and Financial and Fiscal Law obtained the lowest ratings**. CBO has benefited from a mix of steady professional staff and less political but rather technical work on monetary policy forecasting at Central Banks. FSR and FFL, however, have been affected by a lagged and unequal pace in implementing medium-term agendas delayed during the pandemics such as: the adoption of Basel II regulations by all AFS countries,[15] postponed by short-term

[12] The List of 14 sampled Objectives is as follows: 1 = Comprehensive, credible and policy-based budget preparation; 2 = Improved budget execution and control; 3 = Improved coverage and quality of fiscal reporting; 4 = Strengthened identification, monitoring and reporting of fiscal risks; 5 = Improved Customs administration core functions; 6 = Strengthened revenue administration management and governance; 7 = Strengthened core tax administration functions; 8 = Strengthened capacity of the Central Bank to implement monetary policy effectively; 9 = Improved economic analysis and forecasting capabilities at the Central Bank; 10 = Ensured capacity of the Central Bank to effectively communicate in order to fulfil its monetary policy mandate; 11 = Banks have strong capital and liquidity positions that adequately cover their risks; 12 = Implement risk-based supervision system and upgrade of other supervisory processes; 13 = Improved tax system by new or amended tax legal framework; and 14 = Strengthened compilation and dissemination of data on macroeconomic and financial statistics.

[13] As Annex II has the individual scores of each DAC criteria by country and objective, the latest can easily be grouped so as to find their average per funding program and by country. Annex II on the Notebook contains their justification and is also available to the interested reader.

[14] Interestingly, the previous AFS evaluation also had Relevance (3.7) and Sustainability (3.1) at the two extremes of the ratings, adding that "it was too early to judge the last criterion for a significant proportion of projects that are still to be implemented."

[15] While Botswana has completed implementation of Basel II, Madagascar is still planning to move on it. Comoros and Angola are working on it. Angola has implemented pillar 1 (minimum capital requirements) but is still working on pillars 2 (supervision) and 3 (market discipline and disclosure requirements) (LTX and Backstoppers, AFS/IMF, 07/01/21).

CD activities on stress testing and crisis management; or the passing of modern Central Bank laws/regulations, which requires extensive TA and faces political constraints.

12. **Two general findings were noticeable.** Full data can be found in Annex VIII and Annex II.

- ***A fragile state status does not always make a difference in terms of performance on DAC criteria*.** Despite benefitting from the higher number of missions among AFS countries in FY20 and FY21, fragile countries differ in terms of their ratings: e.g. some featuring a low score on sustainability are hampered not only by scarce skilled staff but by logistical shortcomings such as: poor access to internet and energy (LTX, MCM, 08/10/21). Others, however, show a higher score.
- ***CD activities supported by IMF-Surveillance tend to be prioritized but do not ensure per se a satisfactory level of achievement across all DAC criteria*.** A marked contrast was found between the achievement of countries that have benefitted from an IMF program during Phase II.

13. **Following the landscape over AFS performance, detailed scores, key strengths and weaknesses, and lessons learned by funding programs from case studies are shown below (*see also Annex VIII*)**.

2.2.2. Relevance

14. **The AFS program's Relevance is rated as Excellent, based on the results of interviews, the Online Survey and an analysis of budget allocations**.

15. Key strengths and weaknesses Our interviews revealed that a big majority of CD sampled objectives were duly derived from capacity gaps identified by diagnostic studies done by the Authorities, IMF surveillance/programs, or other partners/institutions like PEFA, Basel II requirements, studies on Open Budget, etc. These diagnostics have informed the AFS program and the annual workplans, before being translated into specific CD requests by countries and eventually become the core of comprehensive medium-term reform strategies supported by IMF departments (FAD, MCM, STA or LEG). Thus, AFS has positioned itself not only as a CD provider at the provision of core TA services in certain technical areas for member countries, but as a CD coordinating body with IMF departments or other donors at adjusting CDs' priorities to changing circumstances. Results from the Online Survey also endorse our rating: the perceptions of the three groups of respondents were overwhelmingly positive for Relevance (91-100 percent). However, despite these positive views, some Authorities still find some AFS outcomes not to be representative of the medium-term goals of their reforms (SC member, AFS, 07/29/21). This impression is examined in more detail in Chapter III.

Table 5: FY20 Resource Allocation, by country and by topic (in full-time equivalent years)

Beneficiary Country	BSR	Customs	FFL	FMI	MFXMO	PFM	RSS	Tax	Other 1/	Total
Regional 2/	0.74	0.93	0.00	0.28	0.58	2.32	1.57	0.84	0.17	7.43
Angola	0.00	0.11	0.23	0.00	0.14	0.18	0.18	0.19	0.00	1.03
Botswana	0.04	0.10	0.14	0.00	0.21	0.30	0.07	0.08	0.00	0.94
Comoros	0.02	0.16	0.00	0.02	0.02	0.43	0.27	0.20	0.01	1.11
Eswatini	0.03	0.13	0.15	0.07	0.00	0.26	0.13	0.17	0.01	0.94
Lesotho	0.01	0.08	0.00	0.08	0.00	0.69	0.07	0.11	0.01	1.05
Madagascar	0.06	0.33	0.05	0.00	0.08	0.68	0.04	0.41	0.01	1.66
Mauritius	0.09	0.11	0.00	0.02	0.16	0.41	0.01	0.06	0.00	0.86
Mozambique	0.00	0.00	0.00	0.00	0.00	0.14	0.12	0.00	0.00	0.26
Namibia	0.00	0.15	0.00	0.06	0.00	0.00	0.12	0.00	0.00	0.33
Seychelles	0.05	0.08	0.00	0.00	0.00	0.28	0.13	0.15	0.01	0.70
South Africa	0.07	0.00	0.00	0.00	0.00	0.07	0.06	0.14	0.02	0.36
Zambia	0.00	0.15	0.00	0.07	0.14	0.03	0.03	0.06	0.00	0.48
Zimbabwe	0.00	0.21	0.00	0.00	0.00	0.19	0.14	0.34	0.00	0.89
Grand Total	**1.12**	**2.54**	**0.56**	**0.59**	**1.33**	**5.98**	**2.93**	**2.74**	**0.24**	**18.0**
Fragile Countries	0.25	0.90	0.05	0.08	0.23	1.84	0.81	1.14	0.06	5.37
Share	22%	36%	9%	14%	17%	31%	28%	42%	25%	30%

1/ Includes ICD-led macroeconomic training courses and outreaches to AFS countries.
2/ Includes regional and sub-regional seminars, customized workshops, and peer learning activities.

16. **Moreover, a resource allocation analysis confirmed that *ex-ante* budget allocation of AFS resources per funding program responded well to country needs, pre- and during COVID-19**. Indeed, the *ex-ante* budget allocation of resources in FY20 and FY21 were fairly consistent with Phase II allocations agreed with AFS countries (*in italics*) (AFS, RTAC Phase II, 2017).

- **Pre-COVID-19, in decreasing order, PFM received the largest share (33.2 percent *vs 31.6 percent*)** (*Table 6*). It was followed by RSS (16.2 percent *vs 15.1 percent*), TADM (15.2 percent *vs 12.6 percent*), CADM (14.1 percent *vs 13.4 percent*), MPO (7.3 percent *vs 10.4 percent*), BSR (6.2 percent *vs 9.6 percent*), FMI (3.3 percent *vs 4.9 percent*), and FFL (3.1 percent *vs 2.4 percent*).
- **During COVID-19, the composition of FY21 AFS budget per funding program also had minor deviations with respect to Phase II allocations**. The shares for PFM, RSS, TADM, CADM, MPO, FSR, FMI and FFL were: 30.9; 15.5; 12.7; 12.7; 10.9; 10.0; 6.4 and 0.9 percent (*see Annex VI*).
- ***Looking forward, however, a thorough review of budget allocations per funding program is unavoidable during Phase III for the sake of Relevance.*** There are three reasons for this: (i) the move from in-person to virtual missions with significant cost-savings during the pandemic, (ii) AFS' decision to increase budget to fragile countries, and (iii) the gradual introduction of CD activities addressing new global topics whose programs of CD activities are not fully developed yet (see discussion below). Hence, past steady shares in budget composition per funding program during Phase II will not necessarily generate an optimal allocation of resources in Phase III.

17. Lessons Learned: ***Funding programs find highest relevance when supported by national development plans and/or comprehensive diagnostic studies made upfront*.** Examples are included below.

- **PFM: CD aimed at producing Comprehensive, Credible and Policy-Based Budgeting. The Relevance of most CD objectives/activities was high when considered among the top priorities of the Governments, like many PFM reform action plans at the onset of Phase II: e.g. Botswana (2017-2021), Comoros (2018)[16] and Madagascar (2016-25).** As part of them, the lack of credible Medium Term Fiscal Frameworks (MTFFs) for budget preparation was identified as a common shortcoming by AFS Secretariat for all AFS countries at the beginning of Phase II (AFS, Phase 2, 2017). During the pandemic, AFS has adapted its focus to help recalibrate the MTFFs (in some cases with EU support[17]), either to accompany the design of exceptional budget procedures or to carry on PIMAs.
- **PFM: CD aimed at improving Budget, Execution and Expenditure Controls. AFS CD services in some areas often derived from global (in this case PEFA) assessments.** These highlighted, *inter alia*, that existing cash management practices in the Government were ineffective, not enabling the financial authorities to exercise proper budget execution controls. A strength of their design in the regional context was that activities and TA reports were delivered by native-language speaker STXs and reports produced in their native language. Moreover, the last missions focused on how to tackle COVID-19 throughout exceptional budget execution processes. A weakness, however, according to the STX, was that the TA did not fully address the underlying issues of expenses made outside the system and without commitment controls.
- **CBO: CD aimed at improving Economic Analysis and Forecasting Capabilities at the Central Bank. The relevance of some CDs to respond to country needs varied over time, according to the commitment from authorities.** For example, one sampled country's request for developing a Forecasting and Policy Analysis System (FPAS) within a two-year period was included in AFS annual plan in 2015. The plan also included the establishment of an integrated process for macroeconomic monitoring, forecasting, and policy formulation (IMF 2018c). For another sampled country, monetary authorities considered the CD objective among the top priorities of the BoB as a valid tool for the institution to support independent and more informed macroeconomic outlooks and monetary policy decisions. In general, FPAS implementation has faced multiple shortages, such as a lack of advanced analytical capacities and skilled staff, thus hampering their effectiveness, efficiency and sustainability despite AFS technical assistance for several years. Follow-up missions, hands-on training, and coaching by AFS experts have also faced delays created by COVID-19 circumstances. Nowadays, small modelling teams continue FPAS implementation.

[16] PFM reform was a priority in the national consultations for the Comoros Country Strategy Note for CD Activities (CSN, 2018).
[17] The EU funded case relied on the support of a resident advisor working with the Ministry on PFM reforms (IMF 2019b, LTX and resident advisor).

- **RAD: CD aimed at strengthening core tax revenue administration functions were helpful, even if they did not prevent falls in revenue due to shocks.** AFS succeeded in supplementing the efforts required by National agencies of raising revenue in all four countries. More specifically, these targeted training and TA in core tax administration reforms: creation of large taxpayer units (LTUs), voluntary compliance, audit techniques, etc. Unfortunately, these reforms did not prevent marked falls in revenue due to the pandemic.

2.2.3. Coherence

18. Overall Score: **The AFS program's Coherence is rated as Good, based on the results of interviews.** In terms of funding programs, FFL, RAD (TAD+CADM) had the highest ratings and MPO and PFM the lowest. AFS CD activities are aimed at supporting other interventions, either by the Government, IMF departments in their surveillance/program (internal coherence) or development partners (external). In some cases, such as those from RSS, the CD interventions are aimed at producing high-quality national accounts statistics, which are then used for a variety of national/international policy purposes.

19. Key strengths and weaknesses: In design, CD services address medium-term priorities, like those referring to modernizing Tax and Customs administration or national statistics, as well as short-term needs like those arising from COVID-19 affecting public revenue or quarterly surveys. *In their implementation, however, the Evaluation Team observed cases with weaknesses arising from lack of coordination among Government agencies and with interventions by other DPs, whose status varies per country*. Some countries have a well-organized internal and external coordination. There is proper division of labor among government agencies, and donor-organized meetings every three months, where TA recommendations are shared, and a proper division of labor is set up. In other countries, however, internal coherence on reform appears modest. Internal fragmentation results in official agencies having little visibility on what the Government wants and decides. In some cases, external coherence may feature acceptable planning arising, for instance, from a donor-supported Plan, but its implementation may still be fragmented (LTX, PFM, 07/22/21).

20. Lessons Learned: ***Some funding programs benefit from having CDs linked to an IMF program, or to inter-agencies/donor interventions, thus reaching higher coherence*.** Examples are included below.

- **FFL: CD aimed at amending existing tax legal frameworks in accordance with international good practices**. **Given limited resources, internal coherence benefits from interlinkages between the CD project and other IMF or donor interventions**. In this regard, all interventions from the IMF Legal department respond to a Government's request, which favours upfront its relevance and internal coherence. However, given its limited staff working at the IMF Headquarters, ensuring interlinkages relies on a certain logic of prioritizing work in AFS countries according to the following criteria and in this order: (i) countries that do have an IMF program (especially if the legal changes are structural benchmarks or prior actions; (ii) existence of an ongoing TA program co-financed by another donor like the World Bank or AfDB; and (iii) degree of local capacity to absorb reforms (fragile countries that have less capacity may justify additional support) (STX, FAD/LEGAL, 09/02/21).[18]
- **CADM: CD aimed at iimproving Customs Administration Core Functions**. **Internal coherence gets enhanced by inter-agencies coordination.** At the onset of Phase II, AFS did an overall regional diagnostic for Customs Administration, which determined that a few countries needed a comprehensive change in Customs Strategic Leadership. For instance, the reform approach by one of the sampled countries has followed the road map made in a diagnostic study undertaken by the World Customs Organization (WCO) at the end of 2018. CD activities have been closely coordinated between the national Customs and Tax teams with WCO support, working closely with the AFS

[18] Botswana's CD activities followed the IMF recommendation to draft new fiscal tax laws. Comoros' reform of the Customs Code was enacted in 2016, but there was no IMF program involved. Madagascar's reform of the Customs Code is a component of the 2020 Revenue Mobilization Plan.

Customs and Tax administration experts to implement an overarching Compliance Risk Management (CRM) Framework in its Revenue Service (Backstopper, FAD, 07/18/21).

- **RSS: CD aimed at Strengthening Macroeconomic and Financial Statistics**. **External coherence is favoured by interlinkages between the CD project and other donor TA interventions**. The central objective for all AFS countries has remained the same as in Phase I, *de minimis* ensuring the updating of national accounts and price index, and their consistency with fiscal statistics systems. Coherence with other IMF interventions has varied. For instance, IMF-Article IV, 2020 and IMF-ECF, 2021 for one of the sampled countries fully endorsed CD activities supporting the Institute of Statistics. Hence, AFS work in this area has been focused on providing hands-on training and supplementation to staff, advocating for financial support for the statistical office, customizing TA and coordinating training delivery incremental implementation capable by the statistics office. Given its limited resources, AFS work has also benefitted from capacity building from the World Bank on Medium-Term Debt Management Capacity. Such a donor collaboration is rather the exception than the rule across the region.

2.2.4. Effectiveness

21. **Overall Score: The effectiveness of AFS CD activities is judged as Good based on the performance ratings of objectives, the results of the Online Survey and the interviews**. In terms of funding programs, RAD and MPO had the highest ratings, while FFL and FSR had the lowest.

22. **Key Strengths and Weaknesses:** Results show a mixed picture. On the one hand, 91-100 percent of respondents to the Online Survey of the three groups were overwhelmingly positive about Effectiveness. In the same vein, 12 out of the 14 objectives sampled have performance ratings of 'Good' to 'Excellent' (*Table 7*). Ratings include both those on medium-term outcomes and milestones (outputs). However, the evaluators noted two major findings with Effectiveness: (i) the low ratings of certain outcomes; and (ii) the persistent falling trend in the ratings of milestones during COVID-19.

Table 6: Effectiveness: Performance ratings for sampled objectives – (1-4 scale)

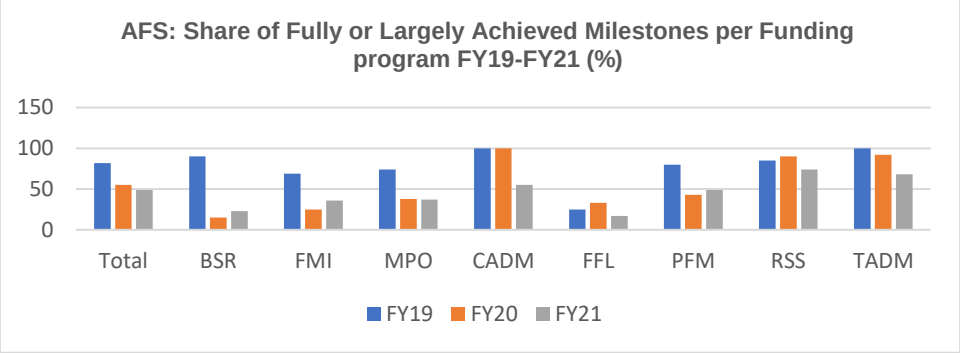
Objective	Score
1 = Comprehensive, credible and policy-based budget preparation	**2.75**
2 = Improved budget execution and control	**3**
3 = Improved coverage and quality of fiscal reporting	**3**
4 = Strengthened identification, monitoring and reporting of fiscal risks	**2.5**
5 = Improved customs administration core functions	**3**
6 = Strengthened revenue administration management and governance	**4**
7 = Strengthened core tax administration functions	**3**
8 = Strengthened capacity of the Central Bank to implement monetary policy effectively	**3**
9 = Improved economic analysis and forecasting capabilities at the Central Bank	**2.5**
10 = Ensured capacity of the Central Bank to effectively communicate to fulfil its monetary policy mandate	**4**
11 = Banks have strong capital and liquidity positions that adequately cover their risks	**1**
12 = Implement risk-based supervision system and upgrade of other supervisory processes	**3**
13 = Improved tax system by new or amended tax legal framework	**2.33**
14 = Strengthened compilation and dissemination of data on macroeconomic and financial statistics	**3**
TOTAL (Average)	**2.86**

Source: Cowater elaboration based on data provided by AFS Secretariat and as rated by LTXs.
Notes: Ratings are 1=Poor; 2=Modest; 3=Good; and 4=Excellent.

- A large majority of objectives (12 out of 14) feature 'Modest' scores for outcomes, compared to more positive scores for milestones (*see Annex IV*). Exceptions were: Strengthened Revenue Administration Management and Macroeconomic and Financial Statistics. While the outcomes can only be reached in the medium term, which would in principle justify their lower (and slow-mover) rating, the Online Survey and interviews at the entity level (*see Chapter III*) also revealed justified concerns by LTX, SC members and beneficiaries about the adequacy of existing outcomes in certain funding programs: *this would suggest the need to review these outcomes*.
- Pre-COVID-19 AFS level of achievement with milestones is remarkable, but its most recent falling trend during COVID-19 is worrying and should be reversed. *Figure 3* presents the results for each funding program at aggregate level and confirms that COVID-19 has had a significant negative

impact on AFS performance. Interviews noted though, as a valid justification, that this drop was temporary and could be explained by the shift in the authorities' priorities to crisis management, urgent data collection, compilation and methodological needs of countries. Though the number of activities during the pandemic has increased, they did not prevent delays in the level of achievement of milestones.[19] Our analysis complements the introductory analysis done on Chapter I. Main findings are as follows:

Table 7: AFS: Share of Fully or Largely Achieved Milestones per Funding program FY19-FY21 (%)



Source: Cowater elaboration based on data provided by AFS Secretariat.

- Pre-COVID-19, all funding programs had high levels of milestones achievement. Excepting FFL (24 percent) and newcomer FMI (68 percent), none showed ratings below 80 percent.
- In 2020, all funding programs saw significantly reduced level milestones with respect to 2019, in some case by more than half. In absolute terms: BSR, CADM, MPO, TADM and FMI were the most affected funding programs in decreasing order (see also Section III).
- In FY21, RSS, TADM, CADM and, to a lesser extent, PFM are the funding programs showing higher recovery in their level of achievement. Their scores might reflect some persistence in the implementation of medium-term reforms, a factor that is explored below.
- Other funding programs have also slightly improved their performance in FY21 with respect to FY20, but they are still far from their pre-COVID-19 levels: PFM, BSR, and FMI.

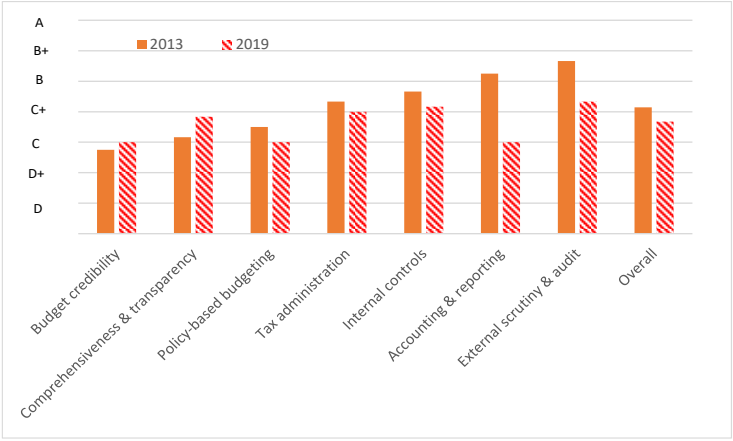
23. **Lessons Learned: *Effectiveness across funding programs does not always lead to value (results) for money and, depending on the context in which CD is provided, funding programs should consider linking budget allocations according to the results they obtain.***

- **PFM: Obtaining value for money does not seem to be the case in many areas of PFM reform.** During Phase II, the Public Expenditure and Financial Accountability (PEFA) scores deteriorated for many countries. For instance, Figure *4* has (PEFA) ratings for one of the sampled countries receiving strong AFS support in PFM: four out of its six PEFA indicators (mainly outcomes) deteriorated between 2013 and 2019; and its marginally improved scores on Credibility, Comprehensiveness and Transparency remained deficient (on or below C+). Similar disappointing results are found for many other AFS countries. Such results would suggest that in a Phase III context, where AFS faces three new challenges, a budget restructuring – approaching a PFM broad approach – is justified by several reasons: (i) budget savings from a new mix of in-person vs virtual missions, (ii) fragility-based priority allocations, and (iii) new needs arising from global topics (see Chapter III.) This provides clear justification to add the level of achievement as a valid parameter, and this should be considered in setting budget allocations.

[19] The Evaluation Team did not find whether new priorities, not contemplated under long-standing milestones, were set up, and met or unmet.

- **PFM: CD aimed at improving the coverage and quality of fiscal reporting**. AFS CD activities on this objective provide a good example of the previous finding. The achievement of concrete results in accounting and fiscal reporting lags behind significantly in many AFS countries. A common shortcoming is that CD activities tailored with AFS assistance were not designed to support a joint effort between the Office of the Accountant General (OAG) and the Budget Division. Despite the COVID-19 crisis, AFS managed to deliver two workshops on the chart of accounts, but progress is slow. In fragile states, more significant delays appear in the implementation of such reform, mainly due to the lack of skilled staff.

Figure 3: PEFA Ratings for one AFS sampled countries (2013-2019)



BSR: CD aimed at Banks having strong capital and liquidity positions that adequately cover their risks. A fragile sampled country has aimed to set-up an effective risk-based supervision (RBS) system as part of the upgrading and strengthening of its financial regulations during COVID-19. Work was preceded by a regional diagnostic done by AFS in 2017. But it only started in January 2021, as the financial sector was heavily hit by the pandemic. An AFS mission of the Banque de France performed an updated gap analysis that included an assessment of risk management practices. To do this, a total of four missions were conducted remotely by video conferences, as part of the response to COVID. This report was delivered in May 2021. In parallel, Authorities benefitted from webinars on the fundamentals of financial crisis management, crisis preparedness, banks resolution, licensing and cyber risk. The AFS program is moving stepwise but not without difficulties. During the pandemics, whereas the solvency of the banking system and status of prudential standards have remained relatively satisfactory, several weaknesses affect the overall profitability ratio of banks: this is due to their heavy operating costs and non-performing loans (NPLs) ratios at 12 percent of credit portfolios. Moreover, four institutions have been facing risks. While LTX experts are reviewing both outcomes and milestones, they are unsure whether the country will finally be able to reach its final outcome: a Risk-Based Supervision (RBS) system under implementation. In the meantime, progress on two milestones was somehow slow: banks were finalizing action plans to comply with their new requirements and Central Bank staff were preparing manuals for RBS so as carry on inspections (LTX, MCM, 07/20/21).

2.2.5. Efficiency

24. **Overall Score: The efficiency of AFS CD activities is judged as 'Good' based on the results of the Online Survey, an analysis of STX daily unit costs, the assessment from beneficiaries on seminars, the budget execution ratios, and the interviews.** In terms of funding programs, CBO and FFL had the highest ratings, while FSR and RSS had the lowest.

25. **Key Strengths and Weaknesses: All three Groups of the Online Survey pointed to high – 58 to 76 percent – (i.e. Highly Satisfactory or Satisfactory) ratings of cost-efficiency of AFS services and an analysis of STX daily unit costs revealed positive findings (*Table 8*):** (i) until FY19 (Pre-COVID-19), most funding programs appeared to be making efforts to cut down STX daily costs; (ii) in FY21, because of travel restrictions, those daily costs were significantly reduced by almost half with respect to FY2018; (iii) the cuts in daily cost vary, with those from FFL being the ones that had the biggest cut in absolute terms; and (iv) there is wide dispersion – in some cases by more than half – in the daily cost of STXs, with those of FFL and BSR at the top, and RSS at the bottom. *The latest finding suggests the need to examine why some STX daily costs are larger than others and suggest room for STX fees adjustment. This is more important for four funding programs whose budget in Phase II – in the order PFM, TADM, CADM and MPO – included a bigger share for STXs than for LTXs (See Annex VI).*

Table 8: AFS Phase II – STX Mission Average Daily Cost (in USD):

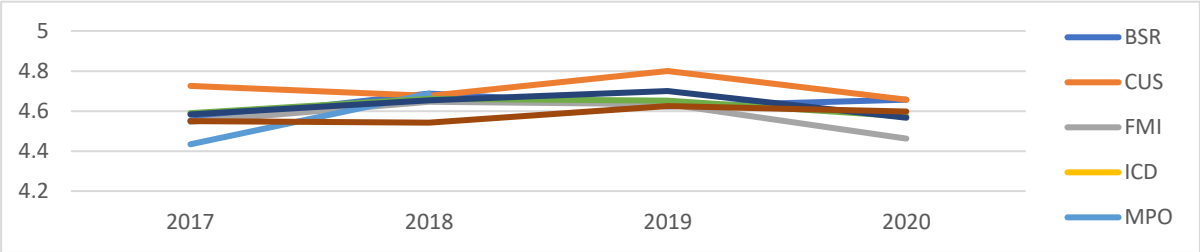
AFRITAC South Phase II – STX Mission Average Daily Cost (in USD)**				
Project ID	**FY18**	**FY19**	**FY20**	**FY21**
PFM_AFS_2018_02	1,520	1,232	1,314	686
CADM_AFS_2018_02	1,225	1,395	1,432	844
TADM_AFS_2018_02	1,525	1,380	1,156	850
BSR_AFS_2018_02	1,453	1,278	1,332	958
MPO_AFS_2018_02	1,688	1,209	1,182	-
FMI_AFS_2018_02	333*	976	1,377	763
RSS_AFS_2018_02	1,073	1,028	1,166	642
FFL_AFS_2018_02	2,736	2,077	2,490	1,278
All Projects	**1,456**	**1,276**	**1,302**	**781**

Source: IMF and AFS Secretariat. Notes: *This number is low because the expense total included two delayed refunds from the previous phase (if refunds were excluded, the average number would be $738). From an accounting perspective, it is common for missions from the previous year to have an impact on the expenses of the following year due to over/under accruals or delayed refunds.
** Daily Average = Total Expenses1//Total Mission Days2/. 1/ All expenses associated with Activity STX_DELIVERY, including personnel costs and transportation. 2/ All materialized missions with delivery mechanism STX.

26. **Another dimension of efficiency is quality**. The Evaluation Team also explored those services the ratings from participants in AFS seminars and courses. Between FY17-20, AFS completed a total of 50 seminar/courses region-wide. Good ratings were consistently high during Phase II: the overall AFS average rating was 4.56 for FY17, 4.66 for FY18, 4.67 for FY19 and 4.60 in FY20. *Figure 5* shows the individual ratings per funding program. Customs Administration and Banking Sector Regulations are notable for their higher scores; and conversely, FMI has a slightly lower score by end-period.

27. **A third efficiency indicator is the budget execution ratio for delivery of CD services, which shows significant underruns during COVID-19 coupled with operational savings.** The overview of budget execution ratios during Phase II in Chapter I showed two periods. Contrary to FY18 and FY19 featuring budget execution above 90 percent of budgeted expenditure, the last two fiscal years showed a significant budget under-execution: 79 and 46 percent for FY20 and FY21 respectively. During the pandemic, it is clear that in-person mission cancellations and postponements mainly explain such underruns, which would have reflected inefficiencies had they not been offset by virtual meetings, lower consultant costs and a higher number of CD activities. Chapter III expands this analysis.

Figure 4: AFS Ratings by Seminar Beneficiaries FY17-FY20 (1-5 scale)



Source: AFS Secretariat

28. **Lessons Learned: *Certain funding programs reveal cases of mixed results: high effectiveness combined with low cost-efficiency of the inputs for CD services provided, and thus having room for improvement*.** In this regard, some AFS RTACs have already started to restructure their mix of regional vs non-regional experts, and in-person vs virtual missions. An example is included below.

- **TADM: CD aimed at strengthened Revenue Management and Governance.** AFS support to the tax administration reform in one sampled country presents an interesting case study during 2018-21. In 2018, the former LTX did a valuable handover to the current LTX. Afterwards, CD activities were delivered by two native-speaking STXs, with a strong international reputation, and applying a methodology that had been well tried and tested in other country contexts. Excepting the first mission, both STXs implemented CD activities without the participation of the LTX or IMF-HQ staff (LTX, FAD, 06/29/21). A timely report was delivered and both

outcomes/milestones showed a high level of achievement in setting up a project management office. Out of the nine missions – 170 mission days – held for this activity, six were sampled for in-depth analysis. Two-thirds of the missions were in-person and one-third remote. The number of days per STX in missions varied between three and 20. The average number of STX days per in-person mission was 17 (slightly over the standard two weeks). Hence, from the viewpoint of effectiveness, the CD provided under this program was delivered quite effectively. However, when looking at efficiency, the allocation 170 mission days on this objective/country is high compared to a similar activity held in other AFS countries (see Annex VI and VIII). The interviewee acknowledged that more missions could have been delivered remotely (LTX, FAD, 09/07/21).

2.2.6. Impact

29. **Overall Score: The impact of AFS CD activities – including the extent to which the program addressed COVID-19 and the global topics – is judged as 'Modest', based primarily on the results of the Online Survey and the Interviews**. Impact, therefore, obtained the least positive rating among all DAC criteria, with all funding programs scoring similarly.

- Only 18 to 48 percent of beneficiaries (Group 3) reported a 'Highly Satisfactory' or 'Satisfactory' improvement in their countries' situation. Much of the reason for this could be the intended association of AFS programs with the countries' response to the pandemic. Indeed, barely 15 to 33 percent of beneficiaries approved AFS response to COVID-19. Their observations on AFS intervention ranged from slow reaction to the crisis to a lack of clear guidelines to face the crisis. In response, AFS Authorities acknowledge that it took them a few months to obtain clear guidance from IMF-HQ on how to address the pandemic but noted that all RTACs faced the same challenge. A more detailed discussion of how the Authorities adjusted to COVID-19 is included in Chapter III.
- Five out of seven funding programs, and 13 out of the 14 objectives sampled, obtained ratings on or below 2.5 ('Modest') based on the interviews (*Annex II*).

30. **Key Strengths and Weaknesses: The Evaluation Team noticed that some beneficiaries mixed up their perception about the impact of CD delivery with the impact of IMF financial support during the pandemic.** We explored statements (extracted from the interviews with beneficiaries) that AFS CD services were delivered with a delay during 2020 in response to COVID-19 and only mildly contributed to alleviating the deep recession endured. In so doing, we verified that (i) all countries in the sample, except Botswana, received some kind of financial support from the IMF: Rapid Credit Facilities in the case of Comoros and Madagascar, and Extended Credit Facility (EFF) in the case of Angola and Madagascar; (ii) the size of their fiscal response, combining fiscal support and liquidity facilities and measured as a percentage of GDP was quite similar and rather small (below 2 percent of GDP), except Comoros (below 3 percent of GDP);[20] and (iii) among the four sampled countries, those featuring the highest GDP growth rebound in 2021 were (in this order): Botswana (who did not receive IMF support), Madagascar, Comoros and Angola. *Hence, while some AFS beneficiaries might have expected a more proactive countercyclical role from AFS CD services, their wrong association with the small role played by IMF lending or surveillance activities might partially explain their low scores on Impact. Instead, beneficiaries should draw a clear distinction for AFS CD activities that only indirectly could have had a minor impact in the design of AFS countercyclical policies*.

31. **Two other weaknesses explain our low score in impact and justify that CD design should be improved around a clear 'theory of change', which takes account of the interests of a broader group of stakeholders and potential impediments to implementation and success**:

- **First, an important factor, according to IMF back-stoppers, is that there is a fundamental difference in the degree of commitment to comply with TA recommendations and adopt its measures between countries having an IMF program (so-called CD-surveillance) and countries**

[20] Among AFS countries, only the fiscal responses measures applied in Mauritius and the Seychelles, which are small island countries highly dependent on tourism activities, amounted to 9.2 and 6.6 percent of GDP respectively. South Africa's budget support response was nearly 6 percent.

not having it (Back-stoppers, IMF, 07/19/21 and 07/20/21). Indeed, CD activities face a not always favourable institutional environment, which promotes (or impedes) a rapid translation of the benefits of CD activities and TA recommendations into visible reforms. A main reason for this is the political economy of the specific reforms involved. Multiple examples were collected from our interviews across many funding programs. In response, SC members acknowledged some limitations on the impact that CD activities may achieve: "Experts are good at telling you what to do, but we also need them to let us know how to do it given the constraints of the political context." "AFS features cases where a sampled country decided to privatize, and a dedicated agency was created, but such institution never got traction, as vested interests have impeded any selling. In fact, technical reforms, like producing forecasting models, are easier to implement" (SC member, AFS, 07/29/21).

- **Second, some lack of ownership (or degree of clearly defined) outcomes, particularly related to the emerging global topics**. In general, minor progress on the work related to the five global topics – good governance and anti-corruption, climate change, gender, digitalisation and financial inclusion – indirectly affects CDs' impact, as beneficiaries and SC members find it difficult to perceive their related changes (Beneficiaries, 08/03/21 and SC, 07/29/21). Notably, the small impact associated with the emergence of global topics should come as no surprise, given their initial diagnostic stage among AFS priorities.[21] In preparation to Phase III, however, the move toward each of the global topics should define explicit objectives, outcomes and milestones targeted on a country-by-country basis. Their definition will not only help assess their effectiveness but also their impact. Moreover, a related question is whether AFS resources are sufficiently adapted to the new and changing priorities, and how these should modify the size and composition of AFS budget. These topics are explored in more detail in Chapter 3.

32. Lessons Learned: ***Some funding programs face more severe institutional constraints than others, and this affects the impact of CD services.*** For instance, despite all AFS countries have actively engaged in FSR reform requiring the adoption of Basel II criteria on financial supervision, PFM reforms face higher political risks, including those on budget transparency and control. Examples are included below.

- **FSR: CD aiming at strengthening banks' capital and liquidity positions. All countries are at a different pace in adopting Basel II requirements.** For instance, while some countries have successfully completed the implementation of Basel II and are early-movers to Basel III, other countries are still planning to move into it with no AFS engagement so far. In between, many AFS countries have started assessing the regulatory framework so as to prepare a plan, whereas others have been in the process of implementing Basel II since Phase I, in a long process that remains inconclusive due to political economy constraints (LTX, MCM, 08/17/21). In a sampled country, for instance, whereas Article IVs have consistently made a key recommendation to strengthen financial sector resilience, two missions were carried out in 2018.
- **PFM: CD aiming at producing Comprehensible, Credible and Policy-based Budgeting.** All AFS countries have received extensive AFS support on PFM activities, not always with a tangible impact. In one of these sampled countries, one of the major CD projects was the completion of a PIMA in 2021. AFS provided strong hands-on support with a focus on reforming project appraisal, selection, and monitoring. Moreover, AFS was instrumental to the design of a project implementation capacity development plan and a project risks analysis assessment methodology. PIMA costs were not insignificant though: 10 non-regional experts engaged in the CD activities with a total cost of 69 days, including the PIM assessment and three follow-up missions. Despite all of these efforts, as it has also often been the case region-wide, swift completion of PIMAs has not prevented stalling of the passing of required regulations as well as the implementation of key

[21] According to LTXs, work on good governance and anti-corruption started well before 2019, as part of PFM work. Ditto for digitalization and financial inclusion, which have been developed in tandem with the development of IT infrastructure. Work on climate change and gender is recent but evolving quite rapidly. IMF/AFS planned to have all diagnostic studies referring to the global topics concluded by end-2021. See Chapter 3, Section 2.4.3

recommendations like the creation of a central unit for PIM at the Ministry of Finance (LTX, FAD, 07/15/21).

- **PFM: CD aiming at strengthening Identification, Monitoring and Reporting of Fiscal Risks**. Following the pandemic, identifying and minimizing fiscal risks has become a major priority. In many AFS countries, however, its implementation reflects serious shortcomings in the institutional environment: the absence of a strong reform champion and weak political commitment to complete reforms, thus limiting their possible (if any) fiscal impact. Indeed, there are cases where the Ministry of Finance initially supported preparing a Fiscal Risk Statement (FRS), but later it was hesitant to send it before the Parliament, fearing that Parliamentarians could overreact to its initial findings and demand additional information (LTX, PFM, 06/22/21).

2.2.7. Sustainability

33. Overall Score: **The Sustainability of AFS CD activities is judged as 'Modest' based on the results of the Online Survey and interviews**. In sum, only three out of the 14 objectives sampled have performance ratings on sustainability of 'Good' to 'Excellent' (Annex II). In terms of funding programs, MPO had the highest ratings, while FSR and FFL had the lowest.

34. Key Strengths and Weaknesses: **The main barriers to sustainability as highlighted by respondents of Group 2 (LTX, STX and IMF back-stoppers) to the Online Survey are next**: lack of skilled staff and capacity to retain them/rotation (31 percent), insufficient support and organizational capacity in target institutions (17 percent each), lack of focus on sustaining CD recommendations (13 percent), and insufficient budget for CD and follow-up activities (9 percent).

35. **Interviewees corroborated as major factors affecting sustainability**:

- *Lack of local absorption capacity*. "Some countries get overloaded with CD activities and reform proposals. And this seems to be the case of fragile countries." (SC member, AFS, 07/29/21). Others have IT limitations. A concrete example of significant delays, more than two years, was seen in the completion of an Economic Climate Survey due to over-reliance on the STX and poor software (STX, MPO, 07/15/21).
- *High staff rotation and/or removal of key staff in certain agencies*. "You can have great experts, but if the local team changes, knowledge is lost and nothing will happen, thus significantly delaying work." This risk was clearly highlighted by all LTX related to Statistical agencies and, to a lesser extent, Tax and Customs administrations; but "it does not apply to staff at the Central Banks and Ministries of Finance, who tend to be steadier" (LTX, STA, 07/21/21 and 07/19/21).
- *Short supply of highly skilled staff combined with numerous lowly skilled at Statistical agencies*. AFS countries are short of statisticians. "Once a young staff [member] starts excelling at our institution (INSTAT), the Central Bank or Ministry of Finance come and hire him/her. Only competent salaries allow to attract sound professionals. Given their higher salaries, this risk is lower in Central Banks and Ministries of Finance than in Institutes of Statistics" (TAB, STA, 08/12/21).
- *COVID*-19 particularly affected sustainability, as achievement of many milestones was delayed due to counterpart staff assigned to more pressing tasks (LTX, STA, 07/19/21).

36**. IMF staff also underscored that the lack of follow-up measures is hindering the sustainability of CD activities in the medium term.** At present, the implementation of follow-up measures is absent. As a general rule, once AFS intervenes, LTX and STX work on a "willing seller, willing buyer" principle, interacting with their technical counterparts to design and carry on CD activities that meet a perceived need but are actually not designed to address root causes that affect their sustainability, including weak capacity. Hence, AFS focuses its work on *ex-ante* interventions, which preclude *ex-post* actions to ensure the absorption capacity required to sustain change of their counterparts.

37. Lessons learned: ***Certain funding programs are more handicapped than others in terms of counterpart's absorption capacity, which would justify assigning additional resources to them***. Interviewees agreed that while Central Banks and tax agencies do tend to have high-quality staff, RSS

works with counterpart agencies that are usually underfunded and partly rely on volatile donors' complementary grants for surveys. *In addition, fragile countries have very low absorption capacity not only in terms of staff but of resources, technology and energy inputs.* An example is included below.

- **MPO. CD aimed at strengthening the capacity of the Central Banks to implement monetary policy effectively**. This is a case where AFS has successfully tailored CD activities to the context of member countries. Indeed, AFS has had to accommodate its support to the existence of different monetary policy (MP) regimes (Angola: Reserve money target; Botswana: Crawling-peg; Comoros: Peg to the Euro; and Madagascar: Move to interest rate targeting). AFS has succeeded in providing customized CD activities: operational framework, instruments and effectiveness of the MP regime, foreign exchange policy and implementation, liquidity forecasting and management, transmission mechanisms, etc.. For sustainability of reforms, an element worth improving in some cases is a good coordination of liquidity with cash management between monetary and fiscal operations: This requires a good forecasting framework and staff skills, and a sound institutional relationship (LTX, MCM, 07/12/21).
- **RSS: CD aimed at strengthening macroeconomic and financial statistics.** The regional view offers contrasting examples. Only a few countries consider their Statistical agency as one of the best technical and professional institutions in the country, with sufficient capacity to sustain the effort of the CD project over time. In exchange, most countries feature scarce and low-skilled staff due to: low salaries and unsteady jobs; recruitment taking several months; long training periods (which delays start-up of actual work by new staff); continuous staff rotation that prevents learning accumulation/sharing; and too strong reliance on external consultants, which fosters dependency and reduces knowledge when a donor project ends (LTX, STA, 06/28/21). The lack of a permanent structural solution to train statisticians is another hurdle. Yet other RTAC-participant countries feature, for instance, one-two year university diplomas on Statistics agreed with local institutions. Moreover, staff often see their work program continuously modified/overburdened with too many activities, which has resulted in continuous delays, especially post-COVID-19. Lastly, many Statistical agencies feature no real (even functional) autonomy, with political constraints often preventing the publication of their work or their inclusion in policy decisions.

2.3 Conclusions and Recommendations

37. **Conclusion 1.1.** Despite facing an overwhelming shock with COVID-19, AFS has performed effectively in delivering CD services that flexibly respond to its changing country's specific needs and this justifies its plans to expand the scale of its services in Phase III. The average score for AFS services is 'Good' across the six DAC criteria. 'Good' to 'Excellent' results are found for Relevance, Coherence, Effectiveness and Efficiency; and 'Modest' for Impact and Sustainability. In terms of funding programs, Central Bank Operations and Revenue administration have the highest scores, while Financial Sector Regulations and Financial and Fiscal Law obtain the lowest.

38. **Conclusion 1.2.** **High scores in Relevance and Coherence of CD services point to a broadly appropriate diagnostic approach and scope of services provided by AFS, their internal and external coherence, and their comparative advantages in terms of expertise.** However, given the move from in-person to virtual missions, the decision to increase support to fragile countries, and the shift toward new global topics, a thorough review and adjustments are necessary in the AFS budget to reflect new and rapidly changing priorities. Relevance has benefitted from the good practice of initially doing diagnostic studies of capacity gaps, later endorsed by the Authorities, and later fielding scoping missions before translating them into specific CD requests by countries. Coherence has benefitted from a deliberate effort to coordinate CD services with other interventions, either internal by the Government or by IMF departments, or with external (donors). Another question about the Relevance and Coherence of AFS services relates to the COVID-19 working environment and its changing needs;

this has brought a new landscape in terms of short-term and emerging global priorities for AFS countries.

39. **Recommendation 1.** ***Budget allocations per funding program should be reviewed, fine-tuning them to changing country needs post-pandemic, including fragility and global topics, and linking them to the top-down approach to the medium-term budgeting workplan process at HQ for IMF CDs.*** The latter would ensure that a percentage of the departmental budget remains as unallocated, in order to cater for pilot CD engagements or emerging projects. In addition, (i) consider narrowing PFM (and perhaps RSS) portfolios, whose scope of support remains too broad and where its performance in multiple areas has not been successful;[22] (ii) assign an initial proportion – say 5 percent – of the budget to pilot CD activities supporting global priorities; and (iii) leave a proportion of the budget – say 10 percent – unallocated at the start of every year and assign this budget in the second quarter to any emerging projects with special needs or to projects that are ahead of schedule.

40. **Conclusion 2. The effectiveness of AFS CD activities is judged as 'Good' but two major issues should be addressed: the persistently lower ratings of outcomes than those of milestones (outputs) and the falling trend in compliance with milestones during COVID-19.** Medium-term outcomes respond, in general, to regional commitments in global rankings, like PEFA, Basel II or national accounts requirements: their 'Modest' scores are mostly lower than those for milestones and show little if any change during Phase II, and some of these outcomes have not necessarily been endorsed by all Authorities (SC member, AFS, 07/29/21, and DP Representatives, AFS, 08/04/21 and 08/11/21). Moreover, the level of achievement with milestones has deteriorated during COVID-19 for all funding programs with no exception: this is a sizable but justified trend due to the intentional shift toward more pressing CD activities related to the emergency, and it should be reversed. In absolute terms, BSR, CADM, MPO, TADM and FMI (in decreasing order) have been the most affected funding programs.

41. **Recommendation 2.** ***AFS, supported by IMF-HQ, should carefully review the outcomes and milestones of the AFS RBM logframes in Phase III.*** A thorough review is justified, due to the possibility of having outdated and some 'sticky' outcomes (like those from PEFA), together with unrealistic milestones and overestimating the Authorities' capacity to meet these milestones post-pandemic. The falling trends in milestones compliance makes this review task urgent. Our understanding is that MCM has already started this exercise. A review of this kind should be done in consultation with Authorities and donors involved in certain CD activities, so as to improve their ownership in setting the targets. Such a review should also clearly set the definition and methodological criteria of each indicator, as these criteria are essential for facilitating a regular and transparent monitoring of target results.

42. **Conclusion 3. The efficiency of AFS CD activities is judged as 'Good'** based on respondents' positive perceptions of the Online Survey, the high scores of participants for the quality of seminars, and the analysis of the daily cost of STX per day, which revealed Pre-COVID-19 efforts by funding programs to compress them, reinforced by the move to virtual missions post-pandemic. The analysis also found a wide dispersion among funding programs, in some cases by more than half, with those experts of FFL and BSR at the top, and those of RSS at the bottom; this suggests that unit costs could still be further reduced through a review of STX fees and a rebalancing of the mix between in-person/virtual missions. The move to virtual meetings did not prevent AFS from raising the number of CD missions held and this move even increased the number of participants in their events

43. **Recommendation 3.** ***As AFS does not set STX salaries and therefore cannot unilaterally adjust STX daily fees, especially if the same STXs work for other RTACs, IMF-HQ should review and, if possible, adjust STX daily fees in their hiring policy, in order to reduce their dispersion.*** Any such adjustment should acknowledge their professional background and international salary scales that justify different levels of remuneration. The review of AFS STX mission fees is actually more important for the four

[22] For instance, region-wide PFM work could mainly focus on three (Track 1) areas: medium-term macro-fiscal budgeting, Treasury and cash management. Once progress is significant, this work could selectively move to more complex areas like accounting, auditing and monitoring of fiscal risks (track 2). RSS could also just concentrate on track 1 activities: GDP rebasing and CPI updates. For track 2 activities, support from other DPs should be explored.

funding programs whose budget in Phase II — in the order PFM, TADM, CADM and MPO — included a bigger share for STXs than for LTXs.

44. Conclusion 4. **Impact was the DAC criterion that obtained our lowest score (2.1 out of 4) and two main reasons explain such a low rating. First, a not always favorable institutional environment fostering a rapid translation of the benefits of CD activities into visible structural change. Second, the rather preliminary work related to the emerging global topics, which still is for most of them at the diagnostic stage and is missing well-defined outcomes and milestones.** *The institutional environment appears closely related to political economy issues that affect the implementation of reforms. In this regard, the team found that "the reasons for lagging at implementing TA recommendations are only evaluated by AFS informally, often missing the point at identifying the exact political economy constraints (e.g. examples of a Pension Office Director and several Chairmen of the Institute of Statistics)" (Back-stoppers, FAD, 07/19/21, and LTX, STA, 07/21/21). In addition, the Evaluation Team discarded misperception among beneficiaries about the presumed low impact of AFS CD activities, indirectly associated with the IMF role, on the economic rebound post-COVID-19.*

45. Recommendation 4. ***AFS should have a more formal approach at identifying political economy constraints that may prevent/delay the implementation of CD-related recommendations[23] and explore whether CD activities could be integrated with IMF Surveillance so as to remove these constraints. Regarding the global topics, as soon as diagnostic studies are concluded, AFS should collaborate with the respective departments at IMF-HQ in order to define proper country-based outcomes and milestones on the RBM catalog that would justify the budget allocated to CD services supporting them.*** Political economy constraints can be split into: (i) vested interests against reform implementation; (ii) electoral environments opposed to breaking the status quo; or (iii) absence of or low leverage from reform champions to make regulatory changes or obtain a sufficient budget. The definition of global topics indicators should start by setting proper baselines. While AFS CD services are different from IMF programs, selected CD missions could link to earlier recommendations or structural benchmarks from IMF programs on selected outcomes or milestones. In this way, so-called CD-surveillance integration would facilitate their follow-up and contribute to the removal of barriers to progress on reforms. A typical example is CD-related to FFL work: in general, TA provided by the legal department often joins IMF missions and sets up specific program conditionalities, e.g. Preparation of Customs or Tax Codes/laws.

46. Conclusion 5. **With the second lowest score, Sustainability reflects factors in member countries and recipient institutions that impede its achievement, and with lowest ratings featured in fragile countries.** Pre-COVID-19 these factors are: (i) a lack of skilled staff and capacity to retain them, (ii) insufficient support and organizational capacity in target institutions, and (iii) a lack of focus on follow-up activities (due to overburdened staff) or an insufficient budget. Moreover, post-COVID-19, a marked shift in staff priorities delayed implementation of CD recommendations. In addition, CD activities lack proper follow-up missions: "After STXs deliver TA, the focus should be on practical follow-up hands-on capacity building given to local staff. In some cases, local trainers could be trained as trainers to deliver training on new skills to other local colleagues" (Back-stoppers and LTX, FAD, 07/19/21). *This would imply that CD activities should include follow-up close supervision capacity as a key tool in ensuring Sustainability.*

47. Recommendation 5. ***While many factors are beyond AFS control to support Sustainability, AFS could (i) look for strategic projects where complementary multi-year donor involvement might help to guarantee sustained implementation; (ii) budget for peer-learning missions in order to consolidate***

[23] The Evaluation Team initially recommended to formalize what is actually an informal and *ad-hoc* procedure called: Local Capacity Assessment (LCAs). However, reviewers indicated that such LCAs were not necessary as they are continuously done "implicitly" by LTXs, either with the annual CD assessment or during discussions with Authorities on their priorities, like those done during COVID-19. Notwithstanding our conviction that such LCAs would still gain from some standardization in their structure and content, our recommendation was dropped from the final report.

knowledge transfer; and (iii) for fragile countries with very low absorption capacity (e.g. Comoros) and only in a well-chosen workstream featuring a comprehensive medium-term program so as to remain cost-efficient, IMF-HQ should allow the appointment of an LTX expert in situ.

Box 1. The Challenging Role of AFS in Fragile Countries: Further Lessons Learned

This Box extracts further lessons from AFS interventions in fragile countries during Phase II. AFS faced important exogenous events, like COVID-19 and hurricanes, which initially undermined its ability to fully operate until it became flexible enough to modify its workplan and objectives. This Box features further lessons on how AFS's response could be more adequate adapted to these events.

Since FY20, AFS has decided to devote 30 percent of its budget to fragile countries. This percentage was raised by 4 percent in FY21 and should progressively reach 50 percent over time (IMF Note on Capacity Development 2018). This increase is relevant, as two of the AFS countries covered by the sample of the study – Comoros and Madagascar – are fragile. Some general lessons are presented below, though in no particular order.

- ***Continuity while facing shocks, and not starting of reforms, is a major challenge for fragile countries***. In pre-pandemic times, following a series of AFS missions, since 2017, the tax administration of one sampled fragile country was able to work with AFS support and other development partners to focus on compliance management and establish a large taxpayer office. AFS assistance also helped the tax administration to establish the tax arrears balances and to develop a strategy for enforcing collections. Audit plans were developed, auditors trained to audit and guided to solve taxpayers' auditing cases. For its part, in pandemic times and also with the support of AFS, another fragile sampled country came to develop a similar program to overhaul its tax and Customs administrations. Despite their solid start of these reforms, both countries suffered major losses in tax revenue due to COVID-19 and their ensuing growth slumped. Between 2018 and 2020, the tax revenue of both countries fell by 0.6 percent of GDP and 0.8 percent of GDP respectively. In the former, these were also preceded by adverse impacts of political uncertainty (constitutional referendum in mid-2018 and elections in early 2019) and Cyclone Kenneth (April 2019).
- ***A fragile status does not always handicap a country in terms of meeting certain DAC criteria.*** While one of the sampled fragile countries' score on sustainability was lower among all four sampled countries, due to its scarce skilled staff, and logistical shortcomings like poor access to internet and energy (LTX, MCM, 08/10/21), this was not the case for another sampled fragile country, which had a higher score. Fragile countries' scores also varied in terms of Coherence, Effectiveness and Efficiency due to their differences in terms of institutional and legal set-up, and the quality of their donor coordination. Moreover, they did not obtain necessarily the lowest average scores, as their compliance with certain milestones pre-pandemic was as high as 100 percent.
- ***CD activities integrated with CD-Surveillance can contribute to improving the level of achievement across DAC criteria in fragile countries***. Even in post-COVID-19 times, and despite a sluggish recovery, one sampled fragile country's performance with CD activities remained quite consistent across all criteria as 'Excellent' or 'Good'. This was supported by steady and well-coordinated implementation of an AFS program with parallel comprehensive reforms under an IMF program (e.g. Customs reform, transition to interest rate targeting, etc.).[1]
- ***Presential peer-learning works better than virtual learning in fragile countries***. Given low absorption capacity, in-person delivery of CD activities that relies on AFS stronger (but more costly) involvement works better. This can be seen in the Customs Administration and PIMAs reforms in one sampled fragile country.
- ***AFS program to support fragile countries should be flexibly adjusted to become notably simpler, and more timely and relevant when facing major shocks***. For instance, in 2020, AFS played a major role in the successful design of exceptional budget procedures for dealing with COVID-19 in its fragile countries.

3. Evaluation Results at the Entity Level

1. **This chapter conducts the evaluation at the RTAC level**. It focuses on the processes of converting inputs to results, especially the value-added of having RTACs residing in the region. While the technical quality of CD activities is still mainly under the responsibility of functional departments at the IMF and with quality content mostly guaranteed through backstopping, AFS management ("the Center") is also an important determinant of the quality of CD activities undertaken in the region. AFS, in common with other RTACs, works closely with the LTXs and their relevant headquarters departments and in partnership with member countries relevant for each stage in the programming, design and delivery of CD activities. During each programmatic cycle, the Center plays a joint key role with headquarters departments to confirm priorities, provide continuing engagement, and report when problems arise.

2. **The content of the chapter is threefold: (i) the evaluation methodology; (ii) main findings over three major dimensions: AFS governance, AFS management and organization, and design and adaptability of CD activities; and (iii) conclusions and recommendations.** The text provides the findings and the sources of evidence. No quantitative ratings are provided to these questions, given the qualitative and subjective nature of the source of evidence.

3.1 Methodology

3. **The proposed methodology at evaluating AFS at the RTAC-entity level is** according to the seven dimensions of its governance and operations: Strategic Guidance, Adequacy of its Institutional Set-up, Recruitment and quality and its Network of Experts, Coordination with Donors, Flexibility to Shocks, Adequacy of New Topics and Sustainability as presented in *Table 9* below:

Table 9: Evaluation Matrix at the Entity Level

Investigation areas
1. Strategic Guidance by the SC: Has the Steering Committee (SC) been effective in providing strategic guidance and oversight of RTAC activities and contributing to setting priorities?
2. Adequacy of the Center's Institutional Setup: To what degree have the Center's systems and institutional set-up allowed for retention of organizational memory adequacy, quality of administrative and operational support provided to advisors, including by their backstopping departments?
3. Recruitment and Quality of the Network of Experts: What contribution has the Center made to building a robust network of local experts in the region, and to systematically identify and optimize the use of local and regional expertise?
4. Coordination with Donors: To what extent are RTAC's activities effectively coordinated with the work of development partners operating in the same sectors? To what level is coordination in place with country representations of the partners?
5. Flexibility to Shocks and Fragility: How has RTAC coped with conflict and fragilities in countries in the region? Have important exogenous events undermined the ability of RTAC to achieve its objectives? If so, has RTAC's response been adequate?
6. Adequacy to New Topics: To what extent have governance, gender, climate change and financial inclusion dimensions been taken into account in the program design of CD services (where relevant to the core expertise of the Fund)?
7. Sustainability: To what extent has RTAC built sustainability into the training provided by implementing measures, in order to capitalize the acquired knowledge and developing of training plans after providing CD?

4. **Three evaluations instruments or sources of evidence have been used to generate the findings, conclusions and recommendations: a desk review and resource allocation analysis, Semi-Structured Interviews, and an Online Survey.** The last two sources of information allow the Evaluation Team to extract the views of the (a) AFS-SC and donors, and (b) IMF staff at headquarters (back-stoppers or functional departments) and Resident Advisors.

3.2.1 Steering Committee and Overall RTAC Governance including HQ Oversight

5. ***Steering Committee Strategic Guidance*. The Evaluation Team considers that the strategic guidance by the SC is broadly effective.** This is ensured by a mix of well-prepared SC annual meetings, timely decisions on strategic matters, and regular engagement by the Center Director and its staff. The Online Survey investigated the relevance of TA and training for the strategic needs and priorities of the countries and institutions, and it found an overwhelming positive response – above 90 percent – across three Groups, rating it as 'Good' or 'Excellent'.

6. **RTAC Strategic Guidance is supported by a set of well-structured RTAC policies**. Following the procedures of a standard Operations Manual, the interviews showed that SC has continuously endorsed the recommendations of the Center and members at the Annual Meetings, while coordination has taken place both within the IMF and with country authorities, so as to ensure relevance of the CD activities. The Center Director holds regular bilateral meetings with SC members to discuss CD annual priorities and sends questionnaires to donors and regional organizations for their feedback. LTXs also hold regular debriefing meetings with donors. Membership and participation rate for the SC meeting are satisfactory and were enhanced in FY20 and FY21 by remote participation.[24] Notably, rotations of SC members do not generally seem to have had an impact on continuity of guidance and oversight (SC Member, SC, 07/29/21). Starting in FY2021, presentations of the country programs have been made by country representatives, instead of the LTXs (DP representative, AFS, 08/09/21). In addition, the Center provides information through CD Connect (lately through a secure website) and circulates the quarterly bulletin (Admin. Staff, AFS, 08/17/21).

7. **Despite these positive findings that support our overall assessment, we also found opportunities for improvement in RTAC Strategic Guidance.**

- To increase the frequency of SC meetings, now favoured by virtual meetings. A single annual gathering often does not allow sufficient time for full discussions of questions to be addressed and follow-up of CD program performance (DP Representative, AFS, 08/04/21).
- To ensure a senior-level national representation at SC meetings. A longstanding donor representative to AFS indicated that she "never saw a minister attend" (DP Representative, DP, 08/04/21); this assertion was also confirmed by the interviews. SC members, however, argued that although such participation would be desirable, in practice delegated Deputy Ministers have been able to reach decisions quite effectively and ministers have been kept fully informed about AFS activities, reports and decisions (SC member, AFS, 07/29/21).
- To broaden the SC membership with participation of officials from Planning, Tax and Customs Authorities and National Institutes of Statistics at SC meetings. Their presence would ensure that their proposals receive sufficient attention and enhance the strategic direction in SC discussions (LTX, STA, 08/12/21) and better buy-in of CD activities as well as of the recommendations of AFS missions and TA reports (SC member, SC, 07/29/21).

8. ***RTAC Institutional Setup.* The Center benefits from a solid institutional set-up, with operational practices and procedures that generally work well (including HQ oversight).**

- The Center and IMF Divisions hold regular internal meetings with Head Office and RTAC LTXs to discuss relevant issues affecting funding programs and recent developments.

[24] Attendance has improved over time. In 2019, there was no attendance from Comoros, Eswatini, Zambia, Australia, China, the Netherlands, and FDCO (UK). Due to COVID-19, the SC meeting was not held in 2020 and the work plan was endorsed by internal circulation. In 2021, only the Netherlands, Angola, Eswatini, and Australia did not attend.

- Proficient and experienced administrative staff assist the LTX. Annual retreats and team-building exercises also prove to be useful Solutions (Admin staff, AFS, 08/17/21).
- AFS features a high level of staff retention, which serves to strengthen the institutional memory and speaks well of the job satisfaction that staff clearly enjoy. All senior staff completed their contractual period or chose to extend (AFS Director, AFS, 08/16/21).
- Several IT systems, IR, DM5, TIMS, CDMAP, IMFBOX, Partners Connect, My Workday, Website, etc. provide platforms to capture institutional memory. Back-stoppers at HQ are highly experienced and assist LTXs. Coordination through regular meetings among different IMF departments has significantly improved (Back-stoppers, FAD/MCM, 07/19/21 and 07/20/21).

9. **However, a concern in the institutional set-up lies with the high rotation gap of LTXs, a task that essentially relies on the IMF HQ.** Indeed, large rotation gaps have occurred between the departure of an LTX and the arrival of its replacement. Assuming a reasonable length of these gaps should be between 3-6 months, as seems to be the case for other RTACs (FISCUS 2018), the latest LTX replacements of FSR, MPO, 2 PFMs, FMI and RSS took 6, 13, 11, 9, 5 and 5 months, respectively, for an average rotation gap for Phase II of 6.1 months, slightly above the upper bound *(Table 10)*[25]. The absence of an LTX does tend to have a negative effect on the delivery of CD work, because these officers are primarily responsible for the programming process within each thematic area and direct supervision of STX inputs. Gaps might have partly explained the fall of the rate of implementation with milestones during FY20 and FY21, as presented in Chapter 1.

Table 10: Rotation Gap for LTXs in AFRITAC SOUTH – Phase II

	Area of LTX appointed	Starting Month/Year	Left/In office
	Financial Sector Supervision	Jan-15	Jan-20
2	Monetary and Foreign Exchange	May-15	Dec-19
3	Public Financial Management	Jul-15	Sep-17
4	Customs Administration	Aug-15	Oct-18
5	Public Financial Management	Aug-15	Aug-19
6	Tax administration	Dec-15	Jan-21
7	Financial Market Infrastructure	Feb-16	March 20
8	Public Financial Management	Mar-17	Mar-19
9	Real Sector Statistics	Aug-15	May-18
10	Real Sector Statistics	Feb-18	Dec-20
11	Public Financial Management	Jun-18	In Office
12	Public Financial Management	May-19	In Office
13	Public Financial Management	Feb-20	In Office
14	Financial Sector Supervision	Aug 20	In Office
15	Financial Market Infrastructure	Sep-20	In Office
16	Monetary and Foreign Exchange	Jan-21	In Office
17	Tax administration	Feb-21	Aug 21
18	Real Sector Statistics	Oct-18	In Office
19	Customs Administration	Nov-18	In Office
20	Real Sector Statistics	Mar-21	In Office

Source: Data provided by AFS Secretariat

3.2.2 RTAC Management and Organization

10. ***Application of the RBM System***. As indicated in Section I, the RBM framework is governed by lead IMF departments, with AFS administrative staff providing support to LTXs for its tracking and reporting in its logframe. Overall, we found the RBM framework to be a sound management tool, one that is capable of serving the measuring, planning, monitoring and reporting of RTAC and CD project outcomes. The Evaluation Team reviewed the RBM consistency, verifiability and measurability:

- The RBM logframe consistency with the planned intervention logic of AFS, comparing which capacity gaps were identified and which objectives were set in the strategy vs the logframe.

[25] Noteworthy, the deteriorating COVID-19 situation led to delays to hirings and travels planned during the second half of 2021.

- The verifiability of the logframe for the connection between objectives, funding programs and actual CD activities, implemented over the evaluation period.
- The logframe measurability for the quality of the data content.

11. **For consistency, we cross-referenced the data in the logframe with the database on CD activities that underpins the Briefing Papers (BPs) at the Inception Note.** The analysis of the AFS logframe confirmed the consistency of work done by funding programs being undertaken in the 13 countries covered by AFS, some in collaboration with regional partners. These funding programs are directly associated with four IMF departments (FAD, LEG, MCM, and STA) and aim to achieve a total of 29 objectives regionwide. Minor issues found were that only one of the funding programs reported in the region was not listed in the catalog (Financial Crisis Management) and some CD activities were not linked with the logframe (Cowater, 2020, Inception Note) and cleaned up in the database by the evaluators.[26]

12. **For verifiability, we also searched in the database for CD activities not directly associated with objectives or funding programs.** The database contained a total of 1,031 CD activities implemented during the evaluation period, amounting to 13,205 working days used.[27] Discrepancies were identified on unclassified activities and their human resources (measured in workdays) delivered by the AFS Center or IMF HQ, and partners such as the Africa Training Institute (ATI) and other RTACs (Cowater, 2020, Inception Note). We excluded them from the CD sample in the four sample countries.

13. **For measurability, appraising the adequacy of the logframe to measure results, the Evaluation Team led to multiple issues that significantly delayed our work**.

- *Collecting evidence on the outcomes is very difficult (e.g., we had no response to multiple requests about budget outturns).* Moreover, some Authorities find AFS outcomes not to be representative of the medium-term goals of their PFM reform (SC member, AFS, 07/29/21). In the Online Survey, barely 50 percent of SC members rated outcomes and milestones as well defined and measured. As indicated in Chapter 2, the setting of CD outcomes deserves a comprehensive review, followed by periodic updates. In some cases, like PFM, the outcomes reported are only partially aligned with global performance evaluation indicators, e.g. PEFA.
- *There are no underlying guidelines for the scoring framework of some OECD-DAC criteria*. In particular, the evaluation of Efficiency and Impact of RTAC work is problematic, due to the lack of regular statistics and disaggregation of budget and time resources allocated to CD missions, particularly by LTX, back-stoppers and STX. Evaluators worked with AFS Secretariat and IMF HQ to use their best professional and technical judgement to produce such data on the basis of an *ad hoc* request. Such practice, however, makes the comparison of scores across RTACs difficult.
- *A few key Briefing Papers and, to a lower extent, TA reports referred to in the logframe are not readily available or missing, which affects analysis and scoring*.
- *The RBM logframe database contains errors and omissions that are difficult to measure*. The evaluators were able to detect CD missions with the wrong title, mission ID, or not linked to the right CD objective, BP and/or TA report. Cleaning up this database is a task that LTXs could easily undertake.
- *Lack of a fixed calendar is also observed in the results evaluation process by LTXs.* Interviews revealed that some LTX chose to score "following a CD mission", while others do it "every month, quarter or whenever is required by management." (LTX, FAD, 07/19/21.) In certain cases, the scores by LTXs were subjected to reassessment by the backstoppers, as new developments emerged, thus resulting in changes in scores.

[26] Results of the clean-up should be read with caution, as the evaluators may have not identified all inconsistencies in the CD database – due to the large number of activities recorded, the likelihood of errors in either the CD objective, the mission ID, the activity description, or the name of experts.
[27] This figure is based on 'actual days'. Allocated days listed as 'days' in the database are much higher, being 22,164.

14. ***Internal learning and consolidation of best practices*. The evaluation found that quality of internal learning reflects best practices in three dimensions: knowledge transfer among RTACs, transition between outgoing and incoming LTXs, and a new balance between in-person vs virtual missions**. Regarding the first two, most AFS-LTXs have either worked in other RTACs as LTX or as STX, which is an asset. To ensure smooth transition whenever a LTX did not have prior advisory experience, and where appropriate, predecessors were contracted. Each IMF functional Department holds annual outreach meetings with LTXs and new LTXs have access to End of Assignment reports and benefit from bilateral meetings with their predecessors and their back-stoppers at HQ, as well as with the authorities to update their work plan and ensure it aligns with the priorities of the beneficiaries.

15. **SC members and beneficiaries underscored that the shift toward virtual mode missions is a positive development and not just for its cost-effectiveness, but it does not preclude the need for in-person missions**. In FY21, the number of AFS virtual missions was 118, more than double that of FY20 and of zero in FY19.[28] Although there are obvious and significant cost-savings in this move, beneficiaries from all official entities interviewed (Ministries of Finance, Central Bank and Institutes of Statistics) indicated that virtual sessions are often not sufficient to consolidate learning from CD activities and they underscored the need for preserving in-person missions in certain areas. For instance, "there is no way you can supervise banks remotely" (SC member, AFS, 07/29/21). In addition, SC members would like to preserve the two-week in-person mission length, which is the informal standard in AFS, and the good practice of starting a mission with a 1-2 day training seminar: "the best way to get acquainted with participants and gain their trust." (LTX/FAD/07/19/21).

16. ***The Use of Local and Regional Experts*. This evaluation finds that the hiring of experts based on the roster of the IMF network at HQ appears to be generally smooth**. In this regard, the Center is effectively an IMF regional office and, as such, its human resource (HR) systems involved are essentially those of the IMF. No serious problems were raised in the Evaluation Team's discussions at HQ, the Center and LTXs regarding the use of HR systems. However, interviews suggest that SC members, officials and donors would like to see more transparency across the functional departments (FAD, MCM and STA in particular) in the consultation with Authorities about the Terms of Reference (ToR) and to a certain extent in the final selection of the consultant.[29] The administrative staff at the Center have no concerns about their management of documents and administrative processes for the hiring of experts (08/17/21).

17. **The procedures to find new experts also appear to work well**. Often, suggestions are sought from the IMF functional departments or from DPs working in the same field, notably from the World Bank, the EU and the AfDB. There is also strong interest in using consultants who hold senior positions in equivalent institutions – such as staff from Central Banks (e.g. Banque de France), Ministries of Finance (Brazil or France) or Institute of Statistics (e.g. Australia). While obtaining the release of such staff for short-term consultancies can often be complex, "the usefulness of the up-to-date, 'hands-on' expertise that such consultants bring should be stressed. Moreover, they should be assigned to fragile countries in key areas where highly skilled expertise is needed, joining them to regional experts so as to make sure their diagnostic and recommendations are not too 'theoretical' but well-grounded and rooted on good practices in SSA countries with similar characteristics" (SC member, AFS, 07/29/21).

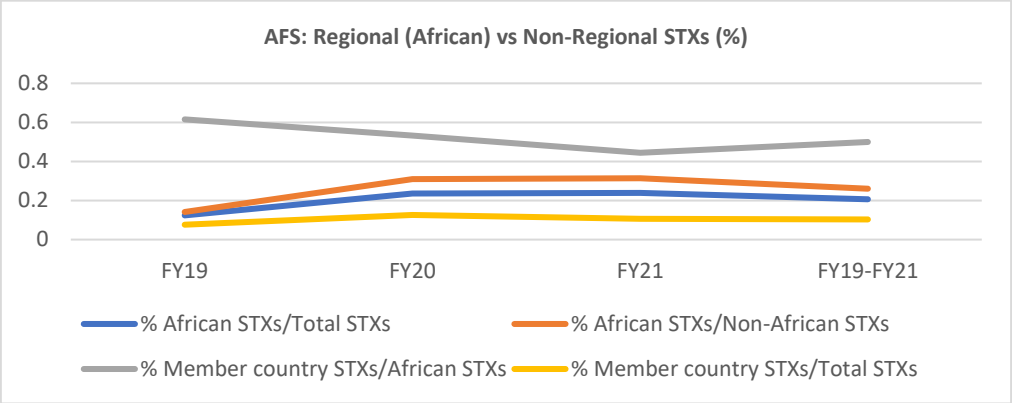
18. **SC members, however, pointed to their impression of a relatively low use of regional and, even less, local expertise (SC member, SC, 07/29/21), which the Evaluation Team confirmed**. The AFS proportion of LTX from Non-regional Sub-Saharan Africa (SSA) and Indian Ocean islands has been consistently above 90 percent during Phase II since FY18. In the same vein, the proportion of STX from

[28] Data kindly provided by AFS Secretariat.

[29] For quality control purposes, the final selection of the consultant/expert (STX) should rest with the IMF. Hence, while discussion with the authorities on the attributes of the desired expert/STX can continue, Authorities should remain somewhat absent from the final decision so as to prevent the risk of undue influence from them in his/her choice.

Non-regional SSA has been steadily around 80 percent during Phase II since FY18 (*Figure 6*).[30] By RTAC standards, these percentages represent a very high ratio.[31] Roughly one third of LTXs have come from Asia, with the balance from the rest of the world (most of them from Europe). According to LTXs, major difficulties arise when it comes to find Portuguese-speaking consultants. Moreover, LTXs also feature a currently high gender gap: barely 5 out of 21 LTXs hired under Phase II are women (Table 10).

Figure 5: AFS: Regional (African) vs Non-Regional STXs (%) Source: AFS Secretariat and IMF-HQ



19. **Although the Center is already making progress in the use of regional expertise, which is highly valued by the SC and the Beneficiaries, a more dedicated effort is needed.** AFS Director pointed out that "more STXs of regional origin have been added to the FAD roster and used in delivery of CD in the region. In my most recent three missions, I have used regional experts usually comprising 1 out of 2 experts: a Ugandan, a South African and a Mauritian" (Director, AFS, 08/16/21). Members of the SC, however, mentioned cases of fielded STX unfamiliar with the region and its related institutional peculiarities, and in some particular cases they "did not speak good Portuguese and needed translators to perform their mission" (SC member, AFS, 07/29/21). SC Members also acknowledged the difficulties in finding proper local experts as, according to AFS Director, "the deployment of local experts from the same country is often excluded to prevent vested interests" (Director, AFS, 08/16/21).

3.2.3 Design and Adaptability of CD Activities/Services

20. ***Incorporation of Good Governance, Gender, Climate Change, Digitalization and Financial Inclusion topics.*** **Information gathered found that some global topics are not entirely new for AFS: their recent prioritization is strongly shared by all members of the SC, but work to introduce them is spotty and at the diagnostic stage.** Indeed, according to SC members, CD activities on global topics are still *ad-hoc* at an early stage (SC member, AFS, 07/29/21). Moreover according to LTXs, with the exceptions of PFM and financial regulations, AFS work on global topics is mostly centered on completing diagnostics and developing awareness through regional trainings. DPs, for their part, wonder whether a new approach and sequencing is needed for the implementation of CD activities in their regard (Donor Rep, AFS, 08/04/21):

- On Good Governance and Anti-Corruption, both the Center and HQ management have prioritized governance in the work of the PFM portfolio (Back-stoppers, FAD, 07/19/21).[32] Governance is also a key component of financial sector regulation and is included in all regulatory developments (Back-stoppers, MCM, 07/20/21).

[30] Detailed information on the nationalities of the Short-term experts (STX) employed by the Center is not readily available in a format that can be easily analyzed by outsiders. However, such data were kindly provided to the Evaluation Team by the Center.

[31] CARTAC, for instance, featured an average share of 24 percent of Non-Regional experts during FY14-18.

[32] Good examples are work on public investment management; governance; management of fiscal risks; budget transparency; PFM and revenue legislations, SOEs oversight; tax compliance and audit, border management, valuation and post-control audit; transfer pricing; taxpayer services; risk management, risk-based supervision enhancement, Basel II/III reform, cyber risk, and AML/CFT legislation (e.g. new money laundering laws).

- On Gender, regional TA training and some peer-learning has been done on: Gender Budgeting, Financial development and financial Inclusion, and Fintech (Back-stoppers, MCM/07/20/21).
- On Climate change, some budgetary documents, supported by PFM-LTX, have started to include climate-related risks in fiscal risk statements. Initial introduction and administration of green taxes (including excise duties on pollutants) has also been discussed. Amended fiscal and financial laws are now considering introducing climate action plans (Back-stoppers, 07/19/21). Moreover, case studies, training and peer-learning opportunities include management of natural resources, climate resilience, fiscal risk management, and administration of green taxes.
- On Digitalisation and Financial Inclusion, AFS has recruited an LTX to deliver CD services in Fintech, an area in alignment with the post-COVID priority of digitalization (Back-stoppers, MCM, 07/20/21).
- Finally, there are innovative demands for inclusion of climate change and financial inclusion in monetary policy CDs, and on IMF programs design (Back-stoppers, MCM, 07/20/21).[33]

21. ***Coordination with Development Partners*.** **Donor coordination occurs primarily in three ways.** Firstly, in the lead-up and during the annual SC. Secondly, when work plans are shared, and periodic meetings are held to discuss priority CD requirements. Thirdly, each RA representing each funding program portfolio informs Development Partners (DPs) of planned missions and invites them to be briefed during or after the mission.

22. **Information gathered in interviews provided a generally positive view on the coordination with key donors, while also highlighting a few areas that are still important for improvement, especially in terms of information sharing.** On the one hand, coordination seems stronger in some countries than in others. This seems to be the case of Botswana in the areas of tax administration, Customs Administration, and Real Sector Statistics, where there are well-established partnerships with the AfdB, the World Bank (SC representative, AFS, 07/29/21). On the other hand, interviews with DPs indicate that information-sharing on CD missions varies per country; access to AFS TA reports is often problematic as most of them remain unpublished;[34] and more regular reports on status of CD activities would be welcome. They also pointed that their participation in mission briefings depends on their own agendas (e.g. in the case of the EU: grassroots and PFM);[35] that their access to the RBM logframe is difficult; and that information sharing could be managed either by the IMF Resident Representative or another DP representative (if there is no IMF ResRep)[36] (DP representatives, AFS, 08/04/21, 08/09/21, 08/11/21).

23. **Donor coordination also appears spotty with regional bodies – Common Market for Eastern and Southern Africa (COMESA), Southern Africa Development Community (SADEC) and Indian Ocean Commission (IOC), with the former two invited but not attending SC meetings**. Interviewed Donors said that "close collaboration with regional bodies remains challenging" (DP Rep./AFS/08/11/21). Little evidence was found of initiatives being undertaken to engage with regional bodies on a regular basis, while rather spotty efforts appear to bolster collaboration and communication, share information, and seek out opportunities for joint regional training events. Notably, about 38 percent of survey respondents from the SC indicated that AFS contribution to regional integration is modest or they said they have no opinion.

24. **Donor coordination must be further expanded, if possible following best practices regionwide**. AFS and other DPs can support country-led efforts through information sharing and collaboration. But the final responsibility must rest with country administrations to establish effective mechanisms to

[33] All DPs said that to gain ownership, these topics should be excluded from IMF surveillance and remain as TA-supported reform.

[34] A donor suggested that given confidentiality on TA reports, access to the Executive Summary could be possible (DP Representative, AFS, 08/11/21).

[35] DFID interviewee volunteered to have a DFID leading role in any AFS country where it has a significant program.

[36] The IMF Representative for Madagascar indicated that a donor coordination role is not specifically included in his ToR.

coordinate the TA requested from different providers. Valuable experiences on donor coordination by countries already exist, e.g., the Donor Mobilization Unit at the Department of National Treasury of the Republic of South Africa.[37]

25. ***Exogenous shocks, resilience, and adaptability (including COVID-19).*** **While the overall perception of the three Groups on AFS survey response to the pandemic was overwhelmingly positive, interviews found mixed views.** On the survey, above 90 percent of respondents rated it as 'Good' or Excellent in Groups 1 and 2, and 67 percent in the Group of Beneficiaries. But interviews showed that Beneficiaries had critical views on the timeliness and adequacy of AFS response: this indicates that the AFS role was too concentrated either on general seminars focusing on Crisis, Debt and Risk Management, or on "one size fits all" policy recommendations, while their needs were specific and urgent (TAB, MIFIN, 08/02/21 and SC member, AFS, 07/29/21). In some cases, like Botswana Central Bank's interventions favoring added liquidity to the economy, their response plan "did not wait for AFS reaction: Reducing interest rates, reducing reserve requirements, providing overnight lending, and expanding the guaranteed scheme for SMEs" (TAB, Central Bank, 08/03/21). In contrast, some donors pointed out that given the situation was highly uncertain, there was a good reason to wait, see and then react" (DP representative, AFS, 08/09/21). Ultimately, and according to AFS Director, while acknowledging that "the initial reaction by the Center was a bit late (June 2020), following the best guidance possible from IMF-HQ to assess the impact of the pandemic, AFS still had major achievements in implementing a program that was suffering a major shock. The move to virtual meetings not only increased the number of missions, but of participants and scope of CD activities" (Director, AFS, 08/16/21).

26. **A positive component of AFS response to COVID-19, and perhaps one of its major lessons for future shocks, resilience, and adaptability, was the unavoidable task of flexible budget restructuring, reallocating substantive FY20 and FY21 savings arising from money spent falling short of the budgeted amount (*Annex VI*).** The rate of execution of expenditure (outturn) had been 90 percent on average over FY18 and FY19, which represents a high rate of budget execution; followed by 79 percent and 46 percent respectively in FY20 and FY21. Pre-COVID-19, the three most significant funding programs with under-execution were FMI, BSR and RSS. Post-COVID-19, in FY21: five out of eight funding programs – excepting Tax Administration, Customs and PFM – showed low execution (below 75 percent) at AFS level. MPO and FMI were the two funding programs with worse AFS results.

Table 11: AFS: FY21 Budget Under-execution (in FTE years)

FY21 Deviation Planned vs actual resource allocation, by country and by workstream (in FTE years)										
	BSR	CADM	FFL	FMI	MPO	PFM	RSS	TADM	Others	Total 1/
Regional 2/	129%	123%	0%	111%	127%	85%	102%	123%	22%	100%
Angola	0%	83%	-	0%	0%	203%	111%	111%	-	76%
Botswana	38%	99%	+	19%	10%	127%	44%	152%	-	76%
Comoros	57%	61%	+	-	0%	113%	67%	112%	-	87%
Eswatini	46%	69%	-	31%	-	49%	67%	114%	-	61%
Lesotho	152%	69%	-	-	0%	67%	48%	57%	-	65%
Madagascar	0%	114%	+	-	0%	71%	100%	465%	-	90%
Mauritius	42%	52%	+	0%	0%	129%	111%	0%	-	59%
Mozambique	54%	0%	+	0%	-	9%	0%	0%	-	11%
Namibia	192%	62%	-	84%	0%	0%	57%	58%	-	57%
Seychelles	0%	468%	-	0%	0%	120%	98%	157%	-	118%
South Africa	27%	0%	-	-	-	38%	124%	92%	-	63%
Zambia	0%	211%	-	-	0%	37%	58%	114%	-	50%
Zimbabwe	24%	147%	-	0%	0%	12%	5%	103%	-	46%
Total	69%	104%	137%	52%	17%	77%	71%	113%	22%	76%

Source: Data provided by AFS Secretariat. Color ranges: Green (90%+), yellow (90%<x<75%), red (75%+)

[37] The Donor Mobilization Directorate contributes to the implementation of the PFM Capacity Development Strategy (CDS) through the mobilization, facilitation and mobilization of donor funds for capacity development, and ensuring that good governance is applied to all donor-funded projects.

27. **As a result, in terms of FTEs delivered in FY21, funding programs appear to be adjusting their budget according to individual demands per countries.** Interestingly, *Table 11* reflects the actual deviations in the FY21 budget outturn with respect to the budget allocated to each country.

- TADM (and CADM) exceptional over-execution was due to important work on eight (four) countries also achieving important milestones: Angola, Botswana, Comoros and Eswatini (and Madagascar, Seychelles, Zambia and Zimbabwe). In the same vein, PFM over-execution was also concentrated in five countries: Angola, Mauritius, Seychelles, Botswana and Comoros. In contrast, their budget on all other countries was nil or under-executed.
- MPO, FMI and BSR under-performance was hindered by the fact that the LTXs' positions in these areas were left vacant for long periods. However, according to Back-stoppers, country-specific constraints also explained delays. "For instance, regarding MPO, only Botswana could implement some activities. FMI could operate on only three countries: Botswana, Eswatini and Namibia. And BSR had no CDs in Angola, Madagascar, Seychelles and Zambia" (Back-stoppers, MCM, 07/20/21).

Box 2. Key New Issues to be Faced by Member Countries Post-COVID-19: A Summary

The design of AFS annual programs during Phase III needs to accommodate a larger scope of CD services. This includes: a proper closing of COVID-19 emergency-related CD work, the new global topics and the rising priority needs of fragile countries. The outreach of the designed work in global topics will rely on the prior conclusion of their diagnostic work and steady dissemination in member countries. Funding programs need to design special work programs for fragile countries.

The implementation of AFS revamped annual programs during Phase III has implications in terms of *modus operandi*, staff and budget:

- First, in consultation with Authorities, new ratios of virtual versus in-person missions have to be set up by each workstream by considering not only their cost-efficiency, but effectiveness.
- Second, additional LTX staff will be needed either to be located in fragile countries having a comprehensive work program per selected Funding programs, and/or at the Center to become point persons to manage each global topic.
- Third, whereas in principle a larger scope of CD activities would justify a larger budget in Phase III, this will not be possible unless further donor funds are identified. Moreover, it seems difficult for member countries to increase their contribution, in light of the post-COVID-19 stress on their domestic economies. Hence, AFS budgeting should start by reprioritizing CD activities, while maintaining constant the budget of Phase II. This will also mean exploring activities/costs that can be further curtailed – including those related to the pandemic – and putting in place effective cost-saving CD delivery mechanisms by regional experts.

3.3. Conclusions and Recommendations

To be managed by AFS Center

Strategic Guidance and Governance by the SC

28. **Conclusion 1. AFS strategic guidance and governance are broadly effective, being ensured by a set of well-structured operational policies. However, there are some avenues for improvement on the regularity of AFS meetings and participants in them, including representatives of regional bodies.**

29. **Recommendation 1.** ***Adopt a mid-year SC program review meeting, in addition to the annual meeting, consider the participation of Planning, Tax, Customs, and Statistical agencies and further regional bodies, and explore the possibility of raising the level of representation to such meetings*.**

Exogenous Shocks, Resilience and Adaptability

30. **Conclusion 2. COVID-19 showed the unavoidable need to restructure the budget of funding programs with flexibility: with a different mix of virtual vs in-person mission ratios and prioritization of short-term objectives.**

31. **Recommendation 2.** ***Restructure budgets by defining virtual/in-person mission indicative FTE ratios per funding program*.** New ratios might learn from those of 2021, adjusted by CD activities that (i) have strategic priority; (ii) do require in-person missions; and (iii) do show progress in milestones.

This exercise should lead to major modifications of the budget allocations per funding program. Gradually, as the impact of the pandemic weakens, short-term priorities should make room for medium-term ones.

Incorporation of Global Topics

32. **Conclusion 3. National ownership on the need to prioritize work on global topics – mainly climate change, gender and digitalization – is still low (DP representatives, AFS, 08/04/21, 08/09/21, 08/11/21) and there are** no clear focal points designated at ministries for each topic per country.

33. **Recommendation 3.** ***AFS should organize national conferences on selected global topics to avoid perceptions of donor-imposed agendas (DP representatives, AFS, 08/04/21).*** Such conferences would disseminate their diagnostic studies through well-implemented Outreach and Communication Campaigns. Moreover, joint sponsoring with multilaterals/or bilateral agencies should be explored (e.g. with World Bank on financial inclusion/digitalization/climate change-Back-stoppers IMF, 07/20/21).

Coordination with Development Partners

34. **Conclusion 4. Valuable efforts on donor coordination are done by AFS and member countries, but room for improvement exists to make this coordination regular and less *ad hoc*.**

35. **Recommendation 4. Regularize CD briefings meetings with donors, defining *ex-ante*, and per funding program, their chair, either the local IMF ResRep or a leading DP with a significant program in that area.** Furthermore, "Capacitate the institutions that manage Capacity," a best practice in South Africa, which has a TA Coordination Body at high level, organized by sector (AFS Director, AFS, 08/16/21).

Internal Learning

36. **Conclusion 5. The rotation gap of the last six LTX replacements – 6.1 months – is too high. As seen in Chapter 1 and 3, this has led to delays in the execution of CD activities**.

Recommendation 5. ***Consider hiring ST consultants during the transition period it takes to complete an effective recruitment of LTXs by IMF-HQ.*** Particular attention should be paid to finding experts who speak Portuguese and in highly specialized technical areas.

To be managed by IMF-HQ

Use of Regional Experts

37. **Conclusion 6. The Non-regional/Regional LTX and STX ratios for AFS above 90 and 80 percent respectively during Phase II, which is extremely high by RTAC standards.**

38. **Recommendation 6.** ***Continue creating a wider pool of experts, making special efforts to include more regional SSA LTXs and STXs, and in particular women*****.** The 2021 STA exercise reviewing its roster of experts could be replicated by all functional IMF departments.

Application of the RBM system

39. **Conclusion 7. Despite major progress as a highly valuable tool for monitoring and evaluating progress in the achievement of the objectives, the RBM logframe still faces important issues of consistency, verifiability and measurability**. The move toward CD-MAP, still in its infancy stage, should help RBM logframe's gradual integration with other systems and provide accurate data so as to inform decision making.

40. **Recommendation 7.** ***Provide training and set up management checks to ensure regular updating of the ratings in the RBM logframe by LTXs and refine criteria to evaluate DAC ratings of Impact and Efficiency*****.**

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Volume II

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Annex I: Methodology

This section presents the methodological approach that we used to evaluate the three RTACs at the CD level and Entity Level, adhering to the requirements of the ToRs and the Common Evaluation Framework (CEF). The methodology applies broadly to the three RTAC evaluations that Transtec has conducted, which serves to facilitate comparability while capturing some differences across the regions.

1. Methodological approach for evaluating RTACs at the CD level

Considering the requirements of the ToRs and the CEF 2020, the following section describes how Transtec has evaluated RTACs at the CD level, as agreed in the Inception stage of the evaluation process. The methodology consisted of four main steps:

1. Analysis of the RBM logical framework;
2. The CEF that applies to the three evaluations and that is structured along a set of pre-established evaluation questions;
3. The data collection approach we foresee to gather evidence to answer the evaluation questions; and
4. Other quantitative and qualitative analytical work required to (i) provide aggregated scores and findings/conclusions on the performance of the CD interventions implemented by CD objective, country and workstream; and (ii) formulate recommendations on a regional basis.

1.1. Logical framework of the evaluation

According to the ToRs, the evaluation at the CD level is expected to be based on the ex-ante RBM log frames that have been made available for FY18/19/20. In many cases the evaluation was extended to FY21. These logframes provide the list of projects and related workstreams and objectives for each beneficiary country and entity and is structured according to the RBM catalogue.

Based on this logframe, the evaluation assessed whether the activities performed over the evaluation period are aligned with the logframe objectives.

To ensure the logframe constitutes a solid basis for the evaluation, and as requested in the ToRs (§25), the evaluation team reviewed its composition and relevance, with emphasis on:

- The logframe consistency with the planned intervention logic of AFS comparing what capacity gaps were identified and what objectives were set in the strategy vs the logframe. This will be investigated looking at strategic documentation when assessing the relevance of the RTAC programming and coverage of the capacity gaps of its recipients.
- Assessing the verifiability and measurability of the log frame in terms of the connection between objectives, workstreams and actual CD activities, implemented over the evaluation period.

To sustain this analysis, the data in the log frame was cross referenced with the database on CD activities (e.g., CD MAP) that underpins the CD work of RTACs referred to in the BPs and TA reports. This aimed to verify the extent to which projects and objectives are associated with activities and the allocation of resources across countries, projects, objectives, and workstreams. Other documented evidence was gathered and analyzed such as diagnostic studies and IMF Article IV Reviews and other relevant country reports. The evaluation team addressed, to the extent possible, any inconsistencies detected in the CD MAP and made the necessary corrections to ensure the analysis of the purpose and sequence of CD activities by RTACs is performed in the most accurate manner. This analysis enabled the evaluation to reach robust conclusions on each of the six DAC criteria. Following this preliminary review, the team adjusted the findings from the log frame to provide a more accurate picture of the framework with which AFS delivers capacity development.

In the case of AFS, the RTAC is working across 13 countries, but not all CD workstreams are undertaken in all countries. Table 1 below provides a synthesis of what AFS Workstreams and Objectives are being undertaken in which countries.

Table AI.1: AFS Logframe, Country Objectives

CD Department	Project Name	CD Workstreams	Objective Description	AFRITAC, South	Angola	Botswana	Comoros	Kingdom Of Eswatini	Lesotho	Madagascar	Mauritius	Mozambique, Republic Of	Namibia	Seychelles	South Africa	Zambia	Zimbabwe
FAD	Customs Admin AFRITAC South phase II	Revenue Administration	Improved customs administration core functions	X		X	X	X	X	X	X	X	X	X		X	X
			Strengthened revenue administration management and governance arrangements		X	X				X			X	X	X	X	X
	PFM AFRITAC South Phase II	Public Financial Management	Comprehensive, credible, and policy-based budget preparation		X	X	X	X	X	X	X	X	X	X	X	X	X
			Improved Asset and Liability Management					X	X		X			X		X	
			Improved budget execution and control		X		X			X	X	X					
			Improved coverage and quality of fiscal reporting			X	X	X	X		X		X	X		X	
			Improved laws and effective PFM institutions			X		X									
			Improved PFM laws and effective institutions										X	X			
			Strengthened identification, monitoring, and management of fiscal risks			X				X			X	X		X	X
	TAX Admin AFRITAC South phase II	Revenue Administration	Strengthened core tax administration functions		X	X	X	X	X	X	X	X	X	X	X	X	X
			Strengthened revenue administration management and governance arrangements	X	X	X	X	X	X	X	X	X	X	X	X	X	X
LEG	Financial and Fiscal Law TA in AFRITAC South Countries	LEG: Financial and Fiscal Law Reform	Ensure autonomy and good governance of central bank		X	X											
			Improve the effectiveness and efficiency of public financial management frameworks to promote fiscal sustainability by introducing new or amending existing fiscal legal frameworks in accordance with international best practices		X			X									
			Improve the effectiveness and efficiency of the central bank legal and regulatory frameworks to conduct macroprudential oversight by designing new or amending existing legal frameworks in accordance with international best practice					X		X							
			Improve the effectiveness and efficiency of the financial sector to promote financial stability by introducing new or amending existing financial legal frameworks in accordance with international best practices	X		X		X				X					
			Improve the effectiveness and efficiency of the tax system to improve tax collection by introducing new or amending existing tax legal frameworks in accordance with international best practices			X	X		X	X					X		
MCM	AFS Banking Supervision and Regulation	Financial Crisis Management	To advise and assist the financial safety net participants (i.e., central bank, supervisory authority, ministry of finance and deposit insurance agency) in establishing an effective framework for crisis prevention (the traditional financial safety net)								X						X
		Financial Supervision and Regulation	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability		X	X	X	X	X	X		X	X	X		X	
			Strengthened Financial Sector Surveillance through upgrading of regulatory framework in line with international standards								X						X
			To implement a risk-based supervision (RBS) system and upgrade other supervisory processes		X		X	X	X	X		X	X	X		X	X
			To improve supervisory effectiveness for accounting and prudential provisioning through improving regulatory guidelines against international standards and practices											X			
		LEG: AML/CFT	The country strengthens its supervisory framework for AML/CFT and conducts supervisory activities based on the ML/TF risk profile assigned to licensed and/or registered institutions.			X		X	X	X				X			
		LEG: Financial and Fiscal Law Reform	Improve the effectiveness and efficiency of the central bank legal and regulatory frameworks to conduct macroprudential oversight by designing new or amending existing legal frameworks in accordance with international best practice								X						
		Systemic Risk Analysis	Develop/strengthen stress testing capability of the central bank (CB)			X		X								X	
	AFS Financial Market Infrastructures	Central Bank Operations	To advise and assist the central bank (CB) and other relevant authorities in developing and reforming the national payment system			X		X	X		X	X	X	X	X	X	X
	AFS Money & FX Market Operations	Central Bank Operations	To develop the capacity of the authorities to implement FX operations efficiently and in a manner consistent with their chosen monetary policy and FX regime							X	X					X	
			To strengthen the capacity of the central bank to implement monetary policy effectively in the context of the given monetary policy regime		X	X				X	X			X			
		LEG: Legal Country Unit	The country adopts a foreign exchange law and/or regulations that are clear, consistent with other legislation and regulations, and support free payments and transfers for current international transactions and the absence of multiple currency practices to foster a beneficial investment climate and consistency with members' obligations under Article VIII, Sections 2(a) and 3							X							
		Monetary and Macroprudential Policy	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.		X	X				X	X	X		X		X	
			To ensure that the central bank (CB) has the capacity, skills as well as the appropriate tools to effectively communicate externally and internally to fulfill its monetary policy mandate and objective.			X				X	X			X		X	
STA	Real Sector Statistics in AFS	Strengthen macroeconomic and financial statistics compilation and dissemination	Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard serviceability and/or metadata.		X	X	X	X	X	X	X	X	X	X	X	X	X

Summary statistics:

The analysis of AFS log frame presented in Table 2 shows workstreams being undertaken in the 13 countries covered by AFS, some in collaboration with regional partners. Table 2 summarizes this engagement also with various regional entities.

Table AI.2: AFS Beneficiaries and Selected Regional Partners

Beneficiaries Countries		Regional entities
✓ Angola ✓ Botswana ✓ Comoros ✓ Eswatini ✓ Lesotho ✓ Madagascar ✓ Mauritius	✓ Mozambique ✓ Namibia ✓ Seychelles ✓ South Africa ✓ Zambia ✓ Zimbabwe	✓ Southern African Development Community (SADC), ✓ COMESA and ✓ Southern African Customs Union (SACU) ✓ African Development Bank

The 8 projects implemented cover a total of 11 workstreams. Only one of the workstreams reported in the region is not listed in the catalog (Financial Crisis Management). These workstreams are directly associated with four IMF departments (FAD, LEG, MCM, STA) and aim to achieve a total of 29 objectives. A total of 186 objective IDs can be identified across the 13 member countries.

In terms of CD activities, which in the database are associated with projects but not directly with objectives or workstreams, the database contains a total of 1,031 CD activities implemented during the evaluation period, amounting to 13,205 working days used.[1] In The data received and presented with the CD list of activities provided by the IMF is broad and shows that activities and associated human resources (measured in workdays) are delivered from the AFS Centre as well as from HQ, other countries within and outside the region, and partners such as the Africa Training Institute as well as other TACs.

As illustrated in the preliminary analysis of the distribution of CD activities across projects, objectives, workstreams and countries listed in Annex II the activities spread across almost all projects and countries.

1.2 Evaluation Framework at the CD level

The CEF methodology used relied on a consistent application of the OECD Development Assistance Committee (DAC) criteria including relevance, coherence, effectiveness, impact, efficiency and sustainability, considering the definition for each criteria that is provided in the Annex I of the CEF 2020 and their related set of evaluative questions[2] listed in the table below.

The evaluation is expected to rely on this analytical framework to assess the performance of AFS by:

(i) Applying a quantitative rating scheme to record the assessment of the evaluators, by scoring on a scale of 1 to 4 the level of completion of each OECD/DAC criteria

(ii) aggregating and analyzing a wide range of evidence from different sources to support the scores assigned for each criterion presenting clear judgements consolidated into conclusions aiming to support the definition of operational recommendations.

More details on the scoring system and the analytical approach are presented in Section 2.1.4.

According to this methodology, in order to score and formulate judgement, the evaluation team has defined for each evaluation question, the areas of investigations they are expected to cover to guide the formulation of credible judgements based on the evidence that will be collected, as presented in Table 3 below.

[1] This figure is based on "actual days". Allocated days listed as "days" in the database are much higher at 22,164.

[2] See comparative Matrix of the two Evaluation Framework, the ones of the ToRs (CEF 2017) and the ones of the CEF 2020 in Annex IV.

Table AI.3: Evaluation Matrix, CD Level

OECD/DAC Criterion		Evaluation question	Areas of Investigation	Sources of information
1. Relevance: Is the CD Project Doing the Right Thing?	1.1a 1.1b	To what extent were the CD objectives derived from capacity gaps identified by the authorities, IMF surveillance/program, and other partners/institutions? To what extent the national authorities consider the CD objectives among the priorities of the country and/or agency?	- Level of alignment of the capacity gaps identified by country with the CD objectives defined - Perception of the national authorities on the level of alignment of the CD objectives with the country and/or agency priorities	Documentation: IMF's (CD) Strategy Country strategic documents Budget documents for the FY18,19,20, Article IV, reports for the period 2017-2020 AFS annual reports Reports from the steering committee diagnostic needs assessments including FSAPS, FSSRs, and related action plans, surveillance/program reports, CD country strategy notes (CD-CSNs), regional strategy notes (RSNs). Governance assessment report Interviews: ICD Division, STA, MCM, FAD, IMF Resident Representative, AFS Coordinator, mission chiefs of the countries in the sample LTX and STX experts, donors (World Bank, EU, FCDO/DFID, SECO etc.) … Interviews with civil society/private sector/other CD providers Online survey
	1.2	To what extent was the design sensitive to the context (e.g., economic, political economy, technical capacity) in which it took place?	- Level of consideration within the design of the RTAC objectives of the economic, political economic and technical capacity context in which it took place -	
	1.3	To what extent the CD objectives and design successfully adapted to changing circumstances? Notably considering the recent impact on the Covid-19 crisis on delivering CD	- Level of adaptation measures implemented on the design of the CD objectives according to the changing circumstances: Economic, political economy, external shocks (environmental, political) - Establishing whether weaknesses reported by area departments (in AIV reports, CSNs, RSNs) are also the ones that are tackled by CD. - Level of adaptation measures implemented in the design of the CD objectives according the changing circumstances related to the Covid-19 crisis	
2. Coherence How Well does the CD Project Fit with Other Engagements?	2.1	Internal coherence: ✓ What is the level of synergies and interlinkages between the CD project and other interventions carried out by the agency/ government? ✓ What is the level of consistency of the CD project with other IMF recommendations from surveillance, program, and other CD	- Evidence of synergies between the CD project and other interventions carried out by the agency/ government - Interlinkages between the CD project and other interventions carried out by the agency/ government - Level of consistency of the CD project with other IMF recommendations from surveillance, program, and other CD - Level of consistency and coordination between AFS activities and other bilateral donor-funded CD as well as IMF HQ delivered CD.	Documentation: IMF reports related to surveillance, AFS annual reports Reports from the steering committee, TA reports STX and LTX reports on donor's activities connected to the CD project. Interviews: ICD Division, STA, MCM, FAD, IMF Resident Representative, AFS Coordinator, LTX and STX experts, donors (World Bank, EU etc.) … Interviews with civil society External data sources (e.g. regarding tax collection/fiscal effort) Online survey Kirkpatrick scores on training activities
	2.2	External coherence: What is the level of consistency of the CD project with interventions by development partners? (This will include looking at the synergies/complementarities of AFS with regional organizations (SADC, COMESA, and MEFMI))	- Level of consistency of the CD project with other interventions implemented by development partners considering: ✓ The type of interventions implemented by the development partners related to the CD projects ✓ The number of interventions implemented by the development partners related to the CD projects	
3.Effectiveness Is the CD Project Achieving its Objectives?	3.1	To what extent were the CD outcomes and objective, as defined by the RBM framework, achieved or are likely to be achieved? (In the process, validate the RBM ratings for outcomes and objective.)	- Level of achievement of the CD objectives as defined by outcomes and measured by indicators (as defined in the RBM framework for each selected objective according to the RBM outcome indicators) - - Improvements/progress observed in staff capacity and institutional frameworks towards the achievement of project objectives.	Documentation: RBM milestone results, where available Interviews: AFS coordinators and STX/LTX experts, resident representatives, mission chiefs /res representatives of countries in the sample Civil society/private sector/other CD providers on the ground.
	3.2	To what extent the observed direct results were attributed to/ happened as a result of the CD? Notably considering the recent impact on the Covid-19 crisis on delivering CD	- Level of attribution of the observed direct results of the CD implemented: ✓ What have other development actors contributed to these changes? ✓ Were external factors influencing the changes? If so, which, how and to what extent? Notably considering the recent impact on the Covid-19 crisis.	

OECD/DAC Criterion		Evaluation question	Areas of Investigation	Sources of information
4.Efficiency How Well are Resources Being Used ?	4.1	Were the CD inputs converted to outputs, outcomes, and impact in the most cost-effective way possible? ✓ To what extent have an appropriate mix of inputs (national, regional, international) been utilized? ✓ To what extent were inputs converted to outputs cost-efficiently? ✓ To what extent have CD activities have been implemented to schedule? (Consider peripheral location of Mauritius that increases travel costs)	- Budget and cost of current CD program - The RTAC has used an appropriate mix of inputs to deliver CD activities? - Planned CD activities were executed as envisaged - Major slippages were avoided or if they occurred the reasons could be justified.	Documentation: Budget and costs of the CD program. AFS annual reports Analysis of the RBM Reports of the steering committee STX and LTX TA reports Interviews AFS coordinator and STX/LTX experts. Online survey
5.Impact What Differences does the CD Project Make?	5.1	To what extent has the CD project enhanced the country's macroeconomic and financial stability and supported inclusive growth?	- What were the changes (positive and negative, directly or indirectly, intended or unintended) that had occurred related to the CD actions? - Would these changes have happened also without IMF support? - Contribution of the CD implemented on macroeconomic stability - Contribution of the CD implemented on financial sustainability - Contribution of the CD implemented on supporting inclusive growth	Documentation: Article IV reports Desk review and interviews with AFS coordinator and LTX experts, past evaluations and TA reports, Country strategic papers of the World Bank, EU, AfDB Interviews: ICD Division, STA, MCM, FAD, IMF Resident Representative, AFS Coordinator, LTX and STX experts, donors (World Bank, EU, AfDB,) … Interviews with civil society Online survey
	5.2	To what extent the consequences of the CD project on relevant Fund strategic priorities, such as climate change and inequality (economic, gender, and financial inclusion).	- Evidence that the RTAC is reporting by gender (i.e. of human resources used, beneficiaries) - Evidence that program activities have taken account of equity considerations (e.g. to address, where appropriate, sub-national inequalities) - Evidence that support has addressed challenges of financial inclusion - Evidence that support has taken explicit account of climate change considerations (e.g. in Public Investment programming) Impact of the Covid-19 crisis in delivering CDs	
6.Sustainability Will the Benefits Last?	6.1	To what extent does preserving the net benefits of the CD project hinge on its continuation? (Discuss the likelihood of the net benefits continuing over the medium and long term.)	- Evidence of institutional legal regulatory frameworks, internal policies, strategies, and in-house knowledge transfer mechanisms to ensure that the achievements made by CD will be retained. - Reported commitments to sustaining results by national authorities - Capacity gaps perceived by government authorities and stakeholders as hampering continuation of activities on the medium and long run - Evidence of high staff turnover levels undermining the impact of CD activities	Documentation: PFM reform documents from the government IMF reports related to surveillance, AFRITAC South annual reports Reports from the steering committee, TA reports related to other CD activities that are connected to the CD project. STX and LTX reports on donor's activities connected to the CD project. Interviews: ICD Division, STA, MCM, FAD, IMF Resident Representative, AFW Coordinator, LTX and STX experts, donors (World Bank, EU, AfDB,) … Interviews with civil society Online survey
	6.2	What is the level of capacity of the recipient country's system to sustain the net benefits of the CD project over time?	- Human and financial resource gaps perceived by government authorities and stakeholders as hampering continuation of activities	

1.3. Approach to the data collection

a) Overall approach for the data collection

In line with the evaluation framework presented above, our approach to the data collection was designed to collect evidence that permits formulation of judgments on the performance of RTACs for each of the evaluation questions, considering their areas and level of investigation. These judgments allowed to score each evaluation questions and be presented under the forms of narrative that was consolidated into findings using a specific App designed for this specific purpose, see Section 2.1.5.

We chose to collect evidence for formulating judgements from (i) key documents through a desk review and (ii) key stakeholders through an online surveys and interviews as followed:

1/ Desk review

a. Collecting information on the projects from internal and external documentation sources related to the projects and their objectives. It includes:
   i. *Internal documentation:* Program Document, diagnostic studies, work plans, annual reports, minutes of SC meetings, project reports, Article IV consultations, IMF Program documents, Regional and Country Strategy Notes and previous evaluation reports (to monitor the implementation of recommendations).
   ii. *External documentation:* Strategic and thematic documentation from external sources to the IMF, such as country development strategies, institutional strategies, thematic documents on the topics under evaluation produced by IMF Partner organizations or research centers in the field under investigation.

b. Collecting specific information on the country objectives from documents and data bases
   i. Data from the RBM system used for planning and monitoring the CD activities
   ii. Internal documentation that includes, TA reports, satisfactory surveys, and any other relevant documentation available reporting specifically on the CD activities implemented.

2/ Online survey and interviews with key stakeholders:

a. Collecting information from key stakeholders through an on-line survey administrated to the following three main target groups:
   i. Survey Group 1: Representatives of beneficiaries, and other donors/CD providers;
   ii. Survey Group 2: RTAC resident advisors, STXs, RTAC support staff, IMF HQ staff, and SC members. It will be taken into account that the composition of AFS's support staff, with several course administrators, differs from the others;
   iii. Survey Group 3: Trainees.
   ⇨ A draft questionnaire for the Survey has been prepared and is presented in Annex IIa.

b. Collecting specific information from key stakeholders through semi structured interviews covering three different categories of respondent:
   i. IMF HQ RTAC and Country office, Mission Chiefs, Resident Representatives, and internal and external staff involved in the CD programming and delivery: FAD, LEG, MCM, AFR, AFS CD coordinators[3], STX and LTX.
   ii. Beneficiary representatives and national authorities: Ministries of Finance, budget, planning, economic affairs departments, Central Banks, National Institutes of Statistics
   ⇨ IMF partners and relevant Development Partners: World Bank, AfDB, EU DFAT, CIDA, COMESA, SADC, GIZ, SECO, FCDO/DFID, Netherlands.
   ⇨ See the frameworks for conducting the semi structured interviews for each category of respondent in Annex 2a

   iii. Regional organizations and industry stakeholders: SADC, COMESA, and MEFMI, bankers associations and other private stakeholders as identified. However, as it won't be feasible to collect specific information for all the country objectives with the resources available it was appropriate to establish a representative subsample of actions to be examined.

[3] Responsible for preparing the Regional Strategy Note (RSN)

b) Sampling strategy

The ToRs require the evaluators to determine a sample at two different levels that entails selecting, according to specific criteria (i) three countries and a representative sample of projects per country and (ii) the country objectives of the project per selected country.

(i) Selection of a sample of up to four countries

For selecting the case countries, we considered several criteria for sampling, which together inform the justification for the selection. The primary criteria for the selection of countries are number of CD activities and number of days used on TA to deliver the activities ensuring a sample selected in proportion to the resources spent. Secondly, criteria are included to ensure a level of relevance to IMF engagement. These criteria are the current relationship with the IMF in terms of an ongoing program or surveillance, type of program and state fragility in accordance with the IMF's list of countries in fragile situations. Thirdly, criteria are included to support a level of diversity in the sample reflecting the wide variety of countries in the region. These criteria include size of GDP, GDP per capita, size of population, geography, and official language.

For AFS the highest commitment of resources both in terms of number of activities and days are spent by the Center.[4] The four biggest beneficiary countries are Seychelles (1st by #activities, 1st by #days), Botswana (2nd by #activities, 4th by #days), Madagascar (3rd by #activities, 3rd by #days) and Comoros (4th by #activities, 2nd by #days).

In the second range of criteria, Comoros has largest relevance as it has a Rapid Financing Instrument and is fragile. Madagascar also has a Rapid Credit Facility and remains a priority. Seychelles received approval for an RFI in 2020 and has therefore recently become a priority country5. Likewise, Botswana has no programmatic relationship and is not fragile. On the third level of criteria Seychelles and Comoros have a number of similarities as they are both Archipelagoes with small economies and populations. Botswana is a landlocked country with a small population (2.420 million) but with a middle-sized GDP (US$ 18.34 billion) according to the country covered by AFS while Madagascar is an island with a relatively large population (27,578 million) and a slightly lower GDP (US$ 14.12 billion). Being English and French speaking these two countries offer great diversity to the sample. Based on the comparison of criteria, Seychelles would be excluded from this sample leaving the other three.

Table AI.4: Sampling Country criteria AFRITAC South

Country	CDs	Sum of Days	Program	Type of engagement	Fragile	GDP (current US$ bn)	Size of population (million)	GDP Per Capita Current Prices (US$ 000)	Geography	Official language(s)
AFRITAC South	248	5224								
Seychelles	80	899	Yes	Rapid Financing Instrument	No	1.70	0.097	12.65	Archipelago	English/ French/ Creole
Botswana	75	791	No	Standard surveillance	No	18.34	2.420	7.04	Continental, landlocked	English
Madagascar	73	842	Yes	Rapid Credit Facility	Yes	14.12	27.578	0.554	Island	French/ Malagasy
Comoros	72	873	Yes	Rapid Financing Instrument	Yes	1.17	0.897	1.43	Archipelago	French/ Comorian/ Arabic
Zambia	72	697	Yes	Near Program	No	23.31	18.882	1.01	Continental, landlocked	English
Namibia	60	598	Yes	Rapid Financing Instrument	No	12.37	2.530	4.41	Continental, sea access	English
Mauritius	59	606	No	Standard Surveillance	No	14.05	1.267	9.63	Island	English/ French
Eswatini	50	484	No	Intensive surveillance	No	4.47	1.127	3.70	Continental, landlocked	English/ Swazi
Angola	49	626	Yes	Extended Fund Facility	No	88.82	31.031	2.13	Continental, sea access	Portuguese
Lesotho	47	430	Yes	Rapid Financing Instrument	No	2.38	2.062	1.02	Continental, landlocked	English/ Sesotho
Zimbabwe	45	577	No	Intensive surveillance	Yes	21.44	15.189	0.516	Continental, landlocked	English

[4] This implies that CD activities are delivered from (and resource spend accounted to) the Center as an entity rather than the member countries.

[5] Seychelles: the Executive Board approved on May 8, 2020 the authorities' request for emergency financing under the Rapid Financing Instrument (RFI) of SDR 22.9 million, equivalent to 100 percent of quota (IMF Country Report No. 20/170).

Mozambique	43	410	Yes	Extended Credit Facility	No	15.29	31.993	0.430	Continental, sea access	Portuguese
South Africa	29	293	Yes	Rapid Financing Instrument	No	351.43	59.671	5.24	Continental, sea access	English

To add to the diversity of the sample and given the size of the region it is proposed to include Angola as a fourth country based more on the second and third level criteria. It is one of two Lusophone countries in the region, has the second largest economy and third largest population. It adds to the diversity from a geographic perspective as it is continental with sea access. Moreover, it has a significant program with the IMF, predating the pandemic, it is formerly fragile and a priority country for AFS. While not prioritized in terms of CD resources spent the reasons for this may reveal interesting findings for the evaluation.

Based on this proposal the countries covered in AFRITAC South included:

- Comoros
- Botswana
- Madagascar
- Angola

Out of a large region with 13 countries other options remain available. For example, the possibility of including Zimbabwe was discussed with AFS staff at a preliminary meeting on the grounds that although it is not one of the largest CD programs in the region, it is undoubtedly fragile and therefore an AFS priority in terms of the formative scope of the evaluation. It should be noted that Zambia was ruled out as it was subject to detailed evaluation in 2015.

The final selection was confirmed by the Evaluation Steering Committee, and the evaluation team resourcing was tailored accordingly to maximize its suitability.

(ii) Selection of a sample of country objectives for which AFS implemented activities

All six DAC criteria will be assessed at the project level (CD objective) and aggregated to facilitate reporting at workstream level. The evaluators aligned activities and missions to CD objectives to identify the most relevant objectives to analyze at case country level, as per recommended in the CEF 2020 and ToRs[6]. This led to the identification of a sample of country objectives that were subjected to a granular analysis to evaluate the capacity building related to these objectives. The analysis will then be aggregated from objectives to workstreams which will be of higher relevance to the responsible departments than if the analysis is done at project level.

According to this selection, the evaluation team investigated whether the CD activities related to the country objectives performed in delivering their expected outcome as planned.

a) Data collection and processing

The overall methodology for collecting data from these different sources of information is presented under Annex IIa. This Annex also includes the framework for guiding the semi structured interviews for each category of respondent as well as the Survey. This methodology and the tools will be tested and adjusted at the beginning of the data collection phase.

Background notes were elaborated by the evaluators in preparation to those selected interviews and a synthesis of interview notes was carried out together with follow-up meetings, as needed.

When processing the data, the evaluators followed an iterative approach: the judgements and scores formulated on the evidence provided from one source of information were used to inform the judgement, write up the initial findings, and score from an additional source of information. This process will be done filling the App. Starting with the review of the documentation, the evaluator then processed the results of the Online Survey, interview the beneficiary representative and finally the IMF including RTA coordinators / long term experts and IMF headquarters departments. Final interviews served to present and discuss the preliminary results obtained when processing data from other sources.

Once this work completed, the results were aggregated as presented in Section 2.1.5.

[6] ToRs p6 Article 12

Table AI.5: List of CD activities per country objectives sampled

Department	Project / Objective	Angola CD	Botswana CD	Comoros CD	Madagascar CD	Total
FAD	**Public Financial Management**					
	Comprehensive, credible, and policy-based budget preparation	5	4	18	17	44
	Improved budget execution and control	5	1	6		12
	Improved coverage and quality of fiscal reporting		4	8		12
	Improved laws and effective PFM institutions		6			6
	Non identified	1	1		1	3
	Strengthened identification, monitoring and management of fiscal risks		1			1
	Strengthened identification, monitoring, and management of fiscal risks		6		5	11
	Revenue Administration					
	Improved customs administration core functions		9	13	14	36
	Strengthened core tax administration functions	6	6	11	15	38
	Strengthened revenue administration management and governance arrangements	11	2	1	2	16
LEG	**Financial and Fiscal Law Reform**					
	Ensure autonomy and good governance of central bank	1				1
	Improve the effectiveness and efficiency of the central bank legal and regulatory frameworks to conduct macroprudential oversight by designing new or amending existing legal frameworks in accordance with international best practice				5	5
	Improve the effectiveness and efficiency of the tax system to improve tax collection by introducing new or amending existing tax legal frameworks in accordance with international best practices		7	2	1	10
MCM	**Central Bank Operations**					
	To advise and assist the central bank (CB) and other relevant authorities in developing and reforming the national payment system		3			3
	To strengthen the capacity of the central bank to implement monetary policy effectively	2	5		4	11
	Financial Supervision and Regulation					
	Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	3				3
	To implement a risk-based supervision (RBS) system and upgrade other supervisory processes		2	2	1	5
	Monetary and Macroprudential Policy					
	Improving the economic analysis and forecasting capabilities at the Central Bank	5	5			10
	To ensure that the central bank (CB) has the capacity to effectively communicate in order to fulfill its monetary policy mandate		3			3
STA	**Strengthen macroeconomic and financial statistics compilation and dissemination**					
	Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard	8	7	9	9	33
Total		**49**	**73**	**71**	**74**	**267**

The proposed sample was evaluated with the understanding that the team will: 1) look deeper into misclassified activities' briefs and start with LTX interviews to get a more complete picture of the distribution of CD across select countries and objectives; and 2) choose to carry out interviews with a representative sample of LTXs and STXs.

1.4. Scoring system, and aggregation of the evaluation results

The ToRs and the New CEF require the use of a quantitative evaluation scoring system aiming to estimate for each OECD/DAC criterion their level of completion based on the performance of the RTAC in achieving their planned objectives over the evaluation period. The scores assigned were supported by a wide range of evidence presented in the form of narrative assessments that will formulate a series of judgements consolidated into conclusions, that ultimately drove the definition of operational recommendations.

a) Scoring System

The quantitative scoring system was designed to draw upon the RBM CD scoring system - rating on a scale of 1 to 4 - assessing the level of completion of the CD objectives according to the indicators it refers to within the RBM catalog. Therefore, the scoring system is also structured according to a rating scale of 1 to 4 as followed:

Table AI.6: Rating system of the performance assessed under the evaluative question

Rating	Level of performance	Basic score	Interval
Excellent ('E')	Excellent performance	4	3.5-4.00
Good ('G')	Good performance	3	2.5-3.49
Modest ('M')	Modest performance	2	1.5-2.49
Poor ('P')	Poor performance	1	1.0-1.49
Not Demonstrated ('ND')	Scoring is not possible	ND	ND

To score the OECD-DAC Criteria, the team will aggregate scores assigned to each evaluation question, according to every source of information, that was consolidated at the criteria level according to the weights presented in the table below.

Table AI.7: Proposed weighting system for the criteria and sub-criteria for the evaluation at the CD level

	Evaluation Criteria and Sub-Criteria	Weights criteria
1	Relevance	20 %
2	Coherence	15 %
3	Effectiveness	30 %
4	Efficiency	15 %
5	Impact	10 %
6.	Sustainability	10 %

According to the ToR[7], "the starting point is to assign equal weights to each DAC criterion unless justified otherwise by the evaluator". In the case of AFS, the Center is in its second phase and it might be logical to include Impact, which was not scored on the previous evaluation. On the other hand, this is a Mid-term evaluation and major exogenous factors including Covid-19 make measuring impact more challenging. For AFS[8] (and AFW[9]) the previous evaluation gave the following weights: relevance 30%, efficiency 22%, effectiveness 28%, and sustainability 20%, whilst impact was not mentioned. At this stage it appears reasonable to include the weightings proposed which combine relevance and

[7] ToR § 18

[8] AFS Mid-Term Evaluation Phase I June 2011 to April 2014, May 2015, Volume II Annexes, pp. 15-17 (and 46); available via www.southafritac.org/evaluations?title=Evaluations.

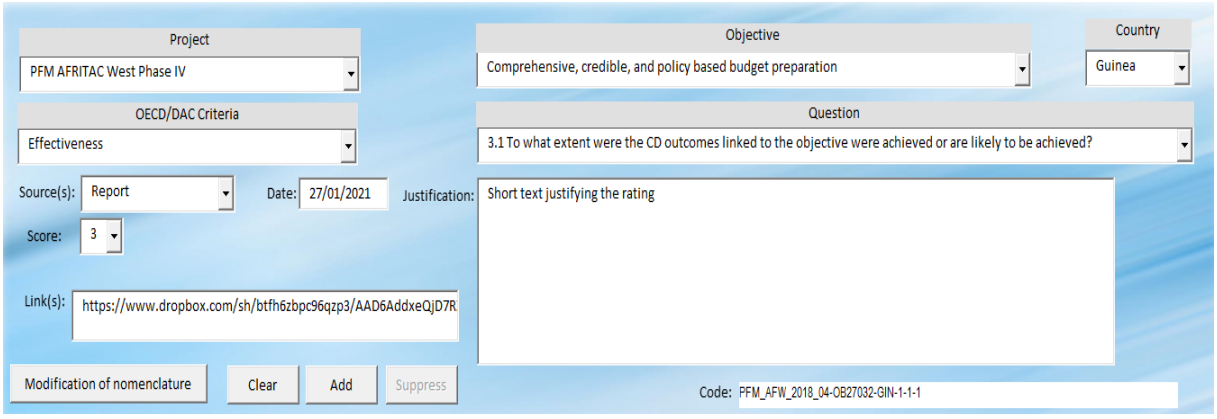
[9] Centre Régional d'Assistance Technique du FMI pour Afrique de l'Ouest (AFRITAC Ouest), *Evaluation indépendante à mi-parcours Phase III: d'octobre 2009 à aujourd'hui*, Nov. 2013, p. 43; https://www.imf.org/external/french/np/pp/2014/afwf.pdf.

coherence to total 30%, with a similar weighting for effectiveness. It is reasonable to give impact, which is one of the five OECD/DAC evaluation criteria, a weight of 10%.

In order to score, the evaluation team has developed an App (see figure 1) that allowed to store the evidence collected throughout the data collection phase, which provides evaluative information to answer the questions. The evaluation information collected will reflect the "Areas of investigation" defined for each question. The evidence was collected through the data gathered from documents and interviews. The scoring of the evaluation question followed an incremental process that is described in Section 2.1.4.

The App allowed the team of evaluators to specify the source of each piece of evidence and ultimately to score according to the judgment used at the time he construed the evaluation information of each piece of evidence within the App. In addition to categorize the sources/evidence and scores by evaluation questions/sub-criteria and criteria, the App allowed the team to classify them according to the specific projects/workstreams/topics/objectives/countries they refer to. Hence it was possible to aggregate the scores at all these different levels.

The evaluators then estimated the average score assigned for each evaluation question and aggregated them by criteria.



Aggregation of the evaluation results into findings & formulation of the conclusions and recommendations

1/ Aggregation of the evaluation results into findings

As per the ToRs, but also the 2020 CEF, the results of the evaluation are presented:

- ✓ In relation to country objectives in relation to projects according to the OECD DAC criteria
- ✓ Findings that are particularly relevant to Workstreams and headquarters departments:
  - Topical areas, that can be associated to workstreams
  - Country groups: including the migration of effort towards Fragile Countries as articulated in the Program Document
  - Themes: such as the CD delivery modality modes.

Therefore, the team of evaluators was able to present the results/findings of the analysis by Evaluation Criteria and topical areas/workstreams. This allowed to targeted findings and operational recommendations as the workstreams are related to the IMF division/departments and to present main lessons learned.

Also, the findings presented disaggregated results considering the different beneficiary country groups and discuss the performance of the different modalities of delivery of the CDs.

2/ Presentation of the findings

The evaluation at the CD project level reflected this analytical approach. Granular findings described in this section are presented in an annex. The main report aggregated project-level findings into workstreams criteria. When formulating the conclusions, the evaluation team had considered the guidance provided in Annex II of the IMF's Common Evaluation Framework (2017) that is also discussed in the ToR and requires following a 3 steps process, presented below:

⇨ **<u>First:</u> Give a summary of the evaluation results for each criterion explaining: Why was the achievement of the DAC criterion low/high and what factors explain it?**

Examples of answers to this question are given in Box 1 in the Appendix of the ToRs. Interestingly this annex puts emphasis on presenting conclusions that include matters under the control of the RTAC, as well as exogenous factors.

Exogenous events whose impact on RTAC work Cyclone Idai which hit Mozambique on 4 March 2019. The evolving impact of Covid, including its variants include travel restrictions, loss of tourism revenues and impact on trade.

⇨ **Second: provide formative recommendations by responding to the following question: What alternative interventions, if any, might have provided better results? What worked and what didn't work? What can AFS do to improve performance in the next phase?**

As pointed out in the ToR, the recommendations of alternate interventions should be accompanied by supporting evidence and should be costed (quantitatively, if feasible).

⇨ **Third: Assess the extent to which RTACs have adequately identified risks and established risk mitigation strategies.**

We propose to present the risks identified linked to each project by country group along with an assessment of the mitigation measures that have been implemented. A key challenge is to build resilience into the design and implementation of CD activities, and to assist partner countries build resilience into their management systems. These include political risks, especially in fragile countries, and the impact of commodity price volatility.

We made sure that there is a very clear linkage between conclusions and recommendations. In each case the intention was to provide a limited, focused set of conclusions and recommendations. The evaluators defined a set of key strategic recommendations by merging or grouping the operational recommendations derived from the findings per workstream.

1.5. Limitations

The limitations and the mitigation measure are the following:

Table AI.8: Limitation of the evaluation at the CD level

Limitations	comments	Mitigation measure
The validity / relevance of the adjusted log frame on which the evaluation is based	The assessment of the logframe shows inconsistencies, but also that the CD activities implemented are not necessarily linked with the logframe. Therefore, our analysis will consider the adjusted version of the logframe. However, when adjusting this logframe, the evaluators have made a series of assumptions to update the list of objectives and group of CD activities by objectives.	The IMF and the team need to agree on the adjusted version of the log frame to make sure it is consistent with the overall intervention logic. The assessment of the log frame we made will constitute a basis for this discussion.
The limitation relating to the sampling (representativity)	The sampling only considers four countries that won't be representative of the full set of beneficiary countries. The evaluation results will however be presented overall for AFS	We plan to conduct the last rounds of interviews with key staff from the IMF to discuss our conclusions and discuss to which extent they apply at the regional level in order to enhance the consistency of the results for AFS in general.
The limitation relating to the scoring system	The scoring system is based on the sum of the evaluators self-assessments and can differ from one evaluator to another. The	Transtec will make sure the three teams adopt the same approach when scoring by conducting a training n the use of the App that will include a

	scoring may then be considered inconsistent.	special module for harmonizing the approach to scoring.
	The aggregation of the scores by question and then by criteria will be done calculating the average score obtained when formulating a judgement to answer each evaluation question for each sources of information. However, not all the question will have the same number of sources of information, and scores referring to only one source of information may be misleading.	The team leader will make sure that when answering each question, the evaluators have relied on at least three different sources of information and therefore aggregate at least three scores by evaluation questions.
Use of the RBM rating system when evaluating effectiveness.	For effectiveness, the evaluators will rely on two scoring systems. The one based on their self-assessment and the scores from the RBM system. However, not all the scores assigned to the CDs through the RBM have been assigned following a rigorous approach and may up being inconsistent or not representative of the performance of the CD delivered.	The evaluation team will present both the scores of the RBM and the scores based on their self-assessment for comparison. The RBM weightings represent "self-assessments" and represent in input for comparison purposes – they will not be given equal weight to the independent, triangulated (where possible) evaluation scores.
Evaluability of the CD activities	Some documentation maybe be end up missing, especially the ones that relates to specific CD activities that will need to be looked at more in depth when assessing Effectiveness and efficiency.	Once the sampling established the evaluators will conduct an evaluability assessment to make sure they have at their disposal the specific documentation required. If a large amount of information is missing, the team will consider adjusting the sampling and liaise with the SC.
Logframe inconsistencies	In the case of AFRITAC South, the current database only connects activities to projects, not to objectives, which represents a sampling constraint.	The breakdown of CD activities to corresponding objectives will be undertaken in close collaboration with AFRITAC South and headquarters staff.

2. At the Entity-Level

The following section presents our approach used for conducting the evaluation at the entity level. It discusses the scope of the assessment, the evaluation framework, the data collection methods we used and how we present the evaluation results. Finally, it flags the limitations of this exercise.

2.1. Scope of the evaluation at the entity level

While the technical quality of CD activities ultimately is the responsibility of CD departments and guaranteed for example through backstopping, AFS management is an important determinant of the quality of CD activities undertaken in the region. AFS, in common with other RTACs, works closely with the relevant headquarters departments and in partnership with the countries concerned for each stage in the programming, design and delivery of CD activities.

The entity level evaluation focused extensively on the processes of converting inputs to results, especially the value-added of having RTACs co-located in the region that can provide continuing support to CD activities. In terms of the program cycle the RTAC plays a key role with headquarters departments, helping to confirm priorities, provide continuing engagement and troubleshooting when problems arise. This evaluation, structured around the questions asked in the ToR, examined practices during the phase under evaluation, and identified lessons that can be learnt and may be replicated in other regions.

Many of these functions entail having very close collaborative relationships with the beneficiary country partners which enable close engagement at each stage in the program cycle. "Soft" skills, and continuing engagement at country level are essential for this collaboration, and a key objective of the entity level evaluation is to learn from best practice and to understand and, to the extent practical, identify the value-added of having a regionally based TAC.

Given the diverse elements, semi-structured interviews were utilized both with the AFS professional staff, and with headquarters and beneficiary country representative staff.

The presentation of entity level evaluation findings takes account of the concern expressed in the IMF's latest (September 2020) guidance that: "*At times, too many entity-level governance and operational issues in regional capacity development center (RCDC) evaluations divert resources and focus away from the evaluation of project performance"*. Therefore, reporting of the entity level evaluation components will be tightly focused on key and topical issues identified in the Terms of Reference. These include:

- RTAC governance including Steering Committee strategic guidance and headquarters oversight;
- RTAC systems for management including application of the RBM system;
- Internal learning and consolidation of best practices including backstopping by headquarters;
- Contribution of the centers for external learning for sustainable results;
- Use of local and regional technical resources;
- Systems and delivery resilience (partly evidenced by the Covid-19 case studies); and
- Mainstreaming cross-cutting issues: gender, climate change and financial inclusiveness.

2.2.2. Evaluation framework at the entity level

The entity level evaluation is based on a tailored approach that is based on the questions, together with points raise by the 2015 AFS evaluation. These EQs, investigation areas, and sources of data were explored in the table below:

2.3. Approach to the data collection at the entity level

When evaluating at the entity level, the evaluation team relied heavily on two main sources of information: (i) Desk Review, and (ii) Interviews with key stakeholders.

Desk Review

The entity level evaluation started with a desk review of available sources and data. Key sources included:

- The AFS Workplan and Annual Reports;
- Steering Committee Minutes;
- The AFS 2015 Mid-Term Evaluation, and the IMF response to that evaluation;
- AFS Financial and Management reports;
- AFS organigram and staffing plans over the evaluation period; and
- Operational planning documents including preparations and execution of arrangements for remote working in response to Covid-19.

Caution was be taken to "join-up" the desk phase analysis, identifying whether different sources provide consistent information, and whether the AFS management and governance systems support (or in any areas impede efficient and effective management of the Center). A key objective was to use staff and management's time efficiently, by ensuring that when online meetings take place, they concentrate on high-value process questions. In order to achieve this, the desk review findings identified key points of focus. These enabled interviews to be issue-based and tailored to make the best use of the time available.

The interviews provided an opportunity to validate and triangulate information from the desk review, and, together with the survey, provided a solid foundation for answering evaluation questions.

Interviews

Entity level interviews were conducted with three categories of key respondents:

i. IMF staff
ii. Representatives of country recipients of AFS CD, including Heads of Departments.
iii. External partners including Steering Committee members.

IMF staff with different functions and responsibilities were interviewed. Efforts were made to interview (i) relevant technical and administrative AFS staff members; (ii) selected headquarters staff with particular insights into the TA delivery and the management and work at AFS (for example with respect to the RBM system). Also, selected former AFS staff were interviewed, for example LTX staff who have returned to a headquarters role who spent considerable time in AFS during the period under evaluation, and therefore have relevant insights.

Beneficiary country representative interviews focused on their engagement with AFS in terms of:

- Preparing the country program;
- Collaborating on existing and emerging issues (including the Covid 19 response);
- Programming and execution of CD activities;
- Perceptions of strengths and possible areas for improvement in terms of AFS management and administration.

Table AI.9: Evaluation Matrix at the Entity Level

Evaluation Questions			Investigation Areas	Sources of information
Evidence-based assessment Conclusions and conclusions as identified by the evaluators, linked to the responses in the 5 questions above to the extent possible	1	- Has the Steering Committee (SC) been effective in providing strategic guidance and oversight of RTAC activities and contributing to setting priorities?	- What strategic oversight and guidance have been provided by the SC? How has that been reflected in AFS CD? - How regular was SC's engagement? - Did SC members participate in all meetings? - To what extent was membership of the SC stable, facilitating continuity of guidance and oversight? - How comprehensive and timely was reporting to the SC by the Center? - Is there any evidence of SC having contributed to setting or changing priorities and strategic moves?	Documentation: Reports from the steering committee; SC minutes; IMF's (CD) Strategy Country strategic documents Budget documents for the FY18,19,20, Article IV, reports for the period 2017-2020 AFS annual reports Internal documentation on RBM, strategic papers of the World Bank, EU, and other partners Interviews: SC Committee members ICD Division, STA, MCM, FAD, IMF Resident Representative, AFS Coordinator LTX and STX experts, donors (World Bank, EU, other,) … Interviews with civil society Online survey
	2	- To what degree have the Center's systems and institutional set-up allowed for retention of organizational memory adequacy, quality of administrative and operational support provided to advisors, including by their backstopping departments?	- What systems and institutional set-up does the Center have in place to capture learning and knowledge? - How was experience and learning passed from one generation of advisors to the next? - How has the Center facilitated knowledge sharing between workstreams, and between Headquarters Departments? - How has the Center operationalized results management, and are the systems used fit for purpose? - Are knowledge management systems fully utilized in a timely manner? OR Is there evidence of regular and adequate use of the system for informing administrative and operational support, technical advice, and strategic decisions?	
	3	- What contribution has the Center made to building a robust network of local experts in the region, and to systematically identify and optimize the use of local and regional expertise?	- How has the Center identified and recruited expertise in the region? - Is there evidence of a robust network of local experts in the region and what is its quality? - Has the Center contributed to its development and working? If so, how and to what extent? - Does the network provide access to good quality local experts and how often are they engaged for CD activities? - What is the mix of regional and international experts by workstream? Is it appropriate?	
	4	- To what extent are RTAC's activities effectively coordinated with the work of development partners operating in the same sectors? - To what level is coordination in place with country representations of the partners?	- What are the relevant interventions of other development partners in the target country in the same sector? - Is there a mechanism to coordinate activities amongst donors and how does the RTAC participate in that process? - What is the quality and regularity of coordination and communication and what outcomes have been achieved? - If yes, what is its quality and regularity and is it perceived as useful and effective?	
	5	- How has RTAC coped with conflict and fragilities in countries in the region? - Have important exogenous events undermined the ability of RTAC to achieve its objectives? If so, has RTAC's response been adequate?	- Which countries selected for evaluation been in a conflict or fragile situation? What were the causes and consequences? - How has the Center supported countries respond to the challenges posed by Covid19? - Has RTAC taken corrective measures to avoid implementation being affected? If so, which ones? - To what extent has the RTAC adjusted its work programs to respond to fragility, and how has it done so? - What are some of the key CD lessons in the context of fragile countries? - Have any other exogenous factors impacted activities? - If yes, which were they and what was their effect? - What has been the response of RTAC, and was it adequate taking into account the circumstances?	
	6	To what extent have governance, gender, climate change and financial inclusion dimensions been taken into account in the program design of CD services (where relevant to the core expertise of the Fund)?	- To what extent has governance been taken into account in the program design and delivery of CD services? - To what extent has gender been taken into account in the program design and delivery of CD services? - To what extent has climate change been taken into account in the program design and delivery of CD services? - To what extent has financial inclusion been taken into account in the program design and delivery of CD services? - If inclusion of these cross-cutting topics was relevant, was it sufficient or was there scope for stronger inclusion into program design?	
	7	To what extent has RTAC built sustainability into the training provided by implementing measures, in order to capitalize the acquired knowledge and developing of training plans after providing CD?	- What measures were included into the design of the CD activities to capitalize the acquired knowledge and developing of training plans? - To what extent were these implemented successfully? - What concrete measures has the RTAC taken to ensure sustainability of training?	

Other external partners interviewed included development partners active in the region, regional development bodies (such as COMESA and SADC) and the IFIs including the World Bank and African Development Bank (AfDB). Other key external stakeholders included the European Union (EU) and other key funders of AFS including the Swiss Government and UK FCDO (formerly DFID). The main donors funding AFS Phase II are members of the Steering Committee, which has an important role to play in AFS governance.

One of the challenges of SC governance inputs is that some donors have not participated in all SC meetings, and others have provided different staff members to each meeting, suggesting that institutional memory and oversight may have been weakened. This may impact on the interview program. The evaluators cast the net widely to ensure a good cross-section of SC members are interviewed.

2.4. Limitations

The proposed methodology entails certain limitations that was highlighted within all our deliverables and recapped in an Annex of the final report presenting a Summary of Validity of Results.

The limitations and the mitigation measure we note are the following:

Table AI.10: Limitations of the evaluation at the Entity Level

Limitations	Comments	Mitigation measure
Synthesize the evaluation results	The IMF in its evaluation guidelines (2020) expresses concern about the over-detailed entity level findings	Care will be taken to ensure that only key, well-evidenced entity level findings are reported in a concise manner.
Continuation of phase I projects	We note from the Program Document and other sources that many CD activities represented continuation of initiatives that began before the evaluation period.	Where possible findings will differentiate between those that relate to the current period under evaluation and earlier initiatives.

Annex II: Case studies AFRITAC South Evaluation

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Introductory Note: The case studies presented below were initial working notes that the Evaluation Team prepared as background information for the main report. As working notes, they provide complementary information to the selected case studies that were finally included in the main report. Originally, these case studies were not supposed to be part of the report, but because of their richness and at the IMF's request, the Evaluation Team agreed to also include them. They are organized by funding programs (workstreams) and address the selected country objective presented in Table 3 below. This table also displays the evaluation scores for the different DAC Criteria, on a scale of 1 to 4 as presented in the table below.

Table 1: Scoring System

Rating	Level of performance	Basic score	Interval
Excellent ('E')	Excellent performance	4	3.5-4.00
Good ('G')	Good performance	3	2.5-3.49
Modest ('M')	Modest performance	2	1.5-2.49
Poor ('P')	Poor performance	1	1.0-1.49
Not Demonstrated ('ND')	Scoring is not possible	ND	ND

The evaluators have assigned scores appreciating the performance of AFS, when responding to the following evaluation question:

Table 2: Evaluation Question by criteria

Criteria	Evaluation Question
Relevance	1. To what extent were the CD objectives derived from capacity gaps identified by the authorities, IMF surveillance/program, and other partners/institutions?
	2. To what extent did the national authorities consider the CD objectives among the priorities of the country and/or agency?
	3. To what extent was the design sensitive to the context (e.g. economic, political economy, technical capacity) in which it took place?
	4a. To what extent were the CD objectives and design successfully adapted to changing circumstances?
	4b. Notably considering the recent impact on the Covid-19 crisis on delivering CD.
Coherence	5a. What is the level of synergies and interlinkages between the CD project and other interventions carried out by the agency/ government?
	5b. What is the level of consistency of the CD project with other IMF recommendations from surveillance, program, and other CDs?
	6. What is the level of consistency of the CD project with interventions by development partners?
Effectiveness	7. To what extent were the CD outcomes and objective, as defined by the RBM framework, achieved or are likely to be achieved? (In the process, validate the RBM ratings for outcomes and objective.)
	8. To what extent were the observed direct results attributed to/happened as a result of the CD?
	9. Notably considering the recent impact on the Covid-19 crisis on delivering CD.
Efficiency	10. To what extent has an appropriate mix of inputs (national, regional, international) been utilized?
	11. To what extent were inputs converted to outputs cost-efficiently?
	12. To what extent have CD activities been implemented to schedule?
Impact	13. To what extent has the CD project enhanced the country's macroeconomic and financial stability and supported inclusive growth?

	14. To what extent the consequences of the CD project on relevant Fund strategic priorities, such as climate change and inequality (economic, gender, and financial inclusion)?
Sustainability	15. To what extent does preserving the net benefits of the CD project hinge on its continuation? (Discuss the likelihood of the net benefits continuing over the medium and long term.)
	16. What is the level of capacity of the recipient country's system to sustain the net benefits of the CD project over time?

Table 3

Objective	Relevance					Coherence					Effectivness					Efficiency					Impact					Sustainability				
	AGO	BWA	COM	MDG	Avg.	AGO	BWA	COM	MDG	Avg.	AGO	BWA	COM	MDG	Avg.	AGO	BWA	COM	MDG	Avg.	AGO	BWA	COM	MDG	Avg.	AGO	BWA	COM	MDG	Avg.
To strengthen the capacity of the central bank to implement monetary policy effectively		4		4	4		3		3	3		3		3	3		3		3	3		2		3	2.5		2		4	3
Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability	3				3	3				3	1				1	2				2	1				1	1				1
To implement a risk-based supervision (RBS) system and upgrade other supervisory processes			4		4			3		3			3		3			3		3			3		3			2		2
Improve the effectiveness and efficiency of the tax system to improve tax collection by introducing new or amending existing tax legal frameworks in accordance with international best practices		4	4	4	4		3	3	4	3.33		4	1	2	2.33		3	3	3	3		2	1	1	1.33		3	1	1	1.67
Improving the economic analysis and forecasting capabilities at the Central Bank	2	2			2	2	2			2	2	3			2.5	3	2			2.5	2	2			2	2	2			2
To ensure that the central bank (CB) has the capacity to effectively communicate in order to fulfill its monetary policy mandate		4			4		3			3		4			4		3			3		3			3		4			4
Comprehensive, credible, and policy based budget preparation	3	4	4	4	3.75	4	2	3	4	3.25	2	4	2	3	2.75	3	2	2	3	2.5	2	1	3	3	2.25	2	1	2	3	2
Improved budget execution and control	3	4			3.5	4	2			3	2	4			3	3	3			3	2	2			2	2	2			2
Improved coverage and quality of fiscal reporting		2	4		3		2	3		2.5		3	2		2.5		2	2		2		2	1		1.5		1	1		1
Strengthened identification, monitoring, and management of fiscal risks		4		4	4		2		3	2.5		3		3	3		2		4	3		2		3	2.5		2		3	2.5
Improved customs administration core functions		4		4	4		3		4	3.5		3		3	3		2		3	2.5		2		2	2		2		3	2.5
Strengthened core tax administration functions			4	4	4			2	4	3			3	3	3			2	4	3			2	3	2.5			2	3	2.5
Strengthened revenue administration management and governance arrangements	3	4			3.5	3	3			3	4	4			4	3	3			3	3	2			2.5	3	3			3
Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard	3	4	3	4	3.5	2	3	3	4	3	2	4	3	3	3	2	3	2	3	2.5	1	3	2	2	2	1	3	2	2	2

Case Studies

Workstream: Public Financial Management

Objective: Comprehensive, credible, and policy-based budget preparation

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19FAI0806	Clifton Robert Neville	02/04/2019	05/04/2019	PFM_AFS_2018_02
19FA17700	Groom Simon Miller	02/04/2019	16/04/2019	PFM_AFS_2018_02

Relevance – 4

1/ A capacity development (CD) plan was agreed between AFS and the MFED with the aim to assist in developing a credible planning and budgeting for public investments. The CD activity is considered quite relevant, in that it addressed adequately key weaknesses/gaps in project appraisal and selection practices identified in Public Expenditure and Financial Accountability (PEFA) and PIM assessments endorsed in action plans by MFED.

2/ CD objective/activities considered among top priorities in the Government's reform action plans 2017-2021. The CD approach chosen by AFS to improve project appraisal is considered appropriate, in that it introduced good international practice – namely, the three-stage process covering pre-feasibility, feasibility, and independent review. Moreover, the CD activity is considered relevant because it supports the MFED plans to further improve the MTFF/MTBF process as well as budget formulation and policy-based budgeting.

3/ The CD design is quite relevant to the country's economic reactivation policy needs and investment growth plans of today. These CD interventions are an important part of effective public investment management, because it would also strengthen the predictability of investment funding. With major infrastructure projects being planned by the Government, an MTBF can place the costs of investment projects in the context of overall public finances, helping to assess if resources are available for public investment plans over the medium term, or whether fiscal rules or borrowing strategies will be violated by a proposed public investment program.

4/ Realization of CD objective adapted slowly to the exceptional COVID-19 circumstances using webinars and other remote means. The design of the CD activities changed to adapt to the rapidly changing circumstances, but its CD approach could not respond well to address the fast-growing demands of training at central government and local government levels as required by the CD project.

Coherence – 4

5/ Synergies and linkages recommended by the CD project for MFED/Development and Budget Division are quite relevant, e.g. MTBF, public procurement, not implemented though by the beneficiary entity in a satisfactory manner.

6/ The CD project interventions (e.g. project appraisal and selection, costing of public investment projects) are quite consistent with other IMF recommendations set out in Article IV Review missions aimed at enhancing Botswana's fiscal framework and the efficiency of public spending.

7/ CD project is an integral part of PFM action plan 2017-2021, though with CD activities not coordinated adequately with other relevant donor-supported interventions. Notably, there is no forum within the PFM oversight function nor a formal PFM donor committee that would enable AFS and other relevant donors to coordinate relevant TA activities.

Effectiveness - 4

7/ Two out of three milestones in the RBM framework were largely achieved, and one milestone partially achieved. In all, the CD activities proved quite effective because they provided the technical assistance, sufficient in amount and quality required by the national authorities, to develop modern PIM practices and techniques and were tailored to the needs of key MDAs.

8/ AFS provided hands-on support and advice with the development of a Public Finance Management Assessment (PIMA) implementation plan, with a focus on project appraisal, selection, and monitoring. In addition, AFS supported the development of a project implementation capacity development plan and a project risks analysis assessment methodology.

9/ Despite the effects of COVID-19 in staff engagement, AFS managed to work closely with the Development and Budget Division to achieve the overall objective of the CD mission, which is to support the authorities' efforts to increase effective management of Botswana's Public Investment Program (PIP).

Efficiency – 2

10/ A total of ten experts engaged in the CD activities with a total cost of 69 days, including the PIM assessment and three follow-up missions. All experts were international; none of the short-term experts included nationals from the country or from the region.

11/ CD activities are considered to have resulted in a high number of costly missions, when measured in productive terms, i.e. considering the medium-size investment returns made in terms of milestone achievements and objective outcomes. The follow-missions aimed to strengthen the project appraisal and implementation functions across Government, as well as project selection and prioritization for a mid-term national development plan review. Activities included hands-on capacity development and training in infrastructure appraisal in target MDAs.

12/ Most CD activities covered in each of the three follow-up missions took place after the outbreak of the COVID-19 epidemic, with a reasonable delay varying between 2 and 3 months.

Impact – 1

13/ It is too early to expect the CD project to have resulted in a credible planning and budgeting of public investments. The PEFA assessment of 2020 identified major weaknesses in the project selection, project costing, and project monitoring practices, which may have not led to improvements in the operational efficiency of public expenditure. The AFS engaged on this activity in 2019 and 2020, so it

is premature to expect that the PIM products developed and other AFS assistance have led to positive outcomes. For the third time, PEFA assessments conducted in Botswana found that reform actions in the development budget did not result in a well-functioning MTBF and proper linkages between investment budgets and forward expenditure estimates.

Also, it is premature to ascertain that the PIM practices introduced and customized as part of the MTBF reforms in Botswana have been assimilated swiftly. It is also too early to say that these practices have served to strengthen the relevant technical capacities and to manage the potential fiscal risks from large infrastructure projects in the largest MDAs, or to allow modelling or quantification of the impacts of cost overruns or project delays on overall public finances.

Planning Officer Manual (POM) guidelines on the appraisal process and costing methods have been developed. But their application has been uneven, and many projects continue to maintain the status quo and to proceed to the next stage of the project cycle without sufficient attention to feasibility (both economic and technical), sustainability, risks, and deliverability, according to TA reports. According to interviews, a truncated process for making a project appraisal decision continues to result in poorly prepared and inadequately assessed projects going forward for funding. Projects that are potentially of poor quality, low priority and undeliverable as planned are not able to obtain budget funding because the appraisal and selection processes are still not rigorous. Moreover, like other AFS countries, Botswana still has not categorized public investment projects by importance, complexity and/or risks, and has not adjusted methods and procedures accordingly.

14/ The CD project has not had any implications in new relevant topics of priority to IMF, such as gender and climate change.

Sustainability – 1

15/ Preserving the continuation of the net benefits of the CD project is of utmost importance to the Government plans to invest in new capital and social infrastructure in the most efficient manner.

16/ Lack of strong ownership at the highest political level, e.g. economic policy-makers at Cabinet level, National Strategy Office, to bear the high costs in duration and budget implied in the PIM capacity development process.

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
20FAS8208	Gomez Osorio Camilo	05/08/2020	14/08/2020	PFM_AFS_2018_02
18FAG4802	Hida Sybi	15/01/2018	25/01/2018	PFM_AFS_2018_02
19FA731	Hida Sybi	22/04/2019	30/04/2019	PFM_AFS_2018_02
18FAT2200	Shall Adrienne	15/01/2018	26/01/2018	PFM_AFS_2018_02

Relevance - 3

1/ The activities sampled for this evaluation built on work initiated in 2013, in which the Department of Macroeconomic Policy and Management (GERI) had developed an MTFF (Quadro Fiscal de Medio Prazo) with a five-year horizon. In early 2018, the Ministry of Finance put together an action plan for MTFF implementation, reflecting earlier AFS TA recommendations. While this was seen as a welcome development, it was also recognized that the plan was very ambitious regarding timing and sequencing of reforms and was constrained by serious capacity gaps in GERI. It was therefore seen as an urgent priority to build capacity within GERI and the Ministry of Finance more broadly, in order to undertake these reforms (IMF 2018c).

2/ The adoption of an MTFF was an urgent priority to build capacity within the Ministry of Finance. This was reconfirmed at a workshop in late 2017, in which both the Government and the IMF recognized the major issues caused by the lack of budget reliability (interview, former LTX).

Ownership was not broadened much beyond the Ministry of Finance until April 2021, when a new Director of GERI was appointed (who is a confidant of the Minister). He picked up on the need to involve other government agencies through the macro-fiscal working group and this was also discussed at the level of the Presidency (interview Resident Advisor). This was however a case of too little, too late and the underlying structural issues and lack of an institutionalization of MTFF coordination remain. As an example, it was known to the IMF that the tax authority (AGT) had not shared a model to estimate the revenue impact of the newly introduced VAT with the Ministry of Finance (interview, former LTX).

3/ The design of the approach was not particularly sensitive to the Angolan context, as the initiation of the TA in 2016 was out of sync with the political cycle and immediately led to a halt in progress because of the elections in 2017. Language issues were reportedly not a big problem. But while a limited number of people at the core of the ministry would have been able to communicate in English this is not true more widely and the Angolan authorities are very sensitive to the language issue (interview, current LTX1).

It was known that the preparation of the macro-fiscal framework is highly fragmented in Angola (with key areas of responsibility split among various ministries, the revenue authority, and the Central Bank). An attempt was made to ensure cross-ministerial collaboration, but this has been slow to pick up (IMF 2018d, interview Resident Advisor). Likewise, issues associated with the limited capacity to do macro-fiscal forecasting and high staff turnover in the ministry were known. The assessment made in the 2018 TA report leaned towards prioritizing enhancing technical capacity and staff shortages in GERI, before moving towards legal reform, despite the current favorable political commitment (IMF 2018d). This is a conundrum, as there are deeper structural hindrances to an effective MTFF, but at the same time there is a risk that political commitment could wane and come to a stop in the next election year (2022).

The most recent AFS Capacity Development Strategy Note for Angola, from January 2019, found that over several years, various TA missions had advised on strengthening Angola's fiscal framework by adopting a MTFF and financial responsibility law, but progress had been very limited. This note identified capacity constraints as the main problem and reported that the authorities were requesting a more hands-on approach, as they found it challenging to implement the missions' recommendations (IMF 2019a). It was partially in response to these challenges that an EU-financed resident advisor was recruited from mid-2019.

4a/ The approach was adopted in 2016 when the current economic downturn in Angola had already set in and with a new Administration taking office in early 2018. The design and approach sought to take advantage of this momentum, and the action plan became overly ambitious.

Moreover, it is critical to underline that work on this CD project has been taken over by the PFM project financed by the European Union (EU-ICD-FAD). The project took over the pursuit of this objective from the second half of 2019, after which the role of AFS was discontinued on this objective and relied significantly on the presence of an EU-funded resident advisor working with the MOF (IMF 2019b, interview current LTX and resident advisor).

4b/ Covid-19 only set in after the role of AFS in this CD project had been handed over to HQ, through the management of the EU-funded project.

Coherence - 4

5a/ The MTFF fitted into a broader reform agenda on PFM, especially centered on the adoption of a fiscal responsibility law, which passed through parliament in October 2020 with bipartisan support. From this work, a number of related areas for improvement were identified for macro-fiscal analysis, forecasting, budget preparation, fiscal reporting, and infrastructure governance (IMF 2018b). The Ministry of Finance has been addressing these issues in parallel with the work on the fiscal responsibility law and MTFF (interview resident advisor).

5b/ The level of consistency is high. The 2018 Article IV listed the implementation of an MTFF focused on spending rules and a well-designed fiscal stabilization fund to reduce pro-cyclicality in spending as one of six key policy recommendations (IMF 2018b). Both the Staff Report and the Letter of Intent included in the 2018 request for an Extended Fund Facility program in 2018 highlight the adoption of an MTFF as a priority, coming under the broader structural benchmark of submitting PFM legislation to the National Assembly in consultation with IMF staff (IMF 2018a). There were also clear overlaps and synergies with the PFM objective of improving budget execution and control, mainly through a reduction in arrears.

6/ The fact that the objective was integrated as one of the key focus areas of the EU-funded PFM project shows that the EU – as one of the key development partners in Angola – fully shared the vision of providing support to the GoA in this particular area. This was the result of continuous engagement and debriefing of development partners. Other development partners with synergies in this project include the French Agency for Development, which is leading on the forthcoming PEFA, and the World Bank, which has been providing budget support to Angola through a Development Policy Financing series. Here, a prior action on fiscal management and sustainability relied on the publication of a fiscal strategy document, including an analysis of contingent liabilities and other fiscal risks and a MTFF.

Effectiveness - 2

7/ Up to mid-2019, there was little progress on the CD objective, with the targeted outcome of putting in place a more credible medium-term macro-fiscal framework that supports budget preparation. The verifiable indicators were PEFA based and have not been published (IMF 2018c). Three key milestones are part of the results framework as well. These are:

- Strengthen the MTFF to illustrate fiscal forecast scenarios, based on alternative macroeconomic and other specific assumptions
- Prepare and publish the MTFF
- Prepare and publish a fiscal strategy (budget strategy paper)

The effectiveness rating of this objective in the 2019 Capacity Development Strategy Note for Angola was considered low. Progress has however picked up since then. While not attributable to AFS, this evaluation acknowledges that capacity development provided by AFS cannot be seen in isolation from that provided from HQ.

8/ The results are almost entirely attributed to the CD provided by the resident advisor under the EU-funded project. However, the foundations were laid by the extent to which this issue was addressed by AFS up until mid-2019 and through the two missions sampled for this objective, where for example there were practical (Excel-based) tools for macro-fiscal forecasting and linking MTFFs with MTEFs and annual budget (interview, former LTX). Moreover, the AFS used its experience to provide a diagnosis and recommendations for the EU-financed project and the AFS must be credited for some of the improvements made.

9/ As noted above, Covid-19 set in after this project had been taken over by the HQ-managed project. The presence of a resident advisor throughout the pandemic seems to have been of central importance, despite this person also working remotely for long periods.

Efficiency - 3

10/ The AFS involvement in this project during the current evaluation period relied on a non-Portuguese speaking LTX based in the AFS at Mauritius: this person could not deliver CD services optimally carrying on to Angola. The follow-up EU-ICD-FAD project, and particularly the decision to finance a resident advisor, greatly improved the mix and has improved the outcome of the project significantly. This also addressed the complaints of the authorities highlighted in the Capacity Development Strategy Note (IMF 2019b).

11/ There were six PFM missions to Angola in the evaluation period. Of these, four were sampled for analysis. The number of days per mission vary significantly between 7 and 42, but the main variable in this variation is the number of people who participated in the mission, which varies from 1 to 3. By individual, the number of days used varies between 7 and 18. The average number of days per PFM mission to Angola was 20. The average number of days per person (expert) was 11.

For this PFM objective, two missions were realized, both in-person. The data on the number of days used is unclear and they reflect general weaknesses encountered throughout the evaluation with the TIMS database. The Briefing Papers for the mission make it clear that, in the first mission, one AFS LTX participated in the mission and two FAD experts comprised the mission team; the second mission was made up of one AFS LTX, two experts (STX) and the mission chief who was from FAD. The TIMS database suggests that all three experts in the first mission were AFS financed, implying that a total of 42 days were used on the mission. For the second mission, days are only entered for the AFS LTX, implying that only 7 days were used. The two missions produced similar outputs and hence one would arguably be six times more efficient than the other. The first mission did realize two workshops which might have required more time for preparation, but not sufficiently to justify the difference in the number of days. If the IMF want a better perception of the actual cost-efficiency of its CD work, it is paramount that systems and reporting should be improved as planned with the roll-out of CDMAP.

For this objective, and relying on the data provided, the average number of days was 24.5: this is slightly above the average but with a major variation between the two missions. The first mission used up 42 days, which was twice the average, and the second was a third of the average. In terms of

number of days per person, the 15 and 18 days used up by the FAD experts seem excessive, while the 9 and 7 days used by the AFS LTX seemed very reasonable (they also produced both TA reports).

12/ The tasks and outputs of the two sampled missions, as set up in the briefing papers which were planned to be implemented by AFS as part of the two missions, were carried out on schedule (IMF 2018c and IMF 2019c). However, the recommended timeline for the MTFF process (with a pilot report in September 2019 for the 2020 budget and starting the process in 2020) was unrealistic and missed by a significant margin. This would likely have been missed, even without the impact of Covid-19.

While established on a piloting basis, the MTFF and the Fiscal Strategy Report the MTFF was not part of the 2021 government budget, as the legal framework (the new Fiscal Responsibility Law) was only enacted in September 2020 (the Angolan fiscal year follows the calendar year). Likewise, a deeper analysis of macro-fiscal risks has not yet been achieved. The MTFF is meant to come into effect only with the budget law for 2022. As it stands, there is a high risk that the authorities might not meet this statutory obligation fully (email exchange with Resident Advisor).

Impact - 2

13/ As the MTFF has not yet come into effect, it has not had any impact on the country's macroeconomic and financial stability or supported inclusive growth, but it is likely to have an impact in the future. The enactment of the Fiscal Responsibility Law is a major achievement and if it is complied with in the context of rising oil prices, the law is expected to have a highly significant impact on macroeconomic and financial stability. However, given the long economic decline and the upcoming elections, there is a very significant risk that compliance with the new law will be low.

14/ The project touched very marginally on issues like gender, as there is only a brief reference to gender budgeting in the second TA report. Moreover, the project is very traditional in its PFM focus, with a lack of attention to governance issues that underlie the poor coordination between different government agencies.

Sustainability – 2

15/ Serious concerns can be justified about the sustainability of the results over the medium and long term, especially after the contract of the resident advisor will come to an end and the election year will kick in. This could very likely result in major risks materializing, such as discontinuation of political support for the results achieved, limited or no compliance with the new legal framework and the non-implementation of an MTFF.

16/ The known and documented lack of sufficient and skilled staff at GERI has not been sufficiently addressed. The limited institutionalization through the functioning of a Macro-Fiscal Working Group is a concern. It is extremely important to note, however, that work has continued beyond the scope of this mid-term evaluation and could improve in the second part of the current AFS cycle. Several measures are being taken, such as discussions about the preparation of the by-law to increase the chances of compliance with the financial stability law and MTFF (email exchange with resident advisor).

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
20FAP7600		20/04/2020	01/05/2020	PFM_AFS_2018_02
18FAU2000	d'Harcourt Jerome	26/09/2017	28/09/2017	PFM_AFS_2018_02
18FAU2100	d'Harcourt Jerome	04/12/2017	15/12/2017	PFM_AFS_2018_02
18FAU2400	d'Harcourt Jerome	26/02/2018	02/03/2018	PFM_AFS_2018_02
19FA18500	d'Harcourt Jerome	13/08/2018	22/08/2018	PFM_AFS_2018_02
19FAR9500	d'Harcourt Jerome	05/03/2019	07/03/2019	PFM_AFS_2018_02
20FAZ6347	El Omari Moulay Abderrah	19/08/2020	01/09/2020	PFM_AFS_2018_02
21FA47400	Helis Jean-Luc	19/08/2020	01/09/2020	PFM_AFS_2018_02
21FA47400	Helis Jean-Luc	19/08/2020	01/09/2020	PFM_AFS_2018_02
17FAB7715	Helis Jean-Luc	16/08/2017	18/08/2017	PFM_AFS_2018_02
17FAB7726	Helis Jean-Luc	26/02/2018	01/03/2018	PFM_AFS_2018_02
21FA47400	Helis Jean-Luc	19/08/2020	01/09/2020	PFM_AFS_2018_02
21FAI3800	Roumegas Pierre	30/09/2020	11/10/2020	PFM_AFS_2018_02
18FAM5800	Vu Ha	16/08/2017	29/08/2017	PFM_AFS_2018_02

Relevance - 4

1/ The capacity gaps were identified by the PEFA (2016) for Comoros. Major weaknesses identified were: Significant deviations from assumptions, poor revenue forecasts, a non-operational MFM Committee, non-respect of the budget preparation calendar, poor capital projects prioritization and informal processes for exchange of information.

Moreover, the lack of a credible medium-term fiscal framework (MTFF) for budget preparation was identified as a common gap by AFS Secretariat for all AFS countries at the beginning of Phase II (AFS, Phase 2, 2017)

2/ This objective was considered a country priority in the national consultations for the Comoros Country Strategy Note for CD Activities (CSN, 2018). Comoros PFM priorities have mainly relied on the Minister of Finance's decisions.

3/ The country's reaction to changes in context are generally slow, mainly for technical capacity reasons. Its Deputy Budget Director was the champion of PFM reform, but is about to leave and some degree of uncertainty remains regarding its future design.

4a/ Comoros kept developing revised MTFFs, improving revenue forecasting methodology, and revising the budget classification with a view to increasing the volume of public investment financed domestically.

4b/ In 2020, Comoros was one of those AFS countries requesting AFS support for designing new budget procedures to implement a proper COVID-19 fiscal response. AFS' assistance has been provided on (i) the evaluation of the costs and financing for the country's COVID-19 response; (ii) helping Authorities prepare new budgeting (MFM), accounting, monitoring, and reporting of COVID-19 expenditures; and (iii) carrying out an exhaustive inventory of external financing; among others.

Coherence - 3

5a/ Comoros has limited synergies, with weak organization and communication among agencies involved.

5b/ Through Phase II, CD activities have derived from the response to a request from the Ministry of Finance and Budget (MFB) of Comoros, in agreement with Fiscal Affairs Department (FAD) and AFRITAC South (AFS). More recently, the CD focused on the preparation of the 2021 budget and the adaptation of the expenditure chain to track and report on COVID-19 related expenditures. The mission was executed remotely and extended to several meetings.

6/ External coherence – mainly measured by the quality of donor coordination on PFM – has been average in the case of Comoros (LTX, PFM, 06/22-21): In comparative terms, the country features weaker donor coordination than Madagascar, but stronger than Botswana.

Effectiveness - 2

7/ LTX's view that the CD objective underperformed is correct, as evidenced by low achievements in the following Milestones:

+ Adoption of the budget preparation manual;

+ Prepare medium-term macroeconomic projections as part of budget documentations;

+ Prepare MTFF and a fiscal strategy paper and reduce revenue and expenditure forecast errors <15%.

As a result, the CD work supported by AFS was able to achieve modest outcomes, such as for the adoption of and reporting on clear and measurable fiscal policy objectives; and the presentation and explanation of medium-term macroeconomic and fiscal forecasts.

8/ In general, not only Comoros but all AFS countries were involved and had full awareness of the setting and monitoring of their RBM logframe ultimate Outcomes and Milestones. In general, slow implementation derives from limited implementation capacity.

9/ (LTX, PFM, 06/22/21) considers that results would have been worse, had the country not received AFS support for facing COVID-19. However, he indicates that the country still has a large PFM agenda ahead.

Efficiency - 2

10/ As a fragile country, both in FY20 and FY21, Comoros (and Madagascar) has been one of the two AFS countries receiving the larger number of missions (15 and 23 respectively) region-wide. But the cost-effectiveness of the mix of inputs can be considered as lower than the average, because being a fragile country with limited technical capacity, it requires stronger presence *in-situ* than an average AFS country, as well as more bilateral CD support. This is so to the point that LTX believe that a permanent Resident Advisor would be required to make reforms sustainable (LTX, PFM, 06/22/21). Before being considered as fragile, Comoros already received a large number of missions: a possible explanation of this, on the demand side, is that being a "cash constrained" country in need of financing (even though the latest IMF program signed in 2016 was not completed successfully), there is a permanent need for support to achieve a minimum level of performance.

11/ Given slow/limited progress on milestones, and the higher-than-average number of missions, CD inputs have not been converted to outputs cost-efficiently. Some palliatives, however, can be pointed out: On the one hand, the government has been able to make timely requests in the workplans and receive a quick response. On the other hand, CD activities (non-virtual) have often started with a 2-days initial training (workshop), as "the best way to optimize budget in a mission, get updated on most recent events in the country, and build trust with counterparts" (LTX, PFM, 06/22/21.)

12/ There were no particular observations/complaints from LTX, members of the Steering Committee or Beneficiaries regarding the timeliness of AFS response to their requests.

Impact - 3

13/ Impact of the CD can be rated as good. Before COVID, a few positive results were mostly procedural and these helped with: (i) Issuing new guidelines for a MTMFF (2019-21); (ii) timely preparing new budget laws since 2018; (iii) and upgrading the budget classification, with different and detailed budget lines. Despite these results, in 2019 an overly ambitious budgeting undermined the CD's credibility and transparency, creating large deviations between budget forecasts and realized revenue and spending, followed by fiscal imbalances (e.g. -4.3 percent of GDP in 2019). Remarkably, however, in 2020, revenue forecast came in line with IMF staff projections and budgeted spending and, in the same vein, the country prevented major fiscal imbalances (-1.0 percent of GDP, one of the lower fiscal deficits region-wide) (IMF Art. IV/June 18, 2020). Hence, CD has contributed to preventing a major deterioration of the fiscal stance and helped to support economic recovery in a highly uncertain context (growth is projected to reach 1.3 percent in 2021, following a slowdown of -0.3 percent in 2020).

14/ Relevance of new global priorities is still minimal. Many interviewees concluded that these priorities are at the diagnostic stage. More advanced features, like gender budgeting or climate sensitive taxation, are yet to come.

Sustainability - 2

15/ A major implementation risk identified is still the weak ownership of reforms at political level, especially bringing revenue forecasts to reasonable levels, but not detrimental to budget credibility; and limited local staff technical capacity, which would justify more hands-on training.

16/ Comoros has limited capacity to sustain reforms, given its staff shortcomings (which justifies the need for a locally-based LTX). The country does not have the leverage of having an IMF program and has serious governance issues. Sustainability would also potentially improve through completing the reform of the wage bill: where ghost workers have been eliminated, a new hiring process was approved and limits on recruitment were set up.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18FAU2900	Bompas Arnaud	19/02/2018	02/03/2018	PFM_AFS_2018_02
19FA19400	Bompas Arnaud	06/08/2018	17/08/2018	PFM_AFS_2018_02
18FAM9600	Bouvet Fabien	21/02/2018	06/03/2018	PFM_AFS_2018_02
19FA19500	Dagues Jean-Francois	21/02/2019	06/03/2019	PFM_AFS_2018_02
18FAU3200	Dubertret Julien	23/11/2017	06/12/2017	PFM_AFS_2018_02
17FAB7719	Helis Jean-Luc	22/11/2017	23/11/2017	PFM_AFS_2018_02
17FAB7720	Helis Jean-Luc	19/02/2018	23/02/2018	PFM_AFS_2018_02
17FAB7722	Helis Jean-Luc	18/04/2018	19/04/2018	PFM_AFS_2018_02
17FAB7769	Helis Jean-Luc	21/11/2018	23/11/2018	PFM_AFS_2018_02
17FAB7761	Helis Jean-Luc	22/02/2019	26/02/2019	PFM_AFS_2018_02
18FAM9700	Ouattara Naby Abraham	21/02/2018	06/03/2018	PFM_AFS_2018_02
18FAV2400	Roumegas Pierre	10/04/2018	20/04/2018	PFM_AFS_2018_02
19FA74500	Taiclet Benoit Andre Jea	21/02/2019	06/03/2019	PFM_AFS_2018_02
21FAI4500	Taiclet Benoit Andre Jea	05/05/2020	19/05/2020	PFM_AFS_2018_02
19FA74500	Taiclet Benoit Andre Jea	21/02/2019	06/03/2019	PFM_AFS_2018_02

Relevance - 4

1/ The capacity gaps were properly identified by a Public Investment Management Assessment (PIMA) TA report (2017), a TA Report on PFM Reform Management (2018) and the PEFA (2018). Major gaps identified in the strategy were extensive corruption, low revenue mobilization, public investment mismanagement, poor external audits and procurement, and scarce public and private partnerships (PPPs).

2/ Since 2017, the country has prioritized five PFM reforms aimed at, among others:

a. Supporting the development of a medium-term budget framework;
b. Improving multi-year capital project management. A 2018 mission proposed new procedures to start monitoring them with new autorisations d'engagement/credits de payment (AE/CP);
c. Improving the wage bill forecasting and budgeting, including the upgrade of the wage bill forecasting model and a unified wage bill and payroll system (SIRH AUGURE);
d. Identifying and monitoring fiscal risks, mostly centered on SOEs, natural disasters, and pension schemes; and
e. Supporting new budget procedures for implementing COVID-19 fiscal response.

3/ Political economy has set constraints: The silo-segmentation of the administration and weak political support to PFM reforms have rendered cross-department collaboration and policy decisions very difficult.

4a/ Since 2018, Madagascar has focused its new PFM strategy and action plan to (i) budget and monitor multi-year capital projects; (ii) review the regulatory framework; (iii) set up a dedicated team; and (iv) strengthen capacities in the use of the AE/CP procedures.

4b/ Madagascar was another AFS country requesting support for designing exceptional budget procedures for implementing a proper COVID-19 response in the "Plan Emergence Madagascar." Assistance was provided on (i) the evaluation of the pandemic costs and financing for the country's COVID-19 response; (ii) helping Authorities prepare new budgeting, accounting, monitoring, and reporting of COVID-19 response; (iii) carrying out an exhaustive inventory of external financing; and (iv) reviewing draft decrees on exceptional budget procedures (included in a 2020 Supplementary Budget Law).

Coherence - 4

5a/ Since 2017, successive PFM missions came at a pivotal moment when a new government was overhauling its investment and PFM plans. The HQ mission took stock of progress made in public investment management (PIM), since the 2017 Public Investment Management Assessment (PIMA), and issued new specifications for a manual to streamline investment project management and improve controls. Madagascar has had politically strong Ministers, and good organization and communication among agencies involved.

5b/ Through Phase II, CD activities have derived from the response to requests made by the Minister of Finance, in agreement with FAD and AFS. More recently, the CDs have focused on the preparation of the FY21 budget and the adaptation of the expenditure chain to prioritize, track and report on COVID-19 outlays. Recent Missions have been executed remotely. The March 2021 requests for an Extended Credit Facility (ECF) fully endorses Madagascar's PFM reform priorities and considers them as "crucial for the success of the program." (IMF Request for a 40-month Arrangement under the ECF, 2021).

6/ External coherence, as measured by the degree of donor coordination, has been quite high. Donor meetings are organized every 3 months, share recommendations from missions and there is a proper division of labor (LTX, PFM, 06/22/21)

Effectiveness - 3

7/ The CD objective has mixed rates of achievement, in terms of milestones. Largely or fully achievements were made to Strengthen formulation of MTFF 2018-20 methodologies and to strengthen the Adoption and implementation of a strategy and medium-term action plan for improving public investment management. The CD activities aimed at Improving budget classification by integrating programs and budget documents were only modest.

In terms of Outcomes, we support the low rates of performance provided by the LTX in the RBM logframe on the Presentation and explanation of medium-term macroeconomic and fiscal forecasts; and the Planning, appraisal, selection, costing and monitoring of public investment projects.

8/ Authorities have been fully involved in the setting of RBM Outcomes and Milestones and they are well-organized and disciplined (LTX, PFM, 10/06/21). Given the continuity and extension of permanent TA assigned to support PFM reform, with an emphasis on PIM, promising results were clearly obtained thanks to strong AFS support.

9/ (LTX, PFM, 0622/21) considers that results would have been worse if the country had not received AFS support to face COVID-19.

Efficiency - 3

10/ As a fragile country, and after Comoros, Madagascar was the AFS country receiving the largest number of missions in FY20 and FY21 (15 and 20 respectively). The design of the 2021 ECF is also focused on addressing Madagascar's fragilities. Hence, AFS support has clearly been designed to complement certain critical areas that support IMF surveillance and conditionality. For instance, with a view to rebuilding fiscal space, "ambitious public investment objectives are being further clarified, including the prioritization of projects, considering implementation and absorptive capacity constraints and proper costing." (IMF Request for an ECF, 2021).

11/ Given the high number of missions and recently promising, but slow progress to implement PFM reforms during the pre-COVID time, the cost-efficiency of CD inputs can be considered as average.

12/ As Madagascar engages in the ECF, the timeliness of its commitments to PFM reforms has increased, even in a highly uncertain environment created by the pandemic.

Impact - 3

13/ Whereas pre-pandemic AFS support had a limited impact, its post-pandemic support has indeed contributed indirectly to enhancing the country's macro stability by mitigating the impact of COVID-19. Prior to the COVID-19 crisis, Madagascar was on a modest upward growth trajectory, supported by slow renewal of political stability. The COVID-induced recession in 2020 was more severe than anticipated (-6.2 percent GDP growth) and a second wave of the pandemic that hit Madagascar in 2021 has further delayed prospects of rapid recovery and correction of fiscal imbalances (-4.2 percent of GDP) as public investment might scale up. In response, Madagascar also benefitted from two IMF Rapid Credit Facilities (RCF) in 2020 and engaged in a 2021 ECF, which helped to close short-term financing gaps. In parallel, in a process known as ‘CD-surveillance’, complementary AFS CD activities contributed to the technical design and implementation of proper policy measures as well as to mobilizing donor support.

14/ The impact of AFS efforts should fully materialize under the incoming ECF, which addresses key Madagascan fragilities, including its high exposure to climate-related shocks and its anti-corruption and governance efforts. However, it must be acknowledged that these new topics are still only at the diagnostic stage.

Sustainability - 3

15/ To a certain extent, the net benefits (rebuilt fiscal space) of Madagascar’s PFM reform (and the success of the ECF) critically hinges on the continuation of AFS support. Its high absorptive capacity, and sound organization, should also help to make the most of this support.

16/ High. As part of the ECF structural agenda, the Inter-Ministerial Committee that overviews PFM Strategic Plan de Modernization (2018-2026) has been reorganized and PFM performance is being assessed following the PEFA methodology in 2021. The incoming PEFA should confirm and update priorities.

Objective: Improve budget execution and control

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
21FAH16	Almeida Mario Augusto Go	16/05/2020	24/05/2020	PFM_AFS_2018_02
19FA17600	De Albuquerque Claudiano	08/04/2019	18/04/2019	PFM_AFS_2018_02
19FA176	De Albuquerque Claudiano	08/04/2019	18/04/2019	PFM_AFS_2018_02
21FAF48	De Albuquerque Claudiano	16/05/2020	24/05/2020	PFM_AFS_2018_02
20FAZ6345	El Omari Moulay Abderrah	18/05/2020	22/05/2020	PFM_AFS_2018_02

Relevance - 3

1/ Budget execution, expenditure controls and arrears management in particular are issues the Angolan Ministry of Finance has struggled with for decades. These issues affect aggregate fiscal discipline and budget credibility. Buildup of arrears is considered a challenging area, as revealed in the 2017 unpublished PEMFSR (PEFA), in the 2018 Article IV Review, and in the latest EFF program performance review.

Multiple reports did the original diagnostic gaps. The 2017 unpublished PEMFSR (PEFA) scored PI-4 C+ (Harnett and Pisani, 2017). It was recognized as a persistent issue again in the 2018 Article IV and in the most recent review of the EFF it was the only performance criterion not met but waived, thanks to good performance overall on implementing the program. In the review, the authorities make an explicit link between the ability to better manage arrears and enhanced budget execution control and cash management measures (IMF 2021, p. 49). Interviews also verified the relevance of this area, although there might be underlying political economy rather than technical reasons for the persistence of the issue (interview, STX, JUL2621). Surprisingly this objective was not noted as a priority in the Angola—Capacity Development Strategy Note, (IMF 2019b). Government has showed commitment specifically to address this issue in the state budget, where a process for eliminating arrears and an initiative to better manage arrears are presented. Here the government acknowledges that the volume of domestic arrears, accumulated over the past few years, is a great burden on the productive economy and represents a weakness in the public financial management system, negatively affecting the economy (GoA, 2020, p. 99 and 110).

Surprisingly this objective was not noted as a priority in the Angola—Capacity Development Strategy Note, (IMF 2019b). Government has showed a commitment specifically to address this issue in the state budget, where a process for eliminating arrears and an initiative to better managing arrears are presented. Here the government acknowledges that the volume of domestic arrears, accumulated over the past few years, is a great burden on the productive economy and represents a weakness in the public financial management system, negatively affecting the economy (GoA, 2020, p. 99 and 110).

2/ As evidenced by the articulation of the need at a high level (as the EFF program review illustrates) that the authorities consider addressing the arrears a priority to a very significant extent (IMF 2021). The creation of the Technical Group of Financial Controllers directly under the Ministers office, a group that is viewed as engaged and motivated to learn and put lessons and recommendations into practice, indicates that the objective is demand-driven. Moreover, the State Budget law which is approved by

Cabinet and Parliament articulates and allocates resources to the elimination of arreas (GoA 2020, op. cit.). However, political support to eliminate the underlying incentives for disregarding budget execution rules constitutes a significant is a risk and related to mismanagement. As long as such incentives are not curtailed, arrears will continue to emerge (interview, STX).

3/ A strength of the tailoring of the design to the Angolan context was that activities under this objective were delivered by Portuguese-speaking STXs from Brazil with significant experience in the area and TA reports were also produced in Portuguese. This is important for the Angolan authorities. A weakness of the design is that, according to the STX, the TA does not address the underlying issues. Basically, Angola has a good legal framework and good systems (e.g. Lei Quadro do Enquadramento Orçamental (Lei 15, de 2010), SIGFE, CUT and SIPIP) (IMF 2019c), but regardless of this, decisions to incur expenses outside the system are still happening and payments are being authorized without commitment controls. The bigger issue concerns implementation (which increases the relevance of the AFS CD objective, as this is the role of AFS) but it is also highly related to informal procedures, mismanagement and entrenched corruption (interview, LTX, JUN2821, STX, JUL2621). The lack of stronger integration of measures to specifically address and tackle structural issues, including corruption, should have been a priority. But the lack of such measures takes away from what would otherwise be a top rating, because the relevance of the issue is high.

4a/ Few adjustments have been made, for example, to address political economy aspects of the problem over technical issues (interview, STX, JUL2621).

4b/ Although Covid-19 has led to a slackening of the pace to improve the commitment controls system and the clearing arrears process, the pandemic has not made the objective more or less relevant or required further adaptations. The authorities have managed the fiscal impact of the crisis relatively well as the non-oil primary fiscal deficit fell to 5.5 percent of GDP in 2020, from 6.1 percent of GDP in 2019, meeting the program PC with a substantial margin.
While the CD objectives and design were not changed, delivery was affected by the pandemic and the second of the two missions had an expanded focus on how to tackle Covid-19 throughout the budget cycle by improving budget preparation and execution processes to better respond to COVID-19 needs (IMF, 2020).

Coherence - 4

5a/ The authorities have established a Technical Group of Financial Controllers (TGFC) directly under the Minsters office, to reinforce budget execution management and contracting procedures in the National Procurement Office (NPO) is being reformed in line with best practice (IMF 2019c). Both these reform efforts led by the authorities create synergies that are likely to contribute to reducing existing shortcomings in the control of budget implementation. The TGFC reinforces the government's audit and control system, which is composed of the Supreme Audit Institution (Tribunal de Contas), the Office of the Comptroller General of the State Administration (Inspecção Geral da Administração do Estado) and the Internal Control Inspection of the Ministry of Finance (Inspecção Geral das Finanças).

5b/ The level of consistency is high. The EFF support program has non-accumulation of payments arrears as an Indicative Target (IMF 2021) and the 2018 Article IV identified arrears and expenditure controls as critical issues (IMF 2018). The EU Delegation in Angola is funding the IMF's CD on PFM directly, including a resident advisor, but the project is implemented through HQ. To an extent this has diminished the role of AFS on CD with the PFM area in Angola, but significantly strengthened the contribution of the IMF overall.

6/ The IMF is leading on the arrears issue, which is not directly addressed through the World Bank's DPF but refers to arrears as an issue tackled by the IMF in the relations with the IMF section (World Bank 2021, p. 18). Other donors are not pushing reforms in different directions. However, no reference to debriefings is mentioned in the relevant briefings and reports. The interview with the STX suggested that while he had been in contact with the WB (implementing a major DPO series), there were no stakeholder meetings or debriefings of development partners after capacity building missions. The STX acknowledged that such meetings would add value (interview, STX, JUL2621).

Effectiveness - 2

7/ The outcome is broadly defined, and the indicators are weak. Some progress was made for example on establishing an additional team of controllers closely connected with the Minister's office, but it is too early to assess the team's real impact on the effectiveness of internal controls for non-salary expenditure, as the details of its mandate to enforce action is unclear (IMF 2019c). It was also acknowledged that, even with these limitations, the team of controllers needed reinforcement (interviews STX, Senior Economist). Likewise, progress was made on clearing a backlog of legacy arrears. But overall, this progress was insufficient, as evidenced by the performance criterion not being met but waived in the fifth review of the EFF. Moreover, AFS has rated the three milestones for this objective in the RBM system as partially achieved. The highly technical approach taken implies a missed a window of opportunity to address known and underlying governance issues that undermine a sustained improvement of budget execution and controls, as the focus of the CD was too technical in nature (various interviews STX2, Resident Advisor, FAD Senior Economist). Currently risks are mounting for further non-compliance and accumulation of arrears, as the country is moving into an election year (2022) with increased incentives for spending outside SIGFE and in breach of rules.

8/ AFS has worked consistently on this objective throughout the period under evaluation with the support of dedicated LTX, supported by the same two STXs for all missions. They have a high level of technical and linguistic skills and can rely on practical experience from Brazil. The missions worked closely with the Technical Group of Financial Controllers to build capacity across a range of government budgetary units. The sampled activities involved a physical workshop in April 2019 with 93 participants and a 4-day on-line training (Webinar) in May 2020 on improving budget preparation and execution processes to respond to needs posed by COVID-19.
A shortcoming of the CD and its ability to deliver results was that recommendations in the TA report were difficult to implement. Direct attribution of the limited results accomplished by CD is also complicated by the importance of other drivers, such as the desire to reduce the stock of arrears, which was high on the agenda of government and featured prominently in the EFF. Moreover, there are strong synergies with the work of the Resident Advisor funded by the EU and managed through HQ. Evidence presented in 7 and 8 shows that the outcome was only partially achieved and will be rated 2. This is consistent with AFS' own rating.

9/ Capacity building to improve budget execution, commitment controls and arrears management processes was continued after the onset of the Covid-19 crisis through webinars, based on the good relationships already established with the counterpart. The crisis helped shape the focus of the webinar, which initially was unclear, as the request for training in May 2020 had initially been to focus on strengthening staff capacity in formulation and preparation of the budget. With the COVID-19 outbreak, however, focus was extended to address budget execution processes and especially the control, monitoring, accounting for and reporting on expenditures related to COVID-19 (IMF, 2018a).

Efficiency - 3

10/ A very good mix of national, regional, and international resources have been applied to deliver on the objective. This includes a reasonable transition between LTXs in the region, use of the same two STXs for all missions with a high level of competency both technically and linguistically and being able to rely on practical experience from Brazil. Moreover, there was strong coherence with HQ delivered CD, where a Resident Advisor has been funded by the EU and managed through HQ since 2019. Work in this area has been led by the IMF and not directly addressed by other development partners, such as the World Bank.

A strength in the tailoring of the design to the Angolan context was that activities under this objective were delivered by Portuguese-speaking STXs from Brazil: they have significant experience in the area and TA reports were also produced in Portuguese. This is important for the Angolan authorities.

11/ There were six PFM missions to Angola in the evaluation period. Of these, four were sampled for analysis. The number of days per mission varied wildly between 7 and 42, but the main variable in this variation is the number of people who participated in the mission, which varied from 1 to 3. By individual, the number of days used varied between 7 and 18. The average number of days per PFM mission to Angola was 20. The average number of days per person (expert) was 11.

For this PFM objective, two missions were realized, of which one was remote. The first was delivered by two Brazil-based STXs and the second, remote webinar was delivered by the same two STXs and with the participation of an AFS-based LTX. The first mission accumulated a total of 29 days that split evenly (14 and 15) between the two STXs. The second (remote) mission accumulated 23 working days, divided in 9 for each STX and 5 for the LTX. The LTX had recently joined AFS and participated more as an observer.

Overall, the work seems to have been delivered efficiently and could potentially have benefitted from a higher investment of resources. For example by including a governance expert with knowledge of the Angolan political economy, to address some of the shortcomings identified.

12/ The CD activities for this objective revolved around two missions in the evaluation period. The first mission was explorative and delivered several tasks as set out in the briefing paper. This included:
• Examine existing expenditure management procedures, including commitment control practices and expenditure recording;
• Review current mechanisms for verification, monitoring, and reporting of all types of expenditure arrears;
• Assess existing cash management and banking arrangements;
• Prepare recommendations and deliver a two-day workshop based on the findings of the above; and
• Agree on follow-up capacity development needs to be provided by AFS. (IMF 2019a).

The tasks identified were delivered in a timely manner and the team of STX made seven key recommendations in the TA report: these recommendations were assigned to specific government institutions and with a timeline for implementation. However, insufficient follow-up and support were given to the implementation of these activities, mainly because of the Covid-19 pandemic, which prevented a traditional follow-up mission.
Instead AFS responded to another request from the GoA to deliver a 4-day on-line training (Webinar) on improving budget preparation and execution processes, in order to respond to needs posed by COVID-19 (IMF 2020). This webinar was also implemented according to schedule and spent one day

(in effect three hours) on budget preparation, one day on reiterating findings from the previous mission on budget execution, and two days on good practices to respond to Covid-19.

Impact - 2

13/ Given that progress towards delivering the outcome and milestones has only been partially achieved and, in the absence for example of a follow-up PEFA to provide evidence, the project has only contributed to macroeconomic and financial stability to a limited extent. The progress in clearing legacy arrears and relatively limited accumulation of new arrears have contributed to the relatively good handling of the fiscal impact of Covid-19. CD in combination with the EFF performance benchmark have therefore made a limited difference. However, the structural issues related to incentives for and lack of consequences of non-compliance and corruption were left unaddressed.

14/ The activities implemented to meet the CD objective followed a traditional and technical approach to improving PFM systems and did not directly address more recent Fund strategic priorities such as gender, climate change and inequality. Governance was a far more relevant priority area that was missing in the design of the approach. As noted above, AFS missed a window of opportunity to address known and underlying governance issues that are undermining a sustained improvement of budget execution and controls, as the focus of the CD was too technical in nature (various interviews STX2, Resident Advisor, FAD Senior Economist).

Sustainability - 2

15/ The limited results of this CD project in particular will come under significant pressure in the run-up to the elections, especially as oil prices have recovered, providing marginally increased spending powers. Tackling arrears has historically been a higher priority during crisis than during boom periods. It is unlikely that the limited progress made will be sustainable without a stronger focus on governance issues, internal and external accountability mechanisms to ensure systematic crack-downs on non-compliance and corruption, as well as increased scrutiny of the actions of procurement officers.

16/ The problem is that sustainability of the results achieved does not depend very much on the actual systems, which are reasonable: it depends more on political commitment, which is a risk in the run-up to the elections. Efforts should be combined with work to strengthen governance, anti-corruption and transparency, as required by has not been integrated in the design of the CD and recommendations.

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19FAI0820	Clifton Robert Neville	08/04/2019	12/04/2019	PFM_AFS_2018_02

Relevance - 4

1/ The CD objective is comprised in one single training mission and derived from the last three consecutive PEFA assessments, all indicating that the existing cash management practices in the Government of Botswana are proven ineffective, not enabling the financial authorities to exercise proper budget execution controls. The CD activity is considered relevant, as it addressed adequately the weaknesses in cash management covering a range of pertinent tasks and internal controls.

2/ The Office of the Accountant General considered the CD objective to be among the main priorities in the PFM reform action plan. The OAG considered that good international practices in cash management will enable the Government to have the right amount of money in the right place and time to meet the Government's obligations in the most cost-effective way. It also supports the view that pooling the Government revenues in a Treasury Single Account will facilitate cash management by ensuring a concentration of funds in a transparent manner.

3/ The design of the CD activity was quite sensitive to the day-to-day administration of managing cash inflows and outflows across Government. Because of the multitude of cash transactions on a daily basis, evidence collected in the PEFA reports suggests that these have not been managed properly and thus the ultimate goal of the CD project on cash management is to maximize liquidity and minimize the cost of funds.

4a/ There were no changing circumstances that led to adjustments in the time and duration of the CD mission.

4b/ There were no major complications for the CD mission, as this took place in Mauritius just before exceptional measures by the host country were in effect due to the COVID-19 crisis.

Coherence - 2

5a/The AFS intervention was not designed and ultimately agreed with OAG to form part of a series of events coordinated with other relevant Departments, projects and training events.

5b/ The CD project is quite consistent with other IMF recommendations and other CD interventions, in particular those relating to improving the management/oversight of overall fiscal risks. This activity was undertaken within the context of the following project: AFS PFM Regional Harmonization/Seminars FAD_AFS_2018_02.

6/ There was no evidence of relevant CD interventions being carried out by other Development Partners and requiring coordination within the scope of the OAG.

Effectiveness - 4

7/ The CD outcome and objective is considered to have been achieved successfully. AFS, in collaboration with the Ministry of Finance and Economic Development of Mauritius, organized a 5-day professional attachment of two treasury officials from Botswana on cash management. The two officials were accompanied by two senior managers from the OAG.

The overall objective of the professional attachment was to expose the cash management team in the Botswana OAG to more advanced practices of cash management in Mauritius. There is no evidence of OAG submitting to AFS a report outlining their learnings and proposed reforms in Botswana, based on what they have observed and learned in Mauritius.

8/ The good practices and reforms in cash management learned by the OAG staff during CD training are a result of the CD activity. The following skills were learned by OAG staff who participated in the

week-long training:
o Overview of cash management in Mauritius
o Forecasting and variance statement
o Issuance cash management plan & coordination committees
o Bank account operations and TSA
o Investment and management of special funds
o Accounting for grants received (deposit accounts)
o Debt management strategy
o Coordination of cash management and debt management
o Operations of TSA – Payment System Division
o Liquidity management and forecasting – Financial Markets Operations Division
o Recording of government debt – Accounting and Budget Division

9/ Not applicable

Efficiency - 3

10/ The CD resources used consisted of one international LTX expert being the facilitator and moderator of the training on cash management, and of two instructors from MoFED Mauritius.

11/ The CD activity is considered to have been pursued by AFS in an economic manner, thus resulting in a total of four OAG staff receiving the training in good international practice in cash management. Two of these staff were paid by AFS and two were paid through OAG own resources, at no cost to AFS. In productive terms, the one-off activity carried out 8-12 April 2019 is not provided with any solid evidence of improvement in cash management practices at all.

12/ The CD activity was implemented according to schedule.

Impact - 2

13/ The low rating is justified by the difficulty to sustain the CD project as a lesson of good international practice. Moreover, the proposed reforms have not yet led to any positive changes in cash management practices within the Government of Botswana. The latest PEFA assessment completed in 2020 rather reveal that no changes were being made in the cash management practice after the training activity was executed in April 2019.

14/ There was a strong gender inclusion element in the CD mission, as two of the four OAG staff were female officers, and the champion of the activity was the Deputy Accountant General, who is female.

Sustainability - 2

15/ It is unclear whether the training delivery approach will allow to sustain initial gains in knowledge garnered by OAG staff over time. There is no evidence, for example, of any Training of Trainers within OAG and selected ministries and no evidence of any departments that could serve to move towards positive change in the cash management procedures and systems in a sustained manner, led/controlled from within the senior management level down to technical levels across Government.

16/ Unfortunately, the high level of staff turnover is not contributing to retain those trained and highly skilled personnel in the OAG who can sustainably transmit change in cash management practices. This continues to be a challenge to the efforts in sustaining the benefits of the training and achieving reforms in cash management.

Objective: Improved coverage and quality of fiscal reporting

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
17FAB7711	Helis Jean-Luc	09/10/2017	13/10/2017	PFM_AFS_2018_02
18FAU1700	Van Schaik Francois	11/10/2017	19/10/2017	PFM_AFS_2018_02
19FA17800	Van Schaik Francois	13/08/2018	21/08/2018	PFM_AFS_2018_02

Relevance - 2

1/ Repeated PEFA assessments have reiterated the general need for improving government accounting and financial reporting in Botswana. In response to this, there has been no IPSAS gap analysis carried out by AFS or other development partners to identify the gaps in accounting policies and in the preparation and presentation of annual financial statements. Usually, a comprehensive IPSAS assessment framework developed by World Bank is used to assess the current conditions in the business environment and to identify specific gaps in the accounting policies, the coverage of budget and financial information, and the explanatory notes disclosed in financial statements against the cash or accrual basis IPSAS reporting standards.

Instead of using a comprehensive IPSAS diagnostic tool, an *ad-hoc* mission was fielded by FAD and AFS at the Government's request to assess the weaknesses in government accounting using other techniques. As a result, AFS assisted the Office of the Accountant General to develop a phased migration plan to accrual IPSAS and a Government Public Asset Policy to account and report on public stores, and fixed and financial assets to promote more efficient, effective, and economic use of public resources.

2/ National authorities consider the improvement of accounting and financial reporting, and the alignment of the chart of accounts and the budget classification with international standards, among the priorities. See the IMF authorities being in support of improving the scope and quality of fiscal reporting in the 2021 Article IV Consultation Review. It was found that the Government has not been able to develop a robust and comprehensive budget classification system and a unified chart of accounts system that are maintained properly. It also found the need for upgrading the basis of Government accounting and the preparation and presentation of annual financial statements, in line with international standards

3/ The CD design is overly ambitious, covering actions primarily supporting migration to accrual-based IPSAS reporting standards, but not prioritizing the reconciliation of the budgetary central government data and the adaptation of existing COA to accrual basis GFSM 2014. Since 2018, data are available on expenditure by classification of functions of government (COFOG), but there is still no balance sheet data compiled, and no data is compiled for extrabudgetary institutions to consolidate the central government, or consolidated general government. Also, there have been data quality improvements for the budgetary central government, allowing the breakdown of transfers expense to distinguish

grants, subsidies, social benefits, and other expenses; but challenges remain with proper distinction between current and capital outlays in the development budget.

4a/ The achievement of the CD objective confronted several roadblocks associated with the lack of a dedicated team and of adequate staff resources within the Office of the Accountant General (OAG), responsible for implementing the recommendations made by AFS.

4b/ A challenging environment has severely hampered the AFS intervention, and the more so given the complexities and comprehensiveness of activities implied in the CD project.

Coherence - 2

5a/ CD and reforms in government accounting and financial reporting under AFS assistance are reflected in a CD plan that is not addressing main pre-requisites to migrate to accrual IPSAS and the sequence of CD activities with the concurrence of other relevant external interventions. CD activities, for example, did not coordinate adequately the need for reform in the existing PFM legislation and improving the quality of fiscal statistics with a more active engagement between Statistics Botswana and MFED/OAG. The implementation of a suite of CD solutions tailored with AFS assistance was not designed to support a joint effort between the Office of the Accountant General (OAG) and the Development and Budget Division (DBD), not addressed/aligned/sequenced adequately in the first PFM reform roadmap 2017-2021.

5b/ Serious missteps and conceptual conflicts persist in the MFED efforts to develop a new and unified COA, e.g. extra-budgetary funds, transfers, and subsidies; this results in a budget classification not compatible with good international standards.

6/ The CD activity supported by AFS is quite heavy in terms of deliverables, not complemented by other donor-aided interventions

Effectiveness - 3

7/ CD milestones agreed with the national authorities were achieved with mixed results, with only one of three milestones being largely achieved. AFS assisted OAG in reviewing current accounting system reform proposals, in assessing Treasury capacity to operate on a dual cash and accrual basis for financial reporting and revising the roadmap for IFMIS reform. In progress is the assistance to implement the first stage revised roadmap reforms. The third milestone, to assist the pilot production of fiscal reports and financial statements incorporating key financial assets and liabilities based on international standards, has been deferred twice.

8/ Observed direct results were attributed to large extent as a result of the CD. AFS assistance served the Government to (1) finalize a new COA starting with the budget for FY 2019/2020; (2) develop an implementation plan of the new COA for budgeting, accounting, and reporting; (3) update for budgeting, GFSM coverage expansion, and accrual reporting purposes; and (4) finalize the draft Government Public Asset Policy. AFS also provided technical advice on tracking of public expenditures under the development budget. AFS also assisted in communicating to a wide audience both the new structure of COA, and mapping tables from the current economic classification structure to the new economic classification (compliant with both IPSAS and GFSM 2014).

9/ Despite the COVID-19 crisis, AFS managed to deliver two workshops on the chart of accounts remotely, focusing mainly on changes in the economic and functional segments and the interaction between the administrative segment and the program/project/sub-project segment.

Efficiency - 2

10/ A total of seven experts participated in joint FAD/STA follow-up missions, including COA, GFS and IPSAS experts, all international resident advisors and short-term experts, with a total cost of 63 days. Noticeably, local experts played an active role in the technical working group, though countered by high staff turnover ratio.

11/ CD activities are considered to have resulted in the high cost of resources in productive terms, in other words, considering the low returns in terms of milestone achievements and objective outcomes. AFS has been assisting national authorities on these reforms since 2014.

12/ Several delays incurred in the execution of CD activities, with delays of 3-4 months in every mission before the outbreak of COVID-19 epidemics.

Impact - 2

13/ Despite the continued AFS assistance and increased resources allocated to the migration to accrual IPSAS, government accounting and reporting systems continued to improve only modestly over the past eight years, as shown in the repeat PEFA assessments of 2013 and 2019. The scope of financial statements, and the incompatibility of the basis of accounting to international standards, scored C for the third consecutive time

14/ It was not possible to determine any impact of the CD on gender inclusion.

Sustainability - 1

15/ The head of the IPSAS working group left, which resulted in a major vacuum of commitment within the OAG. Additionally, the Development and Budget Division was not convinced of the need to undertake some key sweeping reforms in the COA. Consequently, the new coding structure was never completed.

16/ There is no formal and structured dialogue on government accounting and reporting at the highest political level. There is no clear understanding at the Steering Committee level of the costs and associated risks of IPSAS reforms, particularly those relating to IFMIS and the implications in change management. Only the deputy accountant general has been a strong advocate of these reforms, though without a sufficient budget to sustain the costly reforms

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19FA18200	Bouley Dominique	28/11/2018	11/12/2018	PFM_AFS_2018_02
19FA18400	Dessart Michel A.	09/05/2018	22/05/2018	PFM_AFS_2018_02
17FAB7751	Helis Jean-Luc	26/11/2018	03/12/2018	PFM_AFS_2018_02
18FAU2300	Roumegas Pierre	11/09/2017	22/09/2017	PFM_AFS_2018_02
19FA18300	Roumegas Pierre	28/05/2018	08/06/2018	PFM_AFS_2018_02
18FAU2500	Zoubeiri Mohamed Ahamed	26/02/2018	07/03/2018	PFM_AFS_2018_02

Relevance - 4

1/ The capacity gaps were clearly identified by the PEFA 2016 for Comoros, assigning a very low rating 1.3 (D) to Budget Comprehensiveness and Transparency. Informal processes for exchange of information among and inside Government agencies were the norm.

2/ Strengthened fiscal reporting (and accounting) was adopted in December 2017 as part of a three-year Roadmap (2018-2020) for Strengthening Accounting and Fiscal reporting.

3/ Highly sensitive. Interventions reinvigorated work previously designed but slowly moving. In September 2017, an AFS mission identified 4 priority actions: (i) establish the fundamentals of public accounting; (ii) strengthen the comprehensiveness and scope of the accounting function; (iii) strengthen the quality of budget, accounting, and financial information; and (iv) prepare transition to accrual and wealth accounting.

4a/ Whereas Authorities seemed committed to reform, capacities at Comoros Treasury were limited (LTX, PFM/06/22/21). Until May 2018, however, slow progress has been made, except for IT system (supported by Expertise France). Further key reforms include the preparation of consolidated financial statements and the harmonization of the budget nomenclature with the chart of accounts.

4b/ Work on this task was delivered well before the COVID-19 crisis.

Coherence - 3

5a/ Comoros has had limited synergies, with weak organization and communication among agencies involved, which is a major obstacle to fiscal reporting.

5b/ Through Phase II, all requests have come from the Minister of Finance. This request was also in agreement with the December 2017 three-year Roadmap (2018-2020) adopted for Strengthening Accounting and Fiscal reporting.

6/ External coherence, mainly measured by the quality of donor coordination, has been average in the case of Comoros (LTX, PFM, 06/22/21). Collaboration in this area with Expertise France was an exception, rather than the rule.

Effectiveness - 2

7/ We support the view that achievement of the two milestones was modest, as reported by the LTX on 4/30/21. This refers to activities aimed at strengthening comprehensiveness and timeliness of financial reports, and the assessment of Accounting and Fiscal Reporting procedures and the respective reform roadmap.

As a result, the planned outcomes supporting the CD objective were not achieved optimally – namely, the improvement of fiscal reports' coverage of institutions, and of fiscal risk coverage. Overall progress in meeting the CD objective is very slow. Progress achieved includes the preparation of draft regulations on the centralization, consolidation and production of financial statements, the status of public accountants, and basic indicators for an improved quality and timeliness of budgetary, accounting and financial reporting. However, putting in practice those draft regulations has been postponed. In its most recent Art. IV 2020, IMF indicated that lack of transparency in budget execution was a major shortcoming in PFM reform. It also points out that "for the past several years, the Authorities have informed neither parliament nor the public about budget execution and some government accounts have remained outside the Treasury Single Account (TSA)", which obviously affects its accounting and reporting.

8/ Slow progress cannot be explained as a result of the CD. It should rather be explained by limited staff capacities in Comoros and the lack of firm commitment of Authorities to implement the Roadmap (LTX, PFM, 06/22/21)

9/ COVID-19 may have only contributed to delaying further progress on this area.

Efficiency - 2

10/ As a fragile country, both in FY20 and FY21, Comoros has been one of the two AFS countries receiving the larger number of missions (15 and 23 respectively). Such a high number of missions already reflects a limited capacity in the local staff.

11/ Given little progress on actual results, the cost-efficiency of the mix of inputs can be considered as lower than the average for an AFS country.

12/ Activities were timely when implemented in 2017 and 2018.

Impact - 1

13/ Impact of the CD activity can be considered as low. Comoros maintained high fiscal imbalances (excluding grants) ranging (in GDP terms) between -3.6 in 2018 and -9.7 in 2019. The country featured low growth (average of around 2 percent) between 2016 and 2019.

14/ Relevance of new global priorities is minimal, given more pressing needs in PFM reform. The criticality of those priorities is still at the diagnostic stage.

Sustainability - 1

15/ Achieving the benefits of the CD activity hinges on several elements: (i) strong commitment from Authorities; (ii) strengthened capacities of staff at the ministries; and (iii) hands-on assistance from AFS.

16/ The country has a very low level of capacity to implement this reform. The relocation of a LTX might make a difference (BHQ, FAD, 07/19/21). AFS will need to consider the deepening of its hands-on support and permanent training to Comoros, as a fragile country. But such an effort should come, on equal footing, with a firm commitment of the Authorities to support major reforms in this area, as well as raising the quality of (internal) government and (external) donor coordination. The country's high reliance on donor support may bring some leverage to policy reforms.

Objective: Strengthened identification, monitoring, and management of fiscal risks

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
20FAZE856	Clifton Robert Neville	09/11/2020	22/11/2020	PFM_AFS_2018_02
19FA18000	Tim Tjeerd	16/11/2018	23/11/2018	PFM_AFS_2018_02
21FA78000	Tim Tjeerd	09/11/2020	22/11/2020	PFM_AFS_2018_02

Relevance - 4

1/ The CD project seeks to address the capacity gaps and weaknesses in State-Owned Enterprises (SOEs) identified with the Ministry of Finance and Economic Development/Enterprise Development Policy Unit in an AFS mission carried out in July 2017 ("Developing Capacity of Financial Oversight of State-Owned Enterprises and Fiscal Risk Management", by Hida, Krivenkov, and Tim). Further recommendations were made by AFS in November 2018, May 2019, and November 2020. The CD objective also derives from risk assessments in the SOEs sector included in the IMF Article IV Consultation Reviews of 2019, 2020 and 2021, and from the Public Investment Management Assessment (2017), and three consecutive PEFA assessments (2009, 2013 and 2020). The PIMA diagnostic study highlights that the bulk of investment is concentrated in central government, with SOEs contributing a quarter of spending and local government less than 10% of the total.

2/ The Ministry of Finance and Economic Development (MFED) authorities concur with the IMF, in that the CD objective of strengthening the process on the identification, monitoring, and management of fiscal risks was and still is among the top priorities of the country's PFM reform agenda. See, for example, the Second PFM Reform Roadmap 2021-2027, unpublished, dated March 2021; AFRITAC South Technical Assistance Report: Botswana—Strategic Priorities in PFM Reform, dated September 2020; and IMF Article IV Consultation Review, Annex on Summary of Capacity Development Strategy FY 2021-23, dated June 2021.

3/ Key structural reforms in the SOEs supported in the CD design are quite sensitive to political economy constraints, capacity limitations, and lack of effort on medium-term outcomes. The last three IMF Article IV Consultation Reviews dated June 2, 2021, March 27, 2020, and November 26, 2019, supported the view of SOEs being a major high-risk area threatening the fiscal consolidation efforts pursued over the past ten years. Also, Moody's affirmed Botswana's A2 rating before the outbreak of COVID-19 but warned about the slow progress in terms of managing fiscal risks and fiscal consolidation, thus eroding the existing fiscal buffer over the long term. The CD design, aimed at strengthening the management of SOEs' fiscal risks and supporting the creation of an autonomous management capable to mitigate SOEs' fiscal risks and undue political interference, has confronted continued resistance.

4a/ Follow-up missions, hands-on training, and coaching by AFS and FAD experts took place after the delays after the general elections of 2019 and amidst the exceptional COVID-19 circumstances: they were conducted remotely from 10-23 August 2020 and 9-20 November 2020.

4b/ Despite the COVID-19 crisis, the CD delivery approach adapted satisfactorily. Skills were developed adequately, both conceptual and hands-on, and remotely for the operation and maintenance of SOE financial analysis tools, data collection from SOE annual financial statements, and analysis of financial performance.

Coherence - 2

5a/ The CD project was not adequately sequenced by AFS and IMF functional departments in a chain of CD interventions/demands that could have served to address weaknesses in a common range of topics and in a more coordinated and collaborative manner with relevant public departments and agencies. Actions of common interest laid out in CD Strategy Plans 2018-20 and 2021-23 include those aimed at improving (1) the classification and management of contingent liabilities related to SOEs; (2) the collection of financial accounts of extra-budgetary entities inclusive of SOEs; (3) the quality of fiscal statistics relating to SOEs; and (4) the public investment management capacities and practices in the SOEs sector.

5b/ High level of consistency with other IMF recommendations and in terms of prioritization in the PFM reform roadmap 2017-2021. IMF authorities have commended the fiscal authorities' focus on increasing spending efficiency through public investment management and parastatal reforms. AFS continues to support the latter efforts under the leadership of MFED/Enterprise Development Policy Unit and in association with several SOEs.

6/ There is no active dialogue amongst relevant Development Partners in some form of PFM donor committee, or on-board by the Government, no formal DP representation in the PFM steering committee of Botswana. Also, there is no formal DP representation in the PFM Reform Steering Committee of Botswana. Under these circumstances, AFS finds coordination with other donors difficult, in particular with the African Development Bank, the World Bank, the European Union, and USAID, all of which have a strong presence in the infrastructure and social sectors and other portfolio ministries and reporting SOEs where training and other CD activities can still be identified and suited in a more coordinated manner.

Effectiveness - 3

7/ The milestones in the RBM framework were achieved with mixed results; only one out of three milestones was largely achieved, one was partially achieved, and one was not achieved thus far. As far as Milestone 1, the CD project succeeded in its aim to assist MFDP in completing the analytical requirements in the consolidated SOE report to enable risk analysis to be undertaken by MFED/EDPU for the SOEs sector. Based on the evidence gathered from TA reports on output performance and cross-checked with experts interviewed, EPDU made partial progress in collecting SOEs' financial data. As for Milestone 2, by using the SOE risk analysis tool, financial performance ratios and trend charts have been produced for a group of SOEs. However, transfers that took place between both government and SOEs, as well as between SOEs, were not always captured in SOE annual reports. Follow-up missions conducted by AFS noted the need to collect data about financial linkages between SOEs and government-controlled funds and agencies that do not necessarily have to comply with the budgetary central government rules and procedures. Several examples of financial interactions between SOEs and funds and agencies were identified as having a significant impact on the financial performance of SOEs.

8/Among other products delivered by AFS since 2017, a consolidated SOE financial report was completed, and a fiscal risk statement was expected to be issued by the end of 2021. Two subsequent missions served to upgrade the SOE risk management tool with additional functions. These functions facilitated sectoral analysis and reporting, as well as the capture of transfers information between the central government and SOEs and between SOEs. AFS also succeeded in its work to assist in the collection of relevant data concerning contingent liabilities and transfers data. To ensure smooth use of the SOE tool, AFS drafted instructions for use by the EDPU and SOEs and provided training to EPDU staff. AFS also organized a workshop in December 2019 to provide a possibility for officials to share their experiences and challenges in monitoring SOEs. The workshop allowed for a right balance between theory and practice.

EPDU is waiting to develop the financial analysis skills, collect all financial information from SOEs and populate the SOE tool, and to extend interaction with SOEs and other stakeholders. The Unit has not completed the job of collecting the required information from all revenue-generating SOEs and it must continue to develop skills to undertake financial analysis, create fact sheets for all SOEs, and identify fiscal risks associated with SOEs.

9/ COVID-19 placed significant strain on senior management time available for meetings and training, but was not a deterrent for AFS to deliver hands-on training and other capacity development at large. Adequate arrangements were convened by AFS management with EDPU staff; flexibility in the availability of EPDU staff and AFS experts was reached; and mutually convenient times were agreed to accommodate the delivery of CD activities.

Efficiency - 2

10/ A small proportion of STX resources from local and regional origins was utilized in the CD project. There is no evidence of a trainers evaluation or other evaluation indicating the rate of satisfaction on the type of expert resources used by AFS for the delivery of the CD.

11/A total of four experts participated in joint AFS and FAD assessment and in one or more follow-up missions and training activities during 2017, 2018 and 2020, with a total cost of 34 working days. In the overall, the expert and time resources allocated to execute these activities are not considered to have achieved the expected outcomes of the CD project – in amount and quality – in an efficient manner.

The CD activities have resulted in a significant amount of work, technical input, and dedication delivered by AFS: but these are not matched by the insufficient amount of output – knowledge converted to practice and number of milestones – carried on and produced by the beneficiary entity over the past 4+ years.

12/ MFED/EPDU has not succeeded in its effort to complete key tasks associated with data collection and data analysis work on SOEs during the past two years, in accordance with the plan and to deliver according to schedule: this failure has affected the quality of SOEs' fiscal risk oversight and the overall fiscal policy decision-making in the sector. Two CD activities carried out in 2020 suffered delays of 3-4 months, due to changes associated with the COVID-19 epidemics.

Impact - 2

13/ There is no evidence suggesting that the fiscal risk management tools developed with AFS assistance, and carried over from previous AFS assistance, have led to increasing improvement in the fiscal management of SOEs' fiscal risk analysis and to a more informed policy decision-making process. The latest PEFA assessment completed in 2020 continues to report low levels of performance in the process and system of reporting and monitoring of SOEs' fiscal risks. MFED/EPDU introduced performance contracts between SOEs and the responsible line ministries, which are now responsible for conducting annual audit and performance reviews to ensure that these SOEs remain focused and serve their purpose. Despite the overall progress made in strengthening the fiscal oversight capacities and introducing innovating expenditure policy initiatives in the SOEs sector, measuring and managing fiscal risks of SOEs has so far remained challenging for the fiscal authorities.

14/ New topics such as climate change and gender have not been adequately streamlined in the CD project: the former remains in the early stage of development within the IMF organization. The fiscal outlook – according to the 2021 IMF Article IV Consultation Review – is subject to significant downside risks, including potential disruptions from COVID-19, most of which will affect Botswana through diamond and SACU revenue. Over the medium and longer term, Botswana could also be affected by climate change not being addressed adequately under AFS.

Sustainability - 2

15/ Efforts to improve the reporting and oversight of SOEs' fiscal risks have progressed incrementally. But structural barriers in the sector continue to hamper this effort. Among other challenges are the political economy of the budget and institutional overlaps in the roles of reporting and monitoring of fiscal risks in the SOEs sector. Hence, support at the highest political level remains of utmost importance to sustain the CD effort in MFED/EPDU: more staff resources with the necessary training and improved data resources are key to this end.

16/ Efforts to improve the reporting and oversight of SOEs' fiscal risks have progressed incrementally but structural barriers in the sector continue to hamper this effort, among other challenges are the political economy of the budget and institutional overlaps in the roles of reporting and monitoring of fiscal risks in the SOEs sector. Hence, support at the highest political level remains of utmost importance to sustain the CD effort in MFED/EPDU, more staff resources with the necessary training and improved data resources are key to this end.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
17FAB7721	Helis Jean-Luc	26/09/2017	29/09/2017	PFM_AFS_2018_02
18FAM5600	Taiclet Benoit Andre Jea	25/09/2017	10/10/2017	PFM_AFS_2018_02

Relevance - 4

1/ The CD Objectives were derived from one of the prioritized five PFM reform areas in the Government's 3-year PFM Priority Action Plan (2016-19) of the 10-year Strategy for Modernizing the PFM System (2016-25). The priority was the identification and monitoring of the fiscal risks.

2/ In 2017, the former Minister of Finance requested AFS TA mission to take stock and deliver recommendations on how to disclose and manage them. The Minister was fully on board (LTX, PFM, 06/22/21).

3/ The design was quite sensitive to context. In 2017, Madagascar was recovering from a period of political instability. As a country with a long history of fiscal slippages, shifting terms of trade and costly natural disasters, the potential fiscal impact of fiscal risks on debt was quite worrisome.

4a/ Fiscal risks were mainly concentrated on SOEs, natural disasters and the pension system. At that time, major contingent liabilities informally measured came from Air Madagascar and JIRAMA water utility company (4 percent of GDP), natural disasters (hurricanes, droughts, epidemics (1 and 1/4 percent of GDP) and an imbalanced pension scheme (1 percent of GDP) and a negative fuel import bill increase (0.4 percent of GDP). Therefore, CD activities were focused on providing TA to Authorities to (i) prepare a Fiscal Risk Statement (FRS) in the budget; (ii) create a dedicated unit dedicated to fiscal risks; and (iii) set methodologies to quantify them regularly with sensitive analysis. The initial focus was on SOEs and the pension system.

4b/ Updated measurement of fiscal risks was part of the overall support that AFS provided on the COVID-19 response.

Coherence - 3

5a/ The Minister of Finance was fully supportive of the preparation of the FRS, but was initially hesitant to send the FRS before the Parliament, fearing that Parliamentarians could overreact to its initial findings and demand additional information (LTX, PFM, 06/22/21).

5b/ AFS support not only provided assistance to prepare the FRS, but linked this work with AFS assistance to prepare a Medium-Term Budget Framework (MTBF).

6/ High level of consistency. Madagascar had committed to comply with a benchmark for the European Union: Submitting a FRS in the 2018 budget.

Effectiveness - 3

7/ The following ratings were provided from the LTXs on Outcomes:

+ Improved fiscal risk coverage (PEFA PI-10): 2.

And on Milestones:

+Prepare a fiscal risks statement: 3
+ Fiscal risks statement has most contingent liabilities/other fiscal risks of the central government: 2+
Adopted legal and budgetary framework including COVID-19 Response Fund with effective and transparent management of expenditures: 4
In sum, overall progress in preparing the FRS for the Budget remains steady, but its coverage addressing all sources of risks (like all SOEs and pensions) and implementing sensitivity scenarios is limited. Support to COVID-19, considered as a health disaster, has however been quite effective.

8/ Preparation of the FRS derives directly from AFS assistance.

9/ AFS support did not intervene in the preparation of the "2020 Supplementary Budget", but rather on the creation of the COVID-19 Response Fund, by Decree, within the Ministry of Finance (instrumental to avoid the alternative creation of an Extra-budgetary Fund). It was designed to capture and track COVID-19 additional financing and spending in cooperation with other government departments (LTX, PFM, 0622/21). The Decree covered cross-department's accountability and reporting, and management processes concentrated on the Minister's signature.

Efficiency - 4

10/ To a large extent, Madagascar has benefitted from an appropriate mix of inputs. In 2017, AFS combined work on this topic with the work ongoing on PFM reform management. And in 2020, even though as a fragile country, and after Comoros, Madagascar was the country receiving the larger number of missions in FY20 and FY21 (15 and 20 respectively), for this particular topic the country only needed one mission (most AFS missions tackled other dimensions of the COVID-19 response as well as the preparation of an Extended Credit Facility or ECF).

11/ In these particular tasks related to fiscal risks, the country only needed one mission per task (2017) and (2020) to complete the job, which can be considered as highly efficient.

12/ Planned activities from 2017 assistance were implemented to schedule. In 2018, Authorities submitted the FRS, as it was a benchmark condition for receiving an EU grant. And in 2020, passing the law creating the COVID-19 Response Fund was completed on time, as it was essential to channel donor assistance and have proper management of such outlays, including two Rapid Credit Facilities (RCFs) approved on April 3 and July 20.

Impact - 3

13/ Madagascar has completed a first step doing a proper identification of fiscal risks and sound governance procedures for managing the COVID-19 pandemic, which has certainly helped to prevent larger fiscal imbalances, channel a steady flow of donor financing and, by this token, enhance the country's macroeconomic and social stability. But post-COVID, the country still needs to face other major sources of fiscal risks (like those from SOEs, pensions and fuel pricing).

14/ Incoming ICF addresses key fragilities of Madagascar, including an initial effort to face its high exposure to climate-related shocks and corruption. However, it must be acknowledged that tackling these global topics is at an early diagnostic stage.

Sustainability - 3

15/ To a good extent, Madagascar has taken care of the fiscal risk during the pandemic. Post-COVID-19, as explained above, the country still needs to face major risks from SOEs, pensions and fuel pricing. Hence, the net benefits of CD addressing the objective of "monitoring and reporting of all sources of fiscal risks" critically hinge on the continuation of AFS support.

16/ Pre-Covid, the silo-segmentation of the administration and weak political support for PFM reform (in general) were major impediments to sustaining the net benefits of the CD activity over time. Post-Covid, the regulations of the Response Fund, a renewed Inter-ministerial committee and the leverage of the IMF ECF program (CD-surveillance) should support the continuity and completion of this reform. For instance, the creation of a fuel-pricing mechanism is a proposed structural benchmark for 2023.

Workstream: LEG: Financial and Fiscal Law Reform

Objective: Improve the effectiveness and efficiency of the tax system to improve tax collection by introducing new or amending existing tax legal frameworks in accordance with international best practices

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18LEX5400	Burns Lee	10/10/2017	23/10/2017	FFL_AFS_2018_02
18LEU6701	Burns Lee	06/11/2017	10/11/2017	FFL_AFS_2018_02
18LEX5401	Burns Lee	01/12/2017	07/12/2017	FFL_AFS_2018_02
18LEX5402	Burns Lee	16/03/2018	23/03/2018	FFL_AFS_2018_02
19LEZ9200	Burns Lee	04/07/2018	13/07/2018	FFL_AFS_2018_02
19LE08500	Burns Lee	18/02/2019	22/02/2019	FFL_AFS_2018_02
19LE14900	Burns Lee	03/04/2019	12/04/2019	FFL_AFS_2018_02

Relevance - 4

1/ The CD objective and activities are at the heart of the national authorities' plans to address structural barriers in domestic revenue mobilization. Presently, Botswana has the second lowest tax to GDP ratio among Southern African Customs Union (SACU) members, only after the Republic of South Africa. The same is true regarding its taxation of income and taxation of goods and services – notably, the value-added tax (VAT), the corporate income tax (CIT) standard rates, and the personal income tax (PIT) top marginal rate are the lowest in the SACU region.

2/ AFS objective and CD activities supporting the reform of the tax legislation are considered a major priority in the PFM reform action plan 2017-2021. The CD activities carried out by AFS in assisting in

the tax administration authority are considered quite relevant, because they adequately address the long-standing weaknesses and gaps in the income tax and VAT legislation.

3/ The CD design/delivery approach chosen by AFS in assisting the tax authorities and the Attorney General Chamber's Office was adequate, as it sequenced the CD activities adequately. The approach addressed the finalization of the Tax Administration Bill (TAB) and TAB regulations first, to ensure the provision of uniform administrative and procedural rules for Botswana's domestic taxes. This activity started in 2019 and was finalized in 2020. It then followed the assistance in the rewrite of the Value Added Tax (VAT) Act and of the Income Tax Act (ITA) as part of the simplification and modernization of tax laws in Botswana. Initial complications emerged in Parliament on issues relating to tax exemptions, but the VAT (Amendment) Act and the Income Tax (Amendment) Act were passed in April 2021 and came into effect in July 2021.

4a/ The CD design was successfully adapted to the changing circumstances attributed to COVID-19 epidemics.

4b/ Virtual meetings were the appropriate means used for delivering CD.

Coherence - 3

5a/ CD activities have not been pursued in the context of other relevant external interventions, e.g. ease of doing business, customs and trade, property tax, public procurement.

5b/ The CD objective is quite consistent with the IMF policy recommendations to advance the design and drafting of Botswana's fiscal tax laws.

6/ No other relevant interventions were pursued by development partners.

Effectiveness - 4

7/ The CD activities implemented under AFS assistance have proven highly effective. AFS work complied to deliver the planned products, as follows:

- Finalized TAB document and relating sensitization to BURS senior management and other training to BURS and other stakeholders on the key features,
- First draft of the rewritten VATA and accompanying technical notes and relating sensitization and training, and
- Second draft of the rewritten ITA and accompanying technical notes and relating sensitization and training.

8/ It is estimated that the amended versions of the VAT Act and the ITA Act authorized by Parliament are largely attributed to the CD activities assisted under the lead of AFS and FAD.

9/ Assistance intensified even in the middle of the COVID-19 crisis through remote means, in close coordination with the local team of legal experts within the tax authority.

Efficiency - 3

10/ Only one international tax expert was used. A strong team of local legal experts played an active role in the drafting of tax legislation.

11/ There were too many lengthy missions, even though they were largely worthy and cost efficient. A total of nine TA missions took place during 2017-2020. Three follow-up missions took place in 2017 alone — in the period 30 January-10-February 2017, 10 June-7-July 2017, and 10-23 October 2017. These were followed by field missions in July 2018, 3-9 January 2019, and April 2019, while two missions were conducted remotely in 2020. A total of 103 days were funded by FAD and AFS.

12/ CD activities were implemented with a minimum of delay.

Impact - 2

13/ It is too early to expect that the amendment of key tax legal frameworks in accordance with international best practices has led to impactful results in tax revenue mobilization.

14/ Not applicable.

Sustainability - 3

15/ High rate of buy-in, ownership at the highest political level.

16/ The strengths of local tax legal advisors, developed with AFS assistance, will likely allow for a sustained effort to further amendments of the tax laws in the Parliament.

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18LEW9400	Charlet Alain	23/10/2017	06/11/2017	CUS_AFS_2018_02
19LE03600	Charlet Alain	12/11/2018	26/11/2018	CUS_AFS_2018_02

Relevance - 4

1/ Reforming the Customs Code was initially identified as a priority in the regional diagnostic on Customs Administration Reform that AFS did for Phase II (AFS, Phase II, 2017). In Comoros, a first amendment of the Customs Code was passed by Parliament in December 2015 and it was enacted in October 2016. Subsequently, Authorities requested further TA from AFS to assist with the drafting of regulations to support the new Customs regulations. An AFS team identified, from home, a set of draft regulations to implement: these would require ministerial regulations. Those rough drafts were submitted to the Authorities in August 2016.

2/ Following the enactment of the new Customs Code in October 2016, implementing these regulations became a national priority.

3/ Ensuing work done on a set of 7 Regulations and 13 related Articles of the new Customs Code took into account not only the international standards, but also the local context.

4a/ Whereas the CD objectives were clear, the design of new regulations adapted the dynamics of WTO revisions and regional legislation.

4b/ None. This activity took place well before COVID-19.

Coherence - 3

5a/ In general, CD interventions respond to the Government's legal reform needs, which ensure their internal coherence. Given limited staff at the IMF Headquarters, priority is given to countries depending on the following criteria, and in this order: (i) countries that do have an IMF program (especially if the Legal changes are structural benchmarks or prior actions (Angola and Madagascar); (ii) existence of an ongoing TA program (Botswana); and (iii) degree of local capacity to absorb reforms (this particularly applies to fragile countries like Comoros, which do have less capacity, thus justifying additional support). (STX, FAD/LEGAL, 09/02/21)

5b/ Reform of the Customs Code was part of the Authorities' sole attempt to raise revenue, as there was no IMF program for Comoros in this period. Art.IV Surveillance barely mentions it.

6/ No other donor was involved in Customs reform.

Effectiveness - 1

7/ LTX ratings (by the RBM logframe) are:

On the outcomes:

+ Improved tax system by amended tax legal framework: Non-Rated.

And on the milestones:

+ Regulations for implementing Customs codes issued (pending): 1.

8/ These results cannot be entirely attributed to the CD. Although draft ministerial regulations prepared were the direct result of the CD, their ultimate approval and, especially, implementation hinges upon the Authorities' decision and strong commitment, which have been absent so far.

9/ This activity happened well before COVID-19.

Efficiency - 3

10/ Given the specific and specialized requirements that amendments to the Customs Code required, and taking into account the continuous changes in international regulations, Authorities and AFS rightly combined with a short-term expert (STX) who had the technical expertise as well as previous knowledge and involvement in the preparation and passing of the new Customs Code.

11/ According to the expert, one mission at home, to prepare the draft, and two two-week missions to discuss with Authorities the amendments to the drafts prepared, are standard and quite cost-efficient (STX/FAD/LEGAL, 09/02/21).

12/ CD activities were delivered timely between 2016 and 2018, even though their issuance and implementation have lagged.

Impact - 1

13/ None. Issuance and implementation of the new Customs Code, after so many years, is pending.

14/ No other law has been prepared for amendment with AFS support.

Sustainability - 1

15/ In general, IMF Legal backstoppers indicated that passing – fiscal and/or financial – laws and their regulations was a necessary condition for their sustainability, but was still not sufficient. "Passing the law is just the first step" (BKS, LEGAL, 09/02/21). In the particular case of Comoros, there was no leverage of an IMF program.

16/ Among fragile AFS countries, Comoros is the one with the lowest skilled staff (BKS, LEGAL, 09/02/21). Hence, assuming regulations will be issued soon, two important practical recommendations are to (i) keep AFS supporting the amended design of Customs regulations with a STX (which could be outdated after so many years of the original draft prepared); and (ii) have a LTX that monitors hands-on implementation, following passage of the regulations with supporting training, advice, interpretation of legal texts, etc.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19LE15600	Charlet Alain	16/04/2019	28/04/2019	CUS_AFS_2018_02

Relevance - 4

1/ Reforming the Customs Code was initially identified as a priority, in the overall regional diagnostic on Customs Administrations Reform that AFS did for Phase II. Reform of the Customs Code has proceeded by 2 stages. First, amendments to the Customs Code were requested in 2018. The goal was to modernize and harmonize the Customs Code with the "Accord sur la Facilitation des Echanges" under trade integration with COMESA and the World Trade Organization (WTO). Three missions followed in May 2018, February 2019 and October 2019, but passing proposed amendments was unsuccessful. Third, additional amendments were requested in the two-week September 2020 mission on 7 areas: rules of origin, export clearance, Customs regimes, destruction of infected goods, passengers in transit, clearance of personal effects and Customs seizures and prosecutions.

2/ Following a November 2019 AFS mission, Madagascar identified Customs reform as a national priority.

3/ Continuous work through these years on these Customs Code amendments only reflects Authorities' concern to modernize Customs regulations to be in line with a rapidly changing international legal framework.

4a/ Whereas the CD objectives were clear, the design of new regulations adapted the dynamics of WTO revisions and regional legislation.

4b/ COVID-19 opened new areas of attention for interventions by the Legal department, while preserving others focused on a Medium-Term agenda like the Customs Code, which normally take several years. On tax reform, there was increased focus on tackling Large- and Medium-taxpayers, removing tax exemptions, capturing VAT by electronic means and recovering tax arrears. Given these more pressing short-term priorities, COVID-19 had no major incidence on the dynamics of reform of the Customs Code (STX, FAD, 09/02/21).

Coherence - 4

5a/ Given limited staff at IMF headquarters, priority of intervention by the Legal Department is given to countries following these criteria, in order: (i) countries that do have an IMF program (especially if the Legal changes are structural benchmarks or prior actions (Angola and Madagascar); (ii) existence of an ongoing TA program (Botswana); and (iii) degree of local capacity to absorb reforms (for instance, fragile countries like Comoros do have less capacity, which justifies additional support (STX, FAD, 09/02/21)).

5b/ Reform of the Customs Code is a major component of the Madagascar comprehensive Customs Strategic Planning and Reform Program (SPRM) started in 2020. IMF Legal department and Backstoppers are also fully involved in it (BKS, FAD 07/18/21).

6/ Madagascar Customs reform is being implemented jointly with the World Bank.

Effectiveness - 2

7/ LTX ratings on the RBM logframe are:

On the Outcomes:

+ Improved tax system by amended tax legal framework: Non-Rated

On the Milestones:

+ Regulations for implementing Customs codes issued (pending): 1

8/ A total of 7 new Regulations to the Customs Code were drafted directly as results of this CD project: Rules of origin, exports clearance procedures, revision of certain Customs regimes, destruction of infected merchandise, personal effects clearance, processing of transit passengers, and Customs seizures and prosecutions – "poursuites douanières"). A TA report was produced.

9/ The 7 new regulations were scheduled to be approved in the second semester of 2021, as well as initial regulations on temporary admission in the Budget Law 2022.

Efficiency - 3

10/ Given the specific requirements that amendment to the Legal Code require in a topic of continuous changes to international regulations, AFS did right in combining with a short-term expert (STX) who not only had the technical expertise, but also local knowledge of Madagascar Customs regulations given his involvement on this field since 2018 and with AFS since 2016.

11/ According to the expert, one mission per year on this topic is standard (and cost-efficient) (STX, FAD, 09/02/21).

12/ As indicated above, initial drafts were timely prepared in 2018. And in 2019/20, once the pandemic erupted, all missions from Legal were converted to Virtual, which is much more cost-efficient, but with a caveat: IMF back-stoppers indicated that remote CD is, de facto, more time-consuming (takes longer to do consultations); and on the other hand, is not a fully effective replacement for presential in-situ missions which still have 2 important advantages: (i) face-to-face interactions, which allows the study of body language, especially in negotiating sensitive/complex legal texts; and (ii) "move in situ above the ladder" when interviewing Authorities so as to reach those officials that oppose certain required and critical legal changes. This is particularly important for fragile countries (BKS, LEGAL, 09/02/21).

Impact - 1

13/ Overall intervention from Legal Department in AFS countries has been minimal and centered on single-focus and still ongoing initiatives: e.g. Madagascar with its Customs Code.

14/ Until end-FY21, none. Measures addressing new global topics, like gender, financial inclusion and climate change have only become new priorities under the recently approved IMF ECF. According to IMF Legal Department (BKS, LEGAL, 09/02/21), all new strategic priorities are at an infant (diagnostic) stage. An exception, not covered under this CD activity, is LEGAL and AFS assistance in drafting anti-corruption legislation: Since 2016, several important laws have been approved on Anti-Corruption, Anti-Corruption Courts, International Cooperation, AML/CFT and Illicit asset Recovery.

Sustainability - 1

15/ In general, Legal IMF backstoppers indicated that passing – financial and fiscal – law reforms is a necessary condition for their sustainability, especially after COVID-19, but not a sufficient one. "Passing the Law is just the first step." In their view, the existence of an IMF program does indeed make a difference in identifying the macro-criticality of a legal measure and bringing leverage to it as a Structural Benchmark or even as a Prior Action. In the particular case of Madagascar, passing the Customs Code is not an ECF structural benchmark, which would justify a very low rating for the likelihood of sustaining the still-to-be seen benefits of this CD project.

16/ Low capacity. Hence, two important recommendations would be to (i) support the design of implementing regulations – particularly critical in French-speaking countries, being critical for success; and (ii) have a LTX that supports hands-on implementation TA following passage of the bills, especially on fragile countries – including advice in explaining/interpreting legal texts on a day-to-day basis, training, etc.

Workstream: Revenue Administration

Objective: Improved customs administration core functions

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
20FA70307	Penfold Jacqueline Ann	03/08/2020	07/08/2020	CUS_AFS_2018_02
21FAB6800	Argyle Andrew Thomas	03/08/2020	12/08/2020	CUS_AFS_2018_02
21FA76400	Argyle Andrew Thomas	09/11/2020	24/11/2020	CUS_AFS_2018_02
17FA42310	Head Kenneth	04/12/2017	09/12/2017	CUS_AFS_2018_02
18FAS2600	Penfold Jacqueline Ann	04/12/2017	15/12/2017	CUS_AFS_2018_02
19FA08500	Penfold Jacqueline Ann	11/02/2019	22/02/2019	CUS_AFS_2018_02
21FAB6700	Penfold Jacqueline Ann	03/08/2020	12/08/2020	CUS_AFS_2018_02
21FA76300	Penfold Jacqueline Ann	09/11/2020	24/11/2020	CUS_AFS_2018_02

Relevance: 4

1/ The CD objective was derived from the recommendations made in a diagnostic study undertaken by the World Customs Organization (WCO) at the end of 2018, and from an action plan developed in November 2016 with the Customs Risk Profiling and Intelligence (RPI) team, which set out a roadmap for improving the risk management function.

2/ National authorities considered that the CD objective of developing a robust risk management program in both tax and customs administrations, and a strong CRM capability, are among the top priorities of the country, as this would significantly contribute to increased taxpayer compliance, trade facilitation and revenue mobilization.

3/ The CD design was sensitive to the far-reaching institutional reform and modernization program that Botswana Unified Revenue Service (BURS) has undergone since 2017 and to the Customs law that was revised in August 2018 to accommodate the Revised Kyoto Convention and the World Trade Organization's Agreement on Trade Facilitation.

4a/ Most CD activities took place prior to 2020.

4b/ Not applicable.

Coherence – 3

5a/ The AFS customs team worked closely with the AFS tax administration experts to ensure that the CD activities are coordinated to help develop and implement an overarching Compliance Risk Management (CRM) Framework in Botswana Unified Revenue Service (BURS).

5b/ CD Project has coordinated with FAD and AFS experts that conducted Learning and Management Development (LMD) training in 2020 and 2021.

6/ High level of consistency of the CD Project with relevant interventions carried out by WCO.

Effectiveness – 3

7/ Most milestones defined in the RBM framework have been achieved but only partially. One milestone was fully achieved: action points in a Risk Management action plan agreed with BURS in November 2015 are monitored quarterly. Two other milestones are ongoing: (1) BURS has established key elements of a risk-based compliance program, but key challenges remain in the operationalization of risk management. The lack of data available within the organization means that it is not possible to assess the overall impact on trade facilitation and compliance. (2) A Central Processing Hub (CPH) has been established and is processing approximately 60% of customs declarations. Full roll-out is scheduled to be completed by late 2021. The CPH is not operating in accordance with good practice standards and WTO GATT valuation rules.

8/ Progress under the CD Project is attributed directly to AFS work consisting of:
(1) the preparation of a Risk Management action plan preparation; and (2) the preparation of CRM guidelines and launching of training that served (a) the customization of a Compliance Risk Management (CRM) Framework and the risk management committee's terms of reference, (b) the drafting of an Enterprise Risk Management (ERM) framework and corporate risk register, and (c) coaching in the expansion of risk register and the development of risk profiles and intelligence-based criteria.

9/ Follow-up by customs expert has surpassed expectations, assisting BURS remotely during the COVID-19 crisis.

Efficiency – 2

10/ Three missions were carried out by the AFS customs administration advisor and an FAD short-term expert, both working ten days during 4-15 December 2017 and ten days during 11-22 February 2019. An additional ten days were dedicated by the STX in 2020. There has been no local/regional LTX or STX experts participating in the CD mission.

11/ Resources allocated to achieve the RBM milestones were converted to outputs in a fairly cost-efficient manner.

12/ One milestone was achieved satisfactorily two months before the deadline (December 2017 instead of February 2018). The two other milestones were rescheduled to finalize one year later and are still in progress.

Impact – 2

13/ There is no sufficient evidence yet indicating that the CD Project has contributed to increased taxpayer compliance, trade facilitation and revenue mobilization. But initial steps have been taken by BURS in the process of operationalizing CRM tools.

14/ Not applicable

Sustainability - 2

15/ Sustained progress and completion of two milestones depend heavily on the ability of BURS senior management to retain the local experts, who were trained extensively and are quite knowledgeable about the use of the risk management framework developed with BURS.

16/ Strong technical capacity of BURS officials is a salient feature; however, greater ownership at the top of management is key to sustaining the net benefits of the CD Project over time.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
21FAB7800	Chopra Richard	08/06/2020	22/06/2020	CUS_AFS_2018_02
21FA49600	Chopra Richard	24/08/2020	02/09/2020	CUS_AFS_2018_02
21FA79700	Chopra Richard	05/10/2020	14/10/2020	CUS_AFS_2018_02
21FA87600	Chopra Richard	08/12/2020	16/12/2020	CUS_AFS_2018_02
18FA60400	Claustres Georges	17/04/2018	23/04/2018	CUS_AFS_2018_02
19FA09400	Claustres Georges	28/01/2019	08/02/2019	CUS_AFS_2018_02
21FAB8000	Claustres Georges	01/09/2020	11/09/2020	CUS_AFS_2018_02
17FA42304	Head Kenneth	14/02/2018	28/02/2018	CUS_AFS_2018_02
18FAS3700	Hudon Madeleine	06/04/2018	22/04/2018	CUS_AFS_2018_02
18FAI6000	Montagnat-Rentier Gilles	14/02/2018	28/02/2018	CUS_AFS_2018_02
19FAH4004	Wood Philip R.	08/04/2019	12/04/2019	CUS_AFS_2018_02

Relevance - 4

1/ AFS did an overall regional diagnostic in Phase II for Customs Administration Reform. This determined that Madagascar (and Comoros and Angola) needed a comprehensive change in Customs Strategic Leadership. Its implementation, though, was delayed.

Madagascar Customs reform started with the amendment of the Customs Code in 2018. The Government's motivation was to get AFS support for trade integration with COMESA and the unfolding of an anti-smuggling program. Three missions happened in May 2018, February 2019 and October 2019. Then, a more comprehensive diagnostic came only in November 2019. Major weaknesses were identified by an AFS mission in Customs (Direction Générale de Douanes-DGD) including (i) Low management capacity to reform was increased, due to the lack of a clear reform strategy and strategic management framework adopted and institutionalized; (ii) weak systems and procedures established for the review and updating of the reform action plan; (iii) no communication strategy prepared and signed-off; (iv) an outdated program execution model with no clear governance structure for its management and delivery; (vi) weak organizational structure in place for all Directorates, with little or

no senior and middle management's accountability for the achievement of strategic goals and results; and (vii) the Customs-tax link was not functioning,

2/ Following the November 2019 mission, Madagascar did request a comprehensive reform in May 2020, as a priority activity. The General Director of Customs requested it, partnering with the private sector as "Une affaire de tous." Reform aimed at a Strategic Plan, an ensuing modernization program well aligned to it, and an organizational framework (reform governance). Many results-based AFS project management missions (I to IV) followed to support the implementation of this reform.

3/ Reform was designed by steps. Initial priorities that the November mission tackled were to (i) finalize the goals, objectives, key results, and performance indicators; (ii) prepare resource estimates and a monitoring and evaluation framework; (iii) set up a communication plan; and (iv) finalize the plan for its publication.

4a/ AFS project management started by concentrating on the basics, given limited resources: first year focused on the setting of a Project Management Office (PMO) for implementing the Strategic Planning and Reform Program (SPRM); (ii) a project management methodology was agreed; (iii) a draft communication plan was prepared; (iv) automated monitoring and reporting systems started to be prepared; and (v) key next steps were identified (e.g. appoint a digital transformation portfolio manager and funding for officers and a training program).

4b/ Revenue estimates and forecast were to be re-estimated regularly to take into account COVID-19. Overall tax revenue of DGI fell from March to June 2021 (year-on-year) by 18 percent, as Madagascar was heavily hit by the pandemic (LTX, Customs, 07/06/21).

Coherence - 4

5a/ As the fiscal stance has further deteriorated in FY21 in Madagascar, the medium-term central objectives and steps of Customs reform remain in place; but a short-term goal has become to put in place procedures and mechanisms for a prompt recovery of revenue, given its fall due to the COVID-19 pandemic. These measures complement those considered in the IMF ECF.

5b/ Besides the Strategy Plan, the design of the annual plans and priorities involved the IMF Africa team, the IMF back-stoppers for AFS, the AFS Steering Committee, and LTXs (BKS, FAD,07/18/21).

6/ In Madagascar, Customs reform was implemented jointly with the World Bank. About 80 percent of declarations entered Sydonia (ASYCUDA), but the number of physical inspections remained high – as well as bribes. An ongoing debate over the implementation of "contrôle différé", as a good practice jointly done with private sector, was discussed and negotiated with Authorities.

Effectiveness - 3

7/ LTX provided the following updated ratings in the RBM logframe:

On the Outcomes:
+ Capacity to reform increased due to clear reform strategy: 3
+ Audit and anti-smuggling programs to enforce Customs laws: 2
+ Improved Customs controls during clearance process: 2

+ Trade facilitation and service initiatives support voluntary compliance: 2
On the Outcomes:
+ Multi-year reform implementation plan adopted and well communicated: 3 (eventually 4)
+ Larger share of trade controlled through a post-clearance audit program: 2
+ Rate of physical inspections decreased: 1
+ Customs laws, regulations, and guidelines simplified and easily accessible: 3

Customs reform seems now well engaged and Authorities are providing their full commitment to it. As compliance with milestones improves, Madagascar Customs reform appears to be quite promising.

8/ Preparation, implementation, and monitoring of Customs reform derive directly from the CD activities. An update on the status of these milestones: (i) a Project Management Office (PMO) for implementing the Strategic Planning and Reform Program (SPRM) has been set up, supported by SPRM units; (ii) a project management methodology has been agreed; (iii) a draft communication plan has been prepared; (iv) automated monitoring and reporting systems are being prepared; and (v) key next steps have been identified (e.g. appoint a digital transformation portfolio manager and funding for officers and their training) (LTX, Customs, 07/06/21).

9/ Remarkably enough, planned activities have been delivered with strong hand-holding in-person (and multiple missions) from AFS during COVID-19. Hands-on capacity building/integrated training are important elements for successful CD in Fragile States, and not only in this funding program, as the case of Madagascar (and Comoros) proves.

Efficiency - 3

10/ Madagascar has benefitted from an appropriate mix of inputs, given its choice to go for a comprehensive project management reform, rather than a focalized, and less cost-effective, approach to reform (as other AFS countries did: Angola and Comoros in particular, which only focused on risk assessment and audits compliance).

11/ As a fragile country, Madagascar benefitted from increased resources and missions (15 and 20 overall in FY20 and FY21 respectively). About a quarter of these missions went to Customs reform, which cannot be particularly considered as cost-efficient when compared to other TA activities. However, as these missions are part of a medium-term reform effort, expected increases in Customs revenue will take time to materialize. It is too early to take a stand on this question. (BKS, FAD 07/08/21) also indicated that "Customs reform in particular, also requires strong hands-on support in situ. Good reformers like Madagascar (and Zimbabwe) deserve more than the standard 2 missions per year received."

12/ Planned activities, in particular on project management, have been timely executed, broadly speaking. Others have not been implemented according to schedule. Lags remain, in particular with respect to the new regulations contained in the Customs Code: A total of 11 new Regulations required amendments (on rules of origin, clearance procedures, deposit merchandise treatment, transit, Customs entrepot, temporary admission of merchandise, deposit, destruction of infected merchandises, clearance of personal effect of travelers, transit passengers and "poursuites douanières") and draft completion was scheduled for the second semester of 2021, as well as the introduction of initial regulations (temporary admission) in Budget Law 2022. Delays also appear to

connect the Customs tax link, to carry on intelligence missions, and correct delays in the use of electronic filing (LTX, Customs, 07/06/21).

Impact - 2

13/ So far, the CD project has had minimal impact in enhancing the macroeconomic and financial situation. Despite Customs reform flexibility for also adopting short-term measures in response to COVID-19 negative impact on economic activity (and taxes), Customs revenue remains low and before pre-COVID-19 levels: Taxes on international trade fell from 5.2 percent of GDP in 2019, to 4.1 percent of GDP and a projected 4.4 percent of GDP respectively in 2020 and 2021 (IMF, Request for an ECF, March 2021).

14/ Madagascar's Customs reform has included indicators on gender-based staff (especially for senior management), and many women are also "chef d'équipe". There is priority given to women's participation in hiring. It is easy to find women working in the central administration (urban), but less in decentralized units. This is part as well designed Strategic Organizational Plan.

Sustainability - 3

15/ Strong hands-on support from the CD project will be required to preserve/materialize the benefits of the CD project. A major risk is the eventual removal/rotation of its Customs General Director. Another is the unexpected requirements that the complexity of the implementation of Customs reform entails. For instance: (i) The new regulation on "Zones Franches" requires a thorough dialogue with public and private partners; (ii) the new regulation over "l'entrepôt des douanes" became more complex than initially foreseen, thus requiring additional consultations with the private sector; and (iii) some required regulations (like rules of origin) will only be applied when a Customs Union is in fact applied by COMESA (LTX, Customs, 07/06/21).

16/ In Madagascar, Customs reform appropriation has unfolded. The reform program has been disseminated nationwide and there is a hotline for receiving complaints. During COVID-19, some initial " Arrêtés " were already published in the Complementary Finance Law. The new Customs Code, however, still needs additional "*Arretes d'implémentation*", which is a pending task. Another ongoing key area for improvement is cross data-exchanges with Tax Administration/MIFIN (often unidirectional from Customs to Tax Administration, but not vice versa; which would call for the signing of a Protocol.

Objective: Strengthened revenue administration management and governance arrangements

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18FAZL7	Dostler Peter Matthias G	05/02/2018	16/02/2018	CUS_AFS_2018_02
19FA086	Dostler Peter Matthias G	18/06/2018	29/06/2018	CUS_AFS_2018_02
21FA71500	Dostler Peter Matthias G	18/05/2020	31/05/2020	CUS_AFS_2018_02
21FA716	Dostler Peter Matthias G	20/07/2020	31/07/2020	CUS_AFS_2018_02
17FA42312	Head Kenneth	05/02/2018	07/02/2018	CUS_AFS_2018_02

21FA714	Soares Brandao Andre	18/05/2020	31/05/2020	CUS_AFS_2018_02
21FA201	Soares Brandao Andre	20/07/2020	31/07/2020	CUS_AFS_2018_02
21FA79800	Soares Brandao Andre	19/10/2020	31/10/2020	CUS_AFS_2018_02

Relevance - 3

1/ General Revenue Administration (AGT) adopted a five-year strategic plan in 2015, but faced serious capacity constraints and suffered from a lack of tools and skills for its successful implementation (IMF 2018d). These issues were acknowledged by senior management of the AGT and AFS, but they were not picked up in the Article IV report (IMF 2018c) or the request for an Extended Fund Facility (IMF, 2018d).

2/ The overriding priority, regarding revenue administration and tax policy within government at high level, has been for the revenue base to be broadened, with immediate priority given to the introduction of a VAT. This goal has been reiterated in the Article IV and staff report and within the EFF program, where collection of VAT from large taxpayers by July 2019 was included as a structural benchmark (IMF 2018b and IMF 2018a). Overarching CD reports, like the summary in the article IV and Capacity Development Strategy Note, noted that the priority of revenue administration CD was non-oil revenue mobilization, particularly VAT introduction (IMF 2018b and IMF 2019a). Although not initially part of the work program for Angola, AGT authorities made a specific request to AFS to build leadership and management capacity in Angola's revenue administration: this priority of AFT management was already noted in 2015. AFS acknowledged this request and initiated a major sequence of CD activities in response (IMF, 2018d).

3/ The design was was based initially on an understanding of the importance of responding to a request made at the highest level of the counterpart, AGT, and the potential opportunity cost of not responding, in a TA context that was "crowded" by other providers like HQ and McKinsey.

4a/ The activities were implemented intensively over a relatively short time span from February 2018 to October 2020. This was an intensive period for the AGT, with the rollout of VAT in October 2019, but this only exacerbated the need for good leadership and strategic management. As a consequence, the program was implemented according to plan.

4b/ After the onset of Covid-19, the series of workshops was conducted remotely. The pandemic reinforced the need for better leadership and strategic management.

Coherence - 3

5a/ The AFS RA CD program navigated an area where the Angolan authorities, and AGT in particular, were addressing the bigger issue of tax base broadening, especially through introducing and the start of collecting VAT payments. In this context, AFS fielded a mission in December 2018 to assess the effectiveness of information systems and the main players with whom to support VAT implementation.

The focus of the capacity development program on leadership management and strategic planning addressed the key issue of relevance for the management of these wide-ranging reform efforts. The capacity gaps identified were seen as an underlying risk to AGT being able to implement reforms successfully and sustainably (interviews with current LTX and former LTX).

5b/ The level of consistency was reasonably high, although leadership management and strategic planning were not issues specifically addressed in the Article IV Review or the EFF. The HQ RMTF and FAD projects focused on the main priority of widening the tax base, including through a program for mobilizing fiscal revenue that envisages improving tax inspections and monitoring large taxpayers as well as TA to support the adoption of a VAT on January 1, 2019 (IMF 2018b). It also supported the AGT's ability to manage a range of reforms through a project management based approach and to tackle the common issue of initiating numerous reform efforts without knowing the resource constraints (interview with former LTX).

6/ Other development partners in Angola supporting AFS were consistently informed and invited to debriefings, as no issues addressed were confidential (various TA reports and interview with former LTX). ATAF led a TADAT assessment in September 2018 and findings from the CD program informed the assessment and vice-versa, as some key issues came up that impacted on the CD plans and emphasized the importance of monitoring the implementation of the Strategic Plan (interview former LTX). Consistency and coordination with the World Bank were limited, however. The AFS did not seem to be aware of the Reimbursable Advisory Service program being implemented: this program included a major component to improve the business environment and voluntary tax compliance in Angola. The World Bank team completed a diagnostic of the institutional and business taxation process of the Angolan tax system and provided a series of recommendations.

Effectiveness - 4

7/ The objective to strengthen revenue administration management and governance arrangements and targeted outcomes to increase capacity to reform, adopt and institutionalize a strategic management framework was largely fully achieved. This was thanks to the objective's clear focus and consistent implementation over a short period of time. Indicators and milestones were relatively narrowly defined and significantly dependent on deliverables within the direct control of AFS. These include:

i. Reform management capacity strengthened or in place for reform implementation, including dedicated resources;
ii. Key Performance Indicators in place and adopted;
iii. Strategic and operational plans prepared and adopted; and
iv. Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated.

These were met through the establishment of both a project management office and a strategic management unit. The unit will be overseeing the implementation of strategic level KPIs and a detailed action plan for 2020 aimed at preparing strategic and operational plans for 2021. An operational framework – to help inform the goals, objectives, indicators and implementation of operational plans – was also developed (IMF 2020c; and interview with former LTX).

Three out of four milestones (with significant overlap to the verifiable indicators) were fully achieved and one partially achieved. For project management capacity, an assessment was carried out that provided an overview of short- and medium-term needs. A performance measurement framework was designed, but has not yet been implemented, at the end of the evaluation period and it was slightly delayed due to staff turnover (hence partially achieved). A project management methodology was wrapped up with step-by-step processes, forms and templates as well as training material (IMF 2020c; and interview with former LTX).

8/ The observed results can be attributed with high certainty to the CD provided. Once again, this was thanks to a clear and narrowly defined results framework plus consistent and clear reporting through the numerous briefing papers and TA reports. While this contributed to clear results, these could be seen more as outputs than outcomes: that affects the impact and sustainability discussed below.

9/ The COVID-19 virus pandemic had a significant impact on the planning and strategic management activities of the AGT, due to employees working from home as well as other measures to meet physical distance requirements. However, the well-structured CD program on leadership and strategic management lent itself to continued remote implementation. Missions only went remote after the sixth out of nine missions (the fourth of six sampled for this evaluation) and it should be noted that relationships and workplans had already been well established. Indeed, the pandemic illustrated that earlier in-person missions could potentially have been conducted just as successfully remotely (interview with former LTX).

Efficiency - 3

10/ A very good mix of national, regional, and international resources have been applied to deliver on the objective. The former LTX closely monitored the implementation of the CD program and there was a reasonable handover to the current LTX. The CD activities were delivered by two STX, applying a methodology that had been tried and tested in other country contexts and had a very good reputation (interview, current LTX). The two STX were Brazil-based, technically well founded, complemented each other well and were both fluent Portuguese speakers. All TA reports were delivered in Portuguese, which is an important factor in Angola.

11/ There were 12 missions under the Revenue Administration workstream to Angola in the evaluation period. Of these, nine were carried out, of which six were sampled for in-depth analysis. The number of days per mission across the 12 missions varied significantly between 3 and 40 and the number of people who participated in the mission varied from 1 to 2. The number of days per expert varied between 3 and 20 and the average number of days per RA mission to Angola was 17. The average number of days per person (expert) was 12.

For this objective, two-thirds of the missions were in-person and one-third remote (both for the actual number of missions and the sample). The highest number of mission days was 40 and the lowest was 14. The average number of mission days was 25, which is significantly about the average of 17 days. However, given the outputs delivered and the level of achievement of the outcome as presented under effectiveness, the CD provided under this program was delivered quite efficiently.

The questions remain if it was efficient to use 170 mission days on this objective. Although it was a high priority by AGT, this remains questionable, as it is very high compared to other activities within revenue administration and other workstreams. Moreover, it was acknowledged that some of the missions or parts of the program could potentially have been delivered remotely: this became more evident after the onset of the Covid-19 pandemic (interview with former LTX).

12/ A broad range of tasks and outputs, which were planned to be implemented in the briefing papers for the six sampled missions, were carried out on schedule (IMF 2018c, IMF 2018d, IMF 2019b, IMF 2020a, b and d). However, with three missions in relatively quick succession in 2020, implementation became quite rushed towards the end in an effort to conclude the program before initiation of the new strategic cycle from 2021 to 2025. In comparison, only one mission was carried out in 2019: while not in conflict with any schedule, this suggests that activities could have been better sequenced. Yet

the last missions were carried out after a change of leadership in AGT in January 2020, when a new president of AGT came in and made relatively sweeping changes to personnel (interview with former LTX). It therefore may have been both more effective and more efficient to sequence activities in this manner.

Impact - 3

13/ The CD project contributed positively towards the successful launch of VAT collection and other reform efforts, by assisting AGT to get their strategic management systems ready. This in turn has made an important contribution to the sharp rise in non-oil revenue, which grew from 6.8 percent of GDP in 2019 to 8.8. percent of GDP in 2020, mainly from the new VAT and increased income tax collection (interview former LTX, IMF 2021). To fully assess the impact, it will be important to continue monitoring implementation and use of the tools, as the last tools were only delivered right at the end of the period under evaluation.

14/ There was no climate change or gender dimension to the CD project. The gender dimension in particular is conspicuous by its absence: this dimension would have suited a leadership and strategic planning focus anywhere and certainly in Angola. Similarly, inequality – which is a major issue in Angola – was not part of the CD provided. Lastly, there was an absence of other focus areas that are specifically relevant to the Angolan context and revenue collection in particular, such as governance and anti-corruption.

Sustainability - 3

15/ It is very difficult to assess this question within this evaluation, as key outputs were delivered, and milestones met at the very end of the evaluation period. Given the intensity of the CD activities, there is a risk that when these come to an abrupt end and no more missions are on the horizon, there will be a tendency to slow down implementation. A final mission carried out by one of the two STXs in October 2020 (this CD activity was not sampled) found that there was nothing else that needed to be done on leadership work. However, it is unlikely that implementation will continue to be frictionless through 2022, which is an election year (interview with current LTX).

16/ AGT still faces capacity constraints at various levels, but governance is the biggest risk to sustainability of the results of the CD provided. Although several activities were implemented after the new head of AGT came in, which indicated there was a continued commitment to the project, the verdict is still out on how deep this commitment goes.

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19FAH3906	Letjama Thabo Michael	18/02/2019	18/02/2019	TAX_AFS_2018_02
19FAH4010	Wood Philip R.	11/02/2019	22/02/2019	CUS_AFS_2018_02

Relevance: 4

1/ The CD objectives for training are derived from capacity gaps in tax and customs management identified in CD assessments undertaken by the national authorities, as part of the BURS plans to implement institutional reforms and improve domestic revenue mobilization.

2/ BURS authorities considered the CD objective among the priorities to strengthen leadership and management development skills. The development of a senior management cadre, with sound leadership and management skills, is considered critical by national authorities for succession planning, the integrity of the organization, and its effective and efficient operation.

3/ CD design was fully supported by tax and customs authorities.

4a/ Work was undertaken remotely to support the Commissioner-General BURS with the development of a senior management cadre, through the delivery of a leadership and management development (LMD) program. The program was delivered in two seven-day workshops over a period of four months, through a series of remotely facilitated workshops. The events included a total of 16 managers from domestic tax (DT) and customs.

Participants were required to complete personal development action plans. These were used to provide the basis for a mentoring program, prior to the delivery of part 2 of the LMD program carried out in November 2020.

Coherence - 3

5a/ The CD Project on the leadership and management development (LMD) training was designed adequately to help support the development of a professional management cadre in BURS. It was sequenced in two parts, one in August 2020 and one in November 2020. It was coordinated closely with the launching of other relevant AFS CD activities designed to strengthen tax and customs administration.

5b/ The CD Project is consistent with other CD actions and recommendations on the modernization of BURS management and technical capacities.

6/ The LMD training activity did not require coordination with other relevant interventions by Development Partners.

Effectiveness - 4

7/ All three CD activities in the RBM framework were fully achieved. The results are considered fairly meaningful, especially given the exceptional COVID-19 circumstances. AFS work consisted of facilitated workshops over a seven-day period in two workshops and targeted to 16 selected participant managers from tax and customs authorities. The sessions were highly interactive and included facilitated discussions, practical exercises, and a review of outputs with the participants. Subjects covered included management roles and responsibilities, leadership and communication, motivation, coaching and feedback.

8/ The training activity has proven effective with its objective, as it was delivered to nominated managers from tax and customs. It resulted in workplace mentoring and monitoring of managers

nominated by the BURS who participated in the LMD program, and it led to evaluation of managers' performance and identification of ongoing skill requirements. There has been no survey after six months to show whether the training contributed to the improvement of tax and customs authorities' planning and management skills, based on the methods and new practices learned.

9/ Post-training evaluation indicates that the events carried out by AFS have proven effective in terms of AFS delivering in the quality and quantity expected. Results of the first (second) workshop indicate that 89% (97%) of participants rated the course content and relevance as being of a “very good” or “good” standard and 94% (100%) of participants rated the facilitators as being “very good” or “good” standard. In both events, the feedback of trainees concurred with the view that COVID-19 and remote delivery in no way impeded the participants’ ability to interact, ask questions and contribute fully to discussions and exercises. The use of the chat-room facility also greatly enriched the communication process.

Efficiency - 3

10/ Two training missions were undertaken remotely, each of which by two short-term FAD experts, over a total of seven days in each mission during August 2020 and November 2020. No local experts were considered to take part in the team of instructors.

11/ The resources used in this activity are considered to have yielded high investment returns, delivered in a productive and cost-efficient manner.

12/ CD activities have been delivered according to schedule.

Impact - 2

13/ It is too early to expect that the CD Project has led to any concrete outcomes. Initial promising steps have, nonetheless, taken place to improve the functional and administrative structures within BURS.

14/ Not applicable

Sustainability - 3

15/ The LMD program was developed in partnership with BURS and delivered in collaboration with the BURS training service. A module for use by facilitators had been developed and agreed as part of a previous AFS mission undertaken in April 2020. The module included information on the role of the facilitators, delivery methods and background to the sessions together with the research, analysis and presentation of the strategic assignment tasks.

16/ The BURS organization has high capacity levels to sustain the net benefits of the CD Project over time. The LMD program was developed with involvement from the BURS training service and this Unit should be the agent to develop a high level of ownership, as this training is continued across other levels of senior management and is drilled down to mid-level authorities.

Objective: Strengthened core tax administration functions

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
21FAC0400	Adrien Wandja Fondja Pie	09/11/2020	23/11/2020	TAX_AFS_2018_02
17FA24520	Letjama Thabo Michael	14/11/2017	15/11/2017	TAX_AFS_2018_02
20FA70406	Letjama Thabo Michael	09/11/2020	11/11/2020	TAX_AFS_2018_02
18FAU3900	Penanje Nkepang Philip	04/09/2017	15/09/2017	TAX_AFS_2018_02
18FAU4000	Penanje Nkepang Philip	13/11/2017	24/11/2017	TAX_AFS_2018_02
19FA11500	Penanje Nkepang Philip	21/05/2018	01/06/2018	TAX_AFS_2018_02
19FA11600	Penanje Nkepang Philip	17/09/2018	28/09/2018	TAX_AFS_2018_02
19FA11700	Penanje Nkepang Philip	18/02/2019	01/03/2019	TAX_AFS_2018_02
21FAC0500	Penanje Nkepang Philip	17/07/2020	31/07/2020	TAX_AFS_2018_02
21FAC0200	Penanje Nkepang Philip	21/09/2020	05/10/2020	TAX_AFS_2018_02

Relevance - 4

1/ FAD has been engaged with Comoros since 2015. Comoros was a past success story, raising tax revenue from 11.1 percent of GDP in 2015 to 17.7 percent of GDP in 2017 as a result of comprehensive reform (LTU, audit, monitoring of filing and payment, and collection of tax arrears). A central objective of Phase II is to strengthen core tax administration functions (AFS, Phase II, 2017).

2/ The Tax Administration Office of Comoros (AGID) indicated as more specific Tax Admin. Priorities for FY20 that: (i) a larger share of taxpayers should meet their obligations; (ii) improved accuracy of audit reporting; (iii) strengthened support initiatives to voluntary compliance; and (iv) deepened regional harmonization techniques on tax audit.

3/ Tax reform has been highly sensitive to context. Tax revenue was on a steep decreasing trend well before COVID-19. In terms of GDP, it decreased from 9.4 percent in 2017, to 8.3 percent in 2018 and to 7 percent in 2019. The Government of Comoros considers raising revenue as a very low priority and a central goal addressing its economic fragility. It is "essential for creating fiscal space and accelerating growth" (IMF, Article IV, 2020).

4a/ Following AFS recommendations, TA policy and administration has focused on removing tax exemptions and strengthening weak tax administration. TA has adapted to circumstances and focused on: (i) strengthening the taxpayers registry and Large Taxpayer's Unit, while expanding its coverage; (ii) identifying revenue from large companies; and (iii) recovering issued and unpaid taxes (IMF, Article IV, 2020).

4b/ The perspective of seeing a further fall in revenue during COVID-19 set alarm bells ringing among Authorities for bringing an International Survey on Revenue Administration (ISORA) with AFS support, completed in October 2020. AGID acknowledged that its administrative capacity was extremely weak. All ISORA forms for 2018 and 2019 were completed on time and became the basis for future AFS support. Therefore, general objectives remain in place, but the goal is to put in place procedures and

mechanisms for a prompt recovery of revenue, given the trending fall in revenue pre-COVID-19 pandemic. ISORA identified a much broader agenda:

- Tax Compliance is low;
- There is very weak reliance on IT-based systems;
- Multiple double entries and tax registration;
- Large taxpayers registry is fine; middle taxpayers have issues – multiple registration is a bias;
- Small taxpayers registration is in the infancy stage (13% of total estimated STP–2017);
- Compliance has made improvements (67% of taxpayers are filing);
- Auditing has no leadership; technical shortcomings and politically sensitive;
- New tax computer system being installed;
- Separate islands had different regime (tax admin. independent until 2019).

Coherence - 2

5a/ Tax administration in Comoros faces several major internal administrative incoherencies. Some of them affect institutional synergies with the CD activities, including: (i) duplicated taxpayer identification procedures by different agencies (one of them issued by a private company – SIGIT); (ii) another is a disconnect and lack of coordination between central AGID offices and those offices located in two islands (Anjouan and Moheli) (LTX, Tax, 06/29/21).

5b/ The CD project consistently addresses those priorities identified in the regular surveillance process carried on by the IMF in its Article IV.

6/ AFS broadly coordinates with parallel work done by AfDB (project), AFD (expert), Japan and EU (LTX, Tax, 06/29/21)

Effectiveness - 3

7/ Achievement of all four milestones was considered generally strong, which included these activities:
a) Hands-on support to implementing filing/payment compliance strategy;
b) Tax arrears management strategy and implementation plan recommended to the DG;
c) Criteria for selecting audit and annual audit plan developed and LTO auditors guided to implement plan; and
d) 60 percent of planned audits for calendar year 2018 carried out and assessments issued to taxpayers.

On the Outcomes, the overall performance was nonetheless considered satisfactory. The planned outcomes included the following:
a) A larger proportion of taxpayers meet their payment obligations;
b) Improved payment of arrears; and
c) More effective audits.

Paradoxically, IMF fiscal estimates under the baseline projected an increase of 0.4 percent of GDP in 2020 tax revenue, mainly due to a "de facto" stagnation in economic recovery (Comoros GDP growth barely contracted -0.1 percent in 2020).

8/ Authorities acknowledge that recent positive results stem from recommendations provided by AFS TA, particularly in two areas: (i) work at raising compliance by large taxpayers (companies) and (ii) recovery of tax arrears from largest debtors.

9/ COVID-19 has highlighted for AGID the need for a more comprehensive strategy, based on ISORA findings.

Efficiency - 2

10/ The pre-COVID-19 fall in tax revenue set alarm bells ringing about the need for urgently intensive AFS support, in coordination with the fiscal authorities.

11/ About a quarter of Comoros AFS missions went to tax administration reform. This is consistent with the priority given to a fragile country in perhaps its major source of fragility. AGID has been closely monitored by AFS through successive missions, but such intensive monitoring effort has not been particularly cost-efficient, even though it has been increasingly effective. Work on designing the reform strategy based on ISORA is making slow progress, as data are still not being used for decision-making (LTX, Tax, 06/29/21).

12/ Implementation of the AFS mission was hampered by Presidential and Regional elections in March 2019.

Impact - 2

13/ Government activities, supported by AFS CD project, have contributed to halting the 3-year downwards trend in tax revenue, in the middle of a COVID-19 pandemic: this is not a minor achievement. However, the country's tax ratio (7.8 percent of GDP estimated for 2020) still lags well below its level of 2017 (9.4 percent of GDP). (IMF, Article IV, 2020)

14/ Comoros seemed focused on contingency crises planning. The most recent Article IV had no indication about including any of its global topics as a policy priority.

Sustainability - 2

15/ Informed by ISORA and leaning toward a more comprehensive strategy, AFS support is critical to preserve/expand the net benefits of the CD project. Such support should even consider, for technical reasons, whether there is a need for a locally based LTX that can help planning, monitoring and reporting on a broader tax administration reform.

16/ Comoros has little local capacity to sustain ongoing tax administration reform. The country's low technical capacity arises due to several reasons:

a) Political economy: "Everything is political in Comoros" (LTX, Tax, 06/29/21) given close political connections of (large and middle) taxpayers with the President.
b) Weak commitment to recruit skilled staff: people hired are often the wrong people (connected to politicians).
c) Lack of resources: AfDB and other donors co-finance the project, but often it is limited to one expert, which is clearly insufficient.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#

19FAZ2100	Atanga Fongue Roland	15/04/2019	26/04/2019	TAX_AFS_2018_02
18FAV2700	Borie Christian F.	21/08/2017	01/09/2017	TAX_AFS_2018_02
21FA29900	Kidd Maureen Catherine	19/06/2020	25/06/2020	TAX_AFS_2018_02
20FA70432	Letjama Thabo Michael	19/06/2020	21/06/2020	TAX_AFS_2018_02
20FA70433	Letjama Thabo Michael	05/08/2020	06/08/2020	TAX_AFS_2018_02
18FAU5700	Penanje Nkepang Philip	31/07/2017	11/08/2017	TAX_AFS_2018_02
19FAZ2000	Penanje Nkepang Philip	01/04/2019	12/04/2019	TAX_AFS_2018_02
21FA30100	Penanje Nkepang Philip	26/06/2020	10/07/2020	TAX_AFS_2018_02
21FAC1000	Penanje Nkepang Philip	01/08/2020	15/08/2020	TAX_AFS_2018_02
21FAC0900	Wandop Ngneba Claude Syl	28/09/2020	12/10/2020	TAX_AFS_2018_02

Relevance - 4

1/ FAD has been engaged with Madagascar since 2015. A central objective of Phase II is to strengthen core tax administration functions (AFS, Phase II, 2017). Until early 2019, Botswana and Madagascar were close to fully or largely achieving 100 percent of their Phase I identified milestones. Key renewed support, as identified by an AFS/FAD TA mission in 2020, is described next.

2/ Given past progress, renewed and more specific Tax Administration priorities for Madagascar from FY2020 were: a strengthened revenue administration management and governance arrangements; the capture of a larger share of taxpayers meeting their obligations; improved accuracy of audit reporting; strengthened support initiatives to voluntary compliance; and deepened regional harmonization techniques on tax compliance (AFS, Quarterly reports, 2019-2020). A 2020 Strategic Plan of Modernization of Fiscal Governance – including the measures described below – is underway.

3/ Tax revenue of DGI from March to June 2020 decreased by 18 percent compared to the same period of 2019 (LTX, Tax, 06/29/21). Heavily hit by the COVID-19 pandemic and aware of the low technical capacity of the Madagascar Direction Générale des Impôts (DGI), the Government set up a Risk Management Unit (RMU) and developed internal controls to improve compliance risk management and better respond to the impact of COVID-19 on revenues. These measures face severe political economy issues: for instance, in Madagascar about 30-40 percent of tax debts are concentrated in companies related to families linked with the President.

4a/ The RMU initial design was customized to four DGI needs, including: (i) a workforce of 17 officers responsible for tax intelligence and cross-matching; (ii) electronic reporting of customer and supplier information; (iii) enabling legislation empowering the DGI to do research; and (iv) setting up of e-filing and e-payment procedures for the Large Taxpayers Office (LTO).

4b/ The central objectives of tax administration reform remained in place, but an additional goal became to put in place procedures and mechanisms for a prompt recovery of revenue, given the impact of the COVID-19 pandemic and the related fall in revenue. These included: (i) closely follow the Large and Middle taxpayers compliance; (ii) extend e-payments facility to Middle taxpayers; (iii) increase the number of finalized risk-based audits; and (iv) put in place a plan for tax arrears.

Coherence - 4

5a/ Partial synergies and interlinkages. COVID-19 measures and RMU progress were promising, but partial, as major shortcomings remain: (i) Customs-tax link is not functioning; (ii) research service has no access to tax returns; (iii) declared data are not integrated into the database; (iv) no procedures set for audit of intelligent cases; and (v) absence of e-payment facility in Middle Taxpayers Office (MTO).

5b/ Strengthening the RMU is part of a series of tax administration (and policy) measures considered in the Economic Credit Facility (ECF).
Specific IMF-ECF Structural Benchmarks are: (i) collecting outstanding tax payments (first half of 2021); and (ii) strengthening reliability of taxpayer identification; and intensifying control of companies with free trade agreements. The 2022 budget law is expected to include the revision and streamlining of tax exemptions. Indicative Targets (IT) of the IMF-ECF include floors on domestic (and Customs) revenue.

6/ Madagascar's tax administration reform is also supported by the World Bank, AfDB, African tax organization; WTO and German GTZ.

Effectiveness - 3

7/ On the Milestones, the updated RBM ratings are:
+ Taxpayers services strategy and standards developed and guidance provided for effective implementation: 3
+ Debt (arrears) management strategy developed and support given to DGI: 3
+ Capacity to carry out risk-based audits further strengthened: 3

Until early 2021, a rebound of about one percent of GDP in tax revenue was real and promising (almost close to 2019 level). Whereas milestones compliance was improving, tax (and Customs) revenue increases were also following. The projected 2021 recovery in domestic taxes was higher than in Customs (0.8 and 0.3 percent of GDP), following their also significant, but unequal annual decrease in 2020 (-21.8 and -5.3 percent respectively). This was due to lower imports and lower oil price (VAT and specific tax on oil products account for about one quarter of Customs revenue) (IMF ECF, 2021). Additional results included: a non-compliance ratio increasing from 7 to 15 percent year-to-year; e-payment facility extended to 40 percent of Middle taxpayers; 142 risk-based audits finalized; and plans in place for collecting arrears.

On the Outcomes, the results of the CD objective are considered generally modest:
+ Achieving a larger proportion of taxpayers meet their payment obligations;
+ Improving taxpayer services and payment of tax arrears; and
+ Performing more effective audits.

8/ An important caveat, according to LTX and FAD experts, is that Tax and Customs Administrations cannot be mainly held responsible for revenue improvements, as this is mainly the case of tax policy. Both administrations focus on improving their core functions, governance and revenue forecasting; and as such, the combined revenue-raise effect of their administrative reform will only gradually materialize (LTX, TAX, 0629/21).

9/ Tax revenue rebound was also partly due to projected economic recovery. Economic GDP growth is projected to increase, from a contraction of -4.2 percent in 2020 to 3.2 percent in 2021 (IMF, ECF, 2021)

Efficiency - 4

10/ This was high, as the COVID circumstances required many missions (4 in 2020 and 4 in 2021). Preparation, implementation, and monitoring of Tax Administration reform has benefitted from an appropriate mix of inputs, given the urgency to recover pre-COVID-19 tax revenue. Close interaction with other international agencies and leverage of combining missions with the IMF ECF team is also cost-efficient.

11/ About a quarter of Madagascar AFS missions were dedicated to Tax Administration reform. Interestingly, even if these missions were aimed at tackling medium-term objectives, they were also flexible enough to implement short-term measures with promising results. "Good reformers, like Madagascar (and Zimbabwe) deserve more than the standard 2 missions per year." (BKS, FAD, 07/08/21)

12/ Planned modified activities have been timely executed according to schedule.

Impact - 3

13/ By directly contributing to the reduction of macroeconomic imbalances, the CD project is contributing to the recovery of fiscal space in order to sustain economic recovery, macroeconomic and financial stability, and inclusion.

14/ Madagascar DGI has included indicators of gender-based staff as part of the 2020 Strategic Plan of Modernization of Fiscal Governance (LTX, Tax, 06/09/21).

Sustainability - 3

15/ The success of Madagascar's tax reform strongly relies on continuation of the CD project. To prevent another episode of stop-and-go reform, it must address key shortcomings related to the country's political economy (relatives of the President benefitting from tax exemptions and broad-based corruption), and its limited technical skills, particularly for IT services addressing the LTO and the MTOs.

16/ Madagascar features average staff technical capacity. To consolidate initial results, it needs (i) skilled human and financial resources; and (ii) correction of delays in the automation of data matching (LTX, Tax, 06/09/21),

Workstream: Monetary and Macroprudential Policy

Objective: Improving the economic analysis and forecasting capabilities at the Central Bank

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18MM87700	Brozka Michal	06/11/2017	17/11/2017	MPO_AFS_2018_02
18MM877	Brozka Michal	06/11/2017	17/11/2017	MPO_AFS_2018_02
18MM878	Motl Tomas	09/04/2018	13/04/2018	MPO_AFS_2018_02
15MMA4858	Selander Carina	09/04/2018	13/04/2018	MPO_AFS_2018_02
15MMA4866	Selander Carina	01/04/2019	05/04/2019	MPO_AFS_2018_02

Relevance - 2

1/ The request from TA originated in the earlier phase of AFS and was included in the strategic plan in 2015, aimed at developing a Forecasting and Policy Analysis System (FPAS) within a two-year period. This involved introducing a small semi-structural model for medium-term forecasting, near-term forecasting techniques, data handling and the development of economic indicators. The plan also included the establishment of an integrated process for macroeconomic monitoring, forecasting, and policy formulation (IMF 2018c). There were major capacity gaps in this area (interview former LTX and former STX). However, these gaps have not been widely explained within the period covered by this evaluation, most likely because the Central Bank of Angola was struggling with deeper issues such as mainly exchange rate policy, forex market and inflation – which became paramount with the onset of the crisis in 2015. So there was little focus on capacity gaps for a big and complex issue like an FPAS or economic analysis and forecasting capabilities and the connection of an encompassing analysis of economic activity with policy-making. Capacity to address more acute issues, supporting the transition to more exchange rate flexibility, took center stage instead (IMF, 2018a; and IMF, 2018b). The IMF was leading in this area, with the World Bank paying more attention to financial sector and AML/CFT issues (World Bank, 2021).

2/ The request to strengthen forecasting and introduce an FPAS model was demand-driven, based on a request from the Central Bank of Angola (BNA). However, as this request originated in 2015, it was mostly conceived in a period of high oil prices, with general stability of monetary and exchange rate policies. At this time there was more ability to engage in deeper reforms, although there is no evidence that the government more broadly saw this as a priority area (interview former LTX). The request originated at a time when a widely respected and technically well-founded Governor (Mr Lima de Massano, 2010-2015) was replaced and the BNA moved into a period of extremely unstable governance at the top. The focus of the CD at technical level continued, especially in the start of the evaluation period (2017-18), before the activity slowed down. A key issue limiting implementation in using a full FPAS was the absence of an official sanctioning by the Monetary Policy Committee (MPC): key personnel were also not available for training.

3/ In line with both economic and political economy issues unfolding as described above, the design did not seem sensitive to the major contextual changes. Governance of the BNA stabilized again, as the new President of the Republic reappointed Mr Lima de Massano, as Governor in October 2017; but at the time the economic and financial crisis had changed the priorities of the BNA. This was reflected also in a long hiatus in missions between April 2018 and November 2019 (there were serious issues with the reporting of missions both in TIMS and in terms of wrong dates appearing in briefing papers and TA reports, but this was sorted out in conversation with the former LTX). This was followed by the final CD activity sampled for this objective, an activity that consisted of a study visit/exchange

program carried out in April 2019. After this, the LTX changed positions and was only replaced in January 2021.

4a/ The design was somewhat problematic from the outset and not adapted well to the changing circumstances. But the speed of CD activity slowed down in response to other competing priorities, such as tackling parallel exchange markets, which emerged as oil prices dropped and forex became scarce without an appropriate policy change from the BNA. The environment became very sensitive. This was a challenging space for the AFS team to maneuver in. The division of labor between AFS and HQ is clear, with the former not getting involved in policy and focusing on implementation and TA. But an FPAS really is policy and at least relies on gaining access to policy-makers (interview with former LTX).

4b/ Covid-19 only set in after the last activity sampled for this evaluation and the gap between LTX covering the area for AFS.

Coherence - 2

5a/ The level of synergies and interlinkages was a major challenge for this CD project. The attempts to put in place an FPAS were affected by limitations such as the absence of quarterly national accounts, which is the responsibility of the National Institute of Statistics (INE). This challenge was addressed through improvements of the Monthly Index of Economic Activity (IMAE), produced internally in the Central Bank by the Department of Statistics (DES). As a result, the CD project supported establishing cooperation between INE and BNA (interview former STX), as well as joint committees between the BNA and Ministry of Finance, with regular meetings where issues were discussed (interview with former LTX).

5b/ On IMF surveillance and the EFF, other monetary and central bank policies took precedence in the context of the evolving impact of the changed macroeconomic environment. On other CD and given the challenges faced by the project on the data constraints, there was very close collaboration between MCM and STA that provided CD to the INE on compilation and dissemination of data on macroeconomic and financial statistics (interview with former LTX).

6/ Central Bank capabilities to carry out economic analysis and forecasting is an area where few other development partners engage, especially in a country like Angola where the donor community is narrow. There is no evidence on consistency with interventions, for example by the World Bank, which has become a big development partner for Angola. Outreach and coordination were limited to briefings of the IMF Resident Representative (interview with former LTX).

Effectiveness - 2

7/ By March 2018, many of the FPAS elements had been implemented but, key to the level of success, the FPAS forecast process was still missing (IMF 2018d). By 2020, not much further progress had been made and there was still a significant need for capacity building. The BNA was by then long past the starting point but still had a long way to go and things to further develop. A fully-fledged FPAS would be an overambitious aim (interview with former LTX).

The RBM framework has been modified during the implementation of the CD project, but currently consists of two outcomes:

1. Improved economic analysis and forecasting capabilities at the CB (rated 3);
2. FPAS fully integrated into the monetary policy decision-making process (rated 2).

In line with the findings of this evaluation, the first is rated higher, as it is largely achieved and the second is only partially achieved. Milestones selected for verification with the AFS ratings in parenthesis are:

1.1 Short-term forecasting analysis and models cover key variables and are used as an input to inform the medium-term forecast (rated 3);

1.2 The medium-term model is used to produce baseline projection, based on information such as near-term forecasts, foreign economy developments, and expert judgment (rated 3);

1.3 Staff are capable of maintaining the core medium-term model and further developing the near-term forecasting (rated 1);

2.1 A rigorous forecasting process has been established: this includes cooperation and participation of other departments/divisions and the MPC (rated 2);

2.2 A pre-MPC meeting has been established, where staff present Initial conditions, near- and-medium-term forecasts, and risk analysis and the MPC provides feed-back and discussions (rated 2).

Given the slowdown in CD activities and the gap between the former and the current LTX, the current LTX and Covid-19, it has been difficult for AFS to assess the exact outcome rating (interview current LTX). The two outcomes are rated partially and largely achieved, with a higher rating of economic analysis and forecasting capabilities at the CB having improved. However the lower rating of 'partially achieved' seems to concur more accurately with findings of this evaluation for an aggregate rating, as the project did have several shortcomings, and also suffered from the gap in recruiting a new LTX for the area.

It is clear that, despite the project being much appreciated and the success in establishing a very good working relationship at the technical level, the project was overambitious, especially given the very challenging external context. Progress was made without doubt, and in the turbulent Angolan context sometimes the biggest and most sustainable approach is to focus exclusively on the technical level of staff and middle management. The difficulties in getting sanctioning from the MPC is a key example and classic bottleneck that limits implementation and progress beyond the technical level.

8/ The partial results that have been achieved after all can, however, be firmly attributed to the CD activities implemented. Of central importance to the results achieved were the relationships established and trust built at staff level, before the troublesome period in Angola really set in. The team applied hands-on tools and consistently insisted on staff practicing and learning by doing: that is in line with what the Government of Angola has requested under other workstreams (IMF, 2018e; and IMF, 2018f).

Activities focused on follow-up and consolidation of project achievements, as well as refinement of medium-term forecasting and revisiting the near-term forecasting models for inflation subgroups. This involved improving and using IMAE, defining roles and responsibilities and follow-up on manuals and model descriptions, as well as continuing training using forecasting exercises to retain and build on capacity gained by staff. A mission in April 2018 also made the attempt, although with very limited success, to engage the MPC and high-level management to raise awareness in the BNA about the project and to ensure buy-in for the FPAS implementation for Angola.

The team also made use of peer-to-peer learning, through an exchange or study visit to Brazil in April

2019. This involved five BNA staff at more experienced, senior economist level, such as the staff member responsible for the core model and the deputy head of division among others. The thematic focuses of the visit, which was relevant and appreciated, were nowcasting, short-term forecasting, satellite models and the construction of expectation indicators. Staff were given lots of tasks to present and report on the exchange, in order to ensure active participation and learning. The visit provided staff with a widened perspective, as they were exposed to much more advanced (though not too different) structures. This helped the team envision goals and where to go from the current position in Angola (interview with former LTX).

9/ While the pandemic and the increased virtual engagement overall were seen as gamechangers, there was no engagement with Angola on this project from the onset of the pandemic to the end of the evaluation period.

Efficiency - 3

10/ AFS involvement in this project during the current evaluation period relied on a non-Portuguese speaking LTX based in the AFS Center in Mauritius and highly skilled STXs with only a basic grasp of Portuguese. All TA reports were produced in English, which is different to the practice in other workstreams. Yet only a few staff speak English, so this initiative most likely reduced the use of these reports internally within the BNA. It was not viewed as an area that would benefit, or at least not in a cost-efficient manner with the placement of a resident advisor (interview and follow-up emails with former LTX). HQ has engaged very little with this project, which to a large extent went under its radar (interview with former STX).

11/ Limitations in the reporting and TIMS database imply that the efficiency rating has some uncertainties. AFS has carried out the planned eight missions, of which four were carried out in the period of time covered by this evaluation as well as an exchange with the Central Bank of Brazil. The sampled missions took place on November 6-17, 2017 (TA report issued in March 2018) and April 9-13, 2018. Seemingly no TA report was issued after this mission but covered by a TA report for a subsequent mission in November 2019 (which is not registered in the activity database). An earlier mission took place in September 2017, which was not sampled for this evaluation. The study visit/exchange program to the Central Bank of Brazil was carried out in April 2019.

The number of days per mission varied significantly between 5 and 34, with all missions but one made up of two people. By individual, the number of days used varies between 5 and 17. The average number of days per mission to Angola was 20.5. The average number of days per person (expert) was 12. These numbers and the outputs delivered compare broadly to other workstreams and must therefore be said to be relatively efficient. The evaluation team has not had access to the total cost of the exchange or study visit to Brazil. But given that peer-to-peer learning is widely requested and seen as an impactful approach to CD, this activity appears to have been worthwhile. Economic approaches were taken, such as limiting the number of participants, ensuring they were the most relevant staff for the experience and even purchasing airfares directly in Angola, as those tickets were much cheaper (interview with former LTX).

12/ The tasks and outputs of the sampled missions and study visit, as set out in the briefing papers, were delivered on schedule. However, as noted, activities overall (number of missions) slowed down dramatically towards the end of the evaluation period. This could be seen as a cost-efficient approach or development, as given the extent to which priorities changed and the challenges in getting traction

with the BNA at a higher level, it would have been inefficient to keep on doings mission activity regardless.

Impact - 2

13/ Given the low level of effectiveness, it is hard to make a positive assessment on the impact, despite the core team of beneficiaries within the BNA having benefitted immensely and now having achieved a better understanding of and practical tools to support economic analysis and forecasting. However, given the counterfactual situation of the absence of any CD on how monetary policy plays a role for macroeconomic and financial stability, the CD provided might have contributed towards avoiding a complete meltdown of the economy (interview with former LTX).

14/ The project did not address any of the new strategic priority areas of the Fund, as it struggled to address core monetary policy and forecasting issues.

Sustainability - 2

15/ The main issue, in terms of sustainability of the results achieved, is related to the dramatic slowdown in activities during and beyond the evaluation period. The new LTX has a different focus and is not a Portuguese speaker. He only came into office in January 2021 and by September 2021 had not yet visited Angola, although there had been a good virtual response (interview current LTX). This hiatus will make it difficult to reengage on the issues, once it comes back on the agenda (in the interview, the current LTX said there was a mission planned for Angola in October 2021 but not with a focus on FPAS). As noted in the TA report already in 2018: "the continued TA guidance during forecast rounds is also crucial for the BNA staff to develop sufficient understanding of and capacity for using the core model accurately, i.e. to avoid the risk of making major mistakes that may give rise to misleading policy advice." (IMF 2018d). After this, the next mission only took place 18 months later. With elections coming up and currently a good and competent leadership in place, it would seem important to focus first and foremost on one of the new top priorities, which is to strengthen governance of the BNA through a new Central Bank Law (interview with current LTX).

16/ It is a concern, in relation to this question, that the milestone on the capability of staff to maintain the core medium-term model and further develop the near-term forecasting is rated as 'not achieved' (rated 1). This underlines that, as noted above, the project has entailed learning and professional development of core staff – but they are still not able to maintain the models for near- and medium-term forecasting, or to keep them in use and updated.

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19MMF7700	den Reijer Adrianus Hend	18/09/2018	27/09/2018	MPO_AFS_2018_02
19MMF7700	den Reijer Adrianus Hend	18/09/2018	27/09/2018	MPO_AFS_2018_02
19MMU1400	Hendrikus den Reijer Adr	10/04/2019	21/04/2019	MPO_AFS_2018_02
15MMA4871	Selander Carina	18/09/2018	27/09/2018	MPO_AFS_2018_02

Relevance - 2

1/ The CD objective was derived from capacity gaps and institutional weaknesses that were not adequately addressed and costed in a capacity development action plan within Bank of Botswana (BoB). The CD project appraisal did not weigh/anticipate the complexity of the FPAS process, as the demands of forecasting increased with the alignment of other processes and the use of more models and judgment.

2/ The national monetary authorities considered the CD objective as being among the top priorities of the BoB. Strengthening of economic analysis and forecasting capacities is essential for the BoB if it is to support independent and more informed macroeconomic outlooks and monetary policy decisions for the country.

3/ The CD project design is considered to have touched upon the common issue on shortages of macro-econometric forecasting as well as advanced analytical capacities and skilled staff hampering the effectiveness of the BoB mandate – as well as hampering the effectiveness of other top policy-making institutions in the country. The BoB has benefited from forecasting and policy analysis system (FPAS) technical assistance for several years and has a small core modeling team that is fairly proficient in running the near-term and the medium-term forecasts. However, the team is too small and has too many responsibilities. The NTF responsibility should be with sector experts and the responsibility for maintaining the new database should also lie outside of this team. Such recommendations have been provided previously.

4a/ Follow-up missions, hands-on training, and coaching by AFS experts adapted successfully, despite the delays created by the general elections of 2019 and the exceptional COVID-19 circumstances

4b/ Despite the effects of COVID-19 in the public service, the CD delivery approach satisfactorily matched the CD needs. Skills were developed remotely, both conceptual and hands-on, and the revamping of the FPAS infrastructure continued together with the improvement of the Business Expectations Survey, as recommended in previous missions.

Coherence - 2

5a/ A high level of synergy was developed between the CD project and other BoB interventions, which were aimed at strengthening the capacity of the Central Bank to implement monetary and foreign exchange policy effectively as well as ensuring capacity of the Central Bank (CB) to effectively communicate in order to fulfill its monetary policy mandate. The CD project has developed a collaborative effort between the Research and Financial Stability Department and the Financial Markets Department, in the effort to strengthen the forecast/policy process with formally structured inputs from FMD, sector experts, and the BES teams. The delay in integrating these resources has hampered progress in the FPAS at the BoB.

5b/ The CD project is consistent with other CD interventions being carried out under AFS assistance, though not provided with enough resources and support from the BoB.

6/ There is no evidence of relevant support being provided by other development partners in the scope of the BoB capacity development plan

Effectiveness - 3

7/ The CD objective is designed to achieve two outcomes (1) the FPAS is fully integrated into the monetary policy decision-making process; and (2) the economic analysis and forecasting capabilities at the Central Bank have improved. Both outcomes have been achieved only partially, with six out of a total ten milestones being largely satisfied – three out of four milestones were achieved in outcome 1 and three out of six milestones were achieved in outcome 2; and the rest of the milestones are still in progress.

Milestones achieved under outcome 1 are #1 (a projections coordinator now manages the forecasting process), #2 (the Monetary Policy Committee meeting calendar is adjusted to important data releases); and #4 (Monetary policy decision is reflective of the forecasts and the risk analysis). Still outstanding is #3 (a pre-MPC meeting is characterized by an informed dialogue between staff, management, and MPC members about Initial conditions, near- and- medium-term forecasts, and risk analysis).

Milestones achieved under outcome 2 are #5 (staff are now able to conduct relevant and coherent alternative scenario analysis); #7 (the business survey process and analysis have improved and information is now incorporated into the forecast process); and #8 (forecast baseline projections are comprehensive and well analyzed and alternative scenarios are presented to members of the Monetary Policy Committee and used to inform the policy decision).

Still outstanding milestones are #6 (forecast team enhanced with sector experts); #9 (a process for systematic evaluation of forecast performance is established); and #10 (staff are capable of maintaining the core medium-term model and further developing the near-term forecasting).

8/ Several TA missions have assisted the BoB staff in developing a suitable core medium-term macroeconomic model and complementary near-term forecasting tools. The missions have also worked on developing more soft skills, such as organizing the forecasting process, clarifying responsibilities of staff, and developing the necessary interactions between staff and the MPC.

The CD project has led to a number of tangible results and many of the FPAS elements have been implemented. The core QPM-model is used regularly to update the medium-term forecast, with the resulting forecasts delivered to the MPC, and staff are becoming increasingly versatile at using the model for both baseline forecasts and alternative scenarios. The forecasting process has gradually improved and is becoming more sophisticated

9/ COVID-19 has placed significant strain on senior management time available for meetings and training, but the pandemic did not stop AFS from delivering the training and other capacity development activities planned. Adequate arrangements were made by AFS management with the Research and Financial Stability Department (RFSD) staff, flexibility was achieved in the availability of RFSD staff and AFS experts, and mutually convenient times were arranged to accommodate the delivery of CD activities.

Efficiency - 2

10/ CD activities were carried out by three AFS and MCM international experts, though none were from Botswana or the Africa Region.

11/ A total of three LTX and STX experts participated in one or more of the five follow-up missions and training activities carried out during 2018, 2019, 2020 and 2021, thus resulting in a total cost of 41 working days. Overall, the expert and time resources allocated to execute these CD activities are not considered to have efficiently achieved the expected results – in terms of quantity and quality. The CD activities have resulted in a low level of cost efficiency that is, considering the high level of technical assistance input –dedication and products— delivered by AFS not matched by the low level of output in a broad range of CD activities–knowledge converted to practice and number of milestones— produced by the beneficiary up to now.

12/ One milestone has been achieved ahead of schedule. The rest of the milestone achievements happened with delays of six months on average.

Impact - 2

13/ The CD project has contributed meaningfully to the achievement of the objective of enhancing the economic analysis and forecasting capabilities at the Central Bank and the country's economic growth and financial stability policies over the past four years.

14/ There is no evidence of climate change, gender equality and financial inclusion being mainstreamed in the CD project.

Sustainability - 2

15/ The BoB still has a long way to go before its FPAS is fully developed and used optimally, and additional TA will be needed in some areas to sustain the initial benefits over time. The BoB will need more guidance and training to operate the new FPAS infrastructure. The NTF framework is still incomplete and sector experts are not capable of operating the toolkit in Matlab; nor are they able to maintain it or to develop complementary new tools and models. Primarily the forecast process must be better aligned with important data releases. Another important feature of the forecast process is the analysis of outcomes to inform the near-term forecast. Outcome analysis should be further strengthened to enrich the economic narrative of the forecast.

16/ Although staff are quite qualified in deriving the medium-term forecast (MTF) by using the quarterly projection model (QPM), they are less skilled at deriving the near-term forecasts (NTFs). More support from BoB authorities is needed to sustain the net benefits of the CD project over time. So NTF requires strong model/econometric capacity, as well as data knowledge and sector-expertise, which is used to improve the model forecast.

In many aspects, NTF is quite different from medium-term forecasting, which is much more about understanding economic fundamentals and economic theory as well as the capacity to understand and use macroeconomic models for forecasting. NTF is more an empirical art, while MTF is more a modelling science. This makes the NTF skills and capacity much more county-specific and thus more difficult to build with TA.

The resources devoted for the FPAS within the BoB are constrained and currently limited to, more or less, one unit. BoB should accommodate more time and resources for FPAS developments and implementation.

Objective: To ensure that the central bank (CB) has the capacity to effectively communicate in order to fulfill its monetary policy mandate

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18MM88100	Hrebicek Hynek	28/08/2017	08/09/2017	MPO_AFS_2018_02
18MM88100	Hrebicek Hynek	28/08/2017	08/09/2017	MPO_AFS_2018_02
15MMA4842	Selander Carina	28/08/2017	01/09/2017	MPO_AFS_2018_02

Relevance - 4

1/ The Bank of Botswana (BoB) requested AFS assistance to develop the Bank's external communications further and to implement a monetary policy press conference on a regular basis to update the public on monetary policy and economic developments. As a result, a scoping mission was fielded in January 2017 and an action plan was proposed by AFS to the BoB authorities as to how the BoB could move forward in this area, including on the specified TA needs. The CD action plan is considered quite relevant, as it addressed adequately the gaps and weaknesses in the BoB public communications on monetary policy.

2/ The national monetary authorities considered the CD objective to be among the priorities of the BoB, as it will serve to align modern monetary policy communication tools to the best practice in central banking reporting on monetary policy. These tools include new templates for a new Monetary Policy Report, a press release and a press conference presentation for the BoB, as well as new structures and formats for these key policy publications.

3/ The CD project design was sensitive to tackling the long-lived sub-optimal transparency standards in monetary policy in the country. The CD, along with the advancements that BoB already made in 2017 in increasing transparency of monetary policy, was intended to assist moving the BoB on a par with the most transparent central banks in the region. A best practice among central banks globally is providing updates on economic developments and the medium-term outlook, via a high-profile publication on a quarterly basis.

4a/ The CD objective together with the follow-up missions, hands-on training, and coaching by AFS experts adapted successfully, despite the delays due to the general elections of 2019 and to the COVID-19 epidemic.

4b/ The CD delivery approach adapted satisfactorily to the time constraints and other limitations in staff availability that emerged from the COVID-19 health crisis. Skills were developed adequately, both conceptually and hands-on, and remotely for the preparation and publishing of full prototype versions of the Monetary Policy Review (MPR) and three other key internal and external policy publications.

Coherence - 3

5a/ The CD project took the necessary steps to integrate with other interventions by the BoB, including those relating to the Forecasting and Policy Analysis System (FPAS) and the monetary policy decision-making process.

5b/ The CD project was designed with a view to coordinate with other IMF recommendations and CD interventions, particularly the one supporting a more efficient implementation of monetary policy under the existing crawling bank exchange rate regime, under which the pula is pegged to a basket of currencies

6/ There is no evidence of BoB interventions of relevance to the CD project being carried out with assistance from other development partners.

Effectiveness - 4

7/ The CD project assisted the BoB in achieving eight of the nine milestones agreed in the RBM framework. Under outcome (1) the milestones achieved are #1 The Monetary Policy (MP) Report is now characterized by clarity and brevity, including on content, language, and structure. A brief summary of the MP framework, the CB's mandate and objective is included as a preface to the main MP Report together with the purpose of the report; #2 the MP Report now includes an assessment and a clear story behind the recent, current and future (based on updated forecast if possible) economic developments providing the rationale behind the MP decision; #3 the MP Report is published with no more than a one-week lag to the actual day of the decision; #4 the MP Statement is now characterized by clarity and brevity and disseminates the MP decision based on the assessment of the current and future economic developments; #5 the MP Statement is available through a press release before or when the press conference starts; and #6 Press Conferences are held by the Governor on the day of the MP decision. The BoB is making efforts to achieve milestone #7 Press Conferences include a brief presentation and CB representatives make themselves available to answer questions to engage in dialogue with the media.

Under outcome (2), the milestones achieved are #8 A clear description of the CB's organizational structure, governance framework, description of board and/or Monetary Policy Committee (MPC) members including mandate periods, is publicly available; and #9 the MPC meetings schedule is publicly available well in advance of the next year's meetings.

Essentially, AFS assisted BoB staff to draft a full version template of the new Monetary Policy report, adapt it to available information, capacities, resources and skills within the BoB, as well as the capacity of the key external stakeholders and the public at large to absorb expert communications and policy messages. AFS also contributed to organizing and structuring the internal writing and editing process to produce the Report and to aligning it to the forecast process. Moreover, AFS assisted in further refining the press release, and developing a template for a press conference presentation.

8/ The mission team worked jointly with BoB staff to prepare full prototype versions of the Monetary Policy Report (MPR) and three other key internal and external policy publications. These included (i) an internal chapter to the MPR in the form of an annex presenting alternative scenarios and policy considerations for the MPC deliberations; (ii) an Interim Review of Economic Developments and Risks to the Forecast, a publication designed to be, in the form of an annex, attached to the MPC statement (press release on MP decision) on occasions when there is no MPR published in connection with the MPC meeting; and (iii) an internal chapter to the Interim Review publication presenting an updated assessment of alternative scenarios and risks to the most recent MPR forecast together with policy considerations for the MPC's deliberations.

9/ COVID-19 placed significant strain on BoB staff availability for meetings and training, but it did not prevent AFS from delivering training and other capacity development in general. Adequate arrangements were made by AFS management with BoB senior management, and flexibility was achieved in the availability of BoB and AFS staff to accommodate the delivery of CD activities.

Efficiency - 3

10/ A total of three international AFS experts were utilized in delivering the CD activities.

11/ Overall, the expert and time resources allocated to execute these CD activities are considered to have efficiently achieved the expected results – in amount and quality. The CD activities have resulted in a high rate of cost efficiency that is, considering the high level of technical assistance input – dedication and products— delivered by AFS matched by the high level of output –knowledge converted to practice and number of milestones— produced by the beneficiary up to now.

12/ Three out of the eight milestones achieved were implemented ahead of schedule. Five milestones with the supporting CD activities were implemented with a delay averaging six months.

Impact - 3

13/ The CD project has proven largely impactful to the objective of strengthening the BoB capacities to effectively communicate its monetary policy mandate. As a result of AFS assistance, the CD project's two CD outcomes have been achieved, and today the BoB is able (1) to produce clear and consistent external communication of Monetary Policy based on a preceding internal policy process; and (2) to disseminate information on its monetary policy mandate, objective, statistics, and related activities in an open, clear and timely manner to its major stakeholders.

14/ There is no evidence of other cross-cutting priorities and policies such as climate change and/or financial inclusion being mainstreamed in the CD project.

Sustainability - 4

15/ The benefits of the CD project and interventions have materialized since December 2020, with the issuing of Monetary Policy Reports and Statements by the Governor of the Bank of Botswana and based on the templates recommended by AFS experts. It is very likely that the quality and timeliness of these and other relevant monetary policy reports and notes will be published on a systematic and regular basis. The net benefits are supported by a high level of ownership in the senior management of BoB.

16/ The level of technical capacity built within BoB is generally strong: this will serve to sustain the net benefits of the CD project and the higher rates of monetary policy transparency in the public and the financial market over time.

Workstream: Financial Supervision and Regulation

Objective: To implement a risk-based supervision (RBS) system and upgrade other supervisory processes

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18MM83900	Egan Bernard Michael	12/03/2018	16/03/2018	BSR_AFS_2018_02
21MM73600	Barge Frederic	30/11/2020	14/12/2020	BSR_AFS_2018_02
19MMP0000	Le Clerc Patrick	07/01/2019	18/01/2019	BSR_AFS_2018_02
18MM84400	Le Clerc Patrick	05/02/2018	16/02/2018	BSR_AFS_2018_02

Relevance - 4

1/ Phase II original goal in this field is to strengthen the Central Bank's capacity to implement effective risk-based supervision system and upgrade other supervisory processes. Core diagnostics on financial oversight were done previously (2017) for AFS countries, on the need to comply with Basel II requirements.

More recently, in the case of Comoros and according to the Banque Central de Comores (BCC)'s request, a January 2021 mission performed an updated gap analysis between BCC's current suite of prudential regulations against the Basel II and III standards and international practice. This included a review of drafts developments made following previous AFS missions in relation to Basel II and III standards on capital requirements and liquidity topics, and international practice on governance and risk management.

2/ The January 2021 mission aimed to build a regulatory framework enhancement strategy and a TA plan, to assist BCC with reinforcing its suite of prudential regulations.

3/ The mission was conducted remotely, through 4 video conferences and by replying to the mission's questions by email.

4a/ The mission tried to better understand if existing regulations were correctly interpreted and applied by financial institutions. It found that most regulations are brief and lack detail. Comorian financial institutions do not understand all the implications of regulations and do not meet all their commitments: this also underlined the need to issue additional guidelines. The TA report on recommended regulations and guidelines was delivered on May 2021.

4b/ COVID-19 brought new and urgent priorities in CD needs linked to the payment system (credit arrears accumulating), digitalization needs, financial supervision for entities struggling due to the downturn, etc. Seminars on debt management and crisis management also took place region-wide. In particular, regional webinars on the fundamentals of financial crisis and resolution frameworks were implemented. These were designed to provide a detailed overview of crisis preparedness and bank resolution, which are issues that are of high relevance to member countries.

Coherence - 3

5a/ All AFS countries show different degrees of progress toward a medium-term agenda (compliance with Basel II and III), combined with short-term demands (like liquidity management, stress testing or

forecasting models upon request). Thus, the CD project has synergies with macro surveillance, training in macro and monetary forecasting models and near-term needs (from COVID-19). Another important concern in all countries is how to accommodate monetary policy to fiscal pressures.

5b/ An IMF support program is moving stepwise but not without difficulties. An expert from Banque de France has performed the diagnostic work. The situation of the banking system appears relatively satisfactory, in view of the prudential standards followed by the BCC. At the system level, the solvency ratio stands at 21 percent, for a required minimum of 10 percent, and the indicative liquidity ratio at 35 percent. But important weaknesses remain: the banks' overall profitability is low with a heavy operating costs/income ratio (78 percent) and a negative cumulative net income of KMF 142 million in 2017 after KMF 520 million in 2016. Net bad loans represent 12 percent of credit portfolios, with a provisioning rate limited to 55 percent. Four institutions are exposed to difficulties and are closely monitored: the Société Nationale des Postes et de Services Financiers (SNPSF), in a severely compromised situation, is still being restructured; the BIC (BNPP group stake 51%) faces a significant deficit of provisioning of its bad loans, and above all, the BNPP group wants to withdraw and is looking for a buyer for its stake; the Banque de Développement de Comores (BDC), which has experienced recurring difficulties since 2008, is the subject of an offer of majority take-over by a French group specialized in real estate development; and the situation of the Banque Fédérale du Commerce (BFC) raises serious concerns as it was placed under close supervision by the BCC due to strong cash tensions. (STX, BSR, 08/10/21)

6/ Coordination with the World Bank on Supervisory functions is important. The introduction of Islamic Finance benefits from the support of the Islamic Bank. Bank resolution is supported by the IMF. Credit granting process is monitored by the Agence Française de Développement.

Effectiveness - 3

7/ On the Milestones, updated RBM ratings are:
+ Banks prepare action plan to meet the new requirements: rated 2.
+ Risk-based supervision and inspection manuals are developed: rated 3

In general, progress is slow. In addition, Outcomes and Milestones are under review in the RBM logframe, which is outdated. There is ongoing discussion on how it will be done, with some ratings very hard to assign. This task was delayed, due to the late arrival of new LTX/Ras (BKS, BSR, 07/01/21).

On the Outcomes, updated RBM ratings are:
+ Banking legislation/regulations aligned with Basel II/III: Non-Rated.
+ Implemented Risk-Based Supervision, strong capital and liquidity position: Non-Rated.

8/ In 2019, most of the prudential regulations adopted in 2015 were revised and their amended versions were ready for publication.

Authorities are expected to closely follow AFS TA 11 major recommendations in its report. Furthermore, their purpose is to better align BCC's regulations related to Pillars 1 and 2 of Basel's framework; develop new guidelines for further banking supervision; and improve the quality of data reliability. (IMF, Comoros Regulatory Framework, Basel II and III, 2021).

9/ It is remarkable that, despite COVID-19, the move toward virtual missions has not prevented AFS team from delivering the report. It is however too early to judge whether these new regulations and guidelines will be timely implemented.

Efficiency - 3

10/ The intensive use of webinars (including those at regional level) has been quite useful. Remote work has become the norm under COVID, but despite its positive savings, it is not enough to replace the benefits of presential missions: one virtual mission per month should also become the minimum norm. (LTX, BSR, 07/01/21)

11/ For the time being, CD activities are carried out in the most cost-efficient way (after COVID-19): webinars (virtual) TA engagement are good, but they are not a substitute/less preferred than costly presential missions in situ. Overall, for cost-effectiveness, a mix of virtual/in-person missions is required given the pandemic.

12/ Before COVID-19, progress was slow. Post-Covid, the change of emphasis in the content of CD activities toward pressing issues has indeed somehow delayed its originally planned schedule of implementation. Work toward new prudential regulations keeps making progress, but slowly.

Impact - 2

13/ By focusing on medium-term issues, AFS permanent work on prudential regulations has played a minor role in enhancing the country's macro and financial situation. But its flexibility, refocusing on transmission effects from COVID-19 on financial system and potential banking crisis management issues, has been appreciated by Authorities. In addition, TA on other topics like Forecasting and Policy Analysis System (FPAS) or stress testing (both not yet applied to Comoros) have had a major short-term impact on other AFS countries' macroeconomic and financial stability. They bring huge gains to CB governors. FPAS allows them to better understand how monetary policy interacts with the rest of the economy; explores alternatives to keep inflation at low levels; explores ways to absorb shocks; and helps to consider options to deal with fiscal dominance.

14/ According to LTX views: "a demand-driven agenda remains their priority and, more recently support to COVID-19 related needs. In addition, new global topics have had to be accommodated, like financial inclusion or digitalization. Indeed, COVID-19 changed the entire landscape." (LTX, 01/21).

Sustainability - 2

15/ AFS Countries are still far from graduation: stopping CD activities after having reached some key milestones is not an option for a medium-term agenda. AFS has relatively limited engagement in Comoros. LTX experts are not sure Comoros has interest in support from AFS in new areas and, even if positive, it will be hard to get traction given past lagging experience with the implementation of previous AFS TA.

16/ According to LTX, sustainability of the CD activities on Basel II and III regulations is more promising in Angola, Botswana, and Madagascar than in Comoros: the latter country has major shortcomings that need to be solved before engaging in more advanced prudential regulations and FPAS: low reliable

data, no or poor access to internet, computers, cameras, videos, etc. (LTX, BSR, 08/18/21). A positive factor for sustainability is that coordination among different departments in the IMF on these areas has improved (work was previously heavily segregated). Certainly, it works better than in the past. MCM is trying to take the lead. Giving more empowerment to the field is also an aim under a learning by doing process: "no standards – on collaboration or dialogue – set and no best practices set yet." (BKS, BSR, 07/01/21).

Objective: Banks have strong capital and liquidity positions that adequately cover their risks and contribute to financial system stability

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19MMF21	Oliveira Jaildo Lima de	06/08/2018	17/08/2018	BSR_AFS_2018_02
15MMY7857	Periyakavil Ramakrishnan	25/09/2017	28/09/2017	BSR_AFS_2018_02
15MMY7874	Periyakavil Ramakrishnan	06/08/2018	11/08/2018	BSR_AFS_2018_02
18MM83900	Egan Bernard Michael	12/03/2018	16/03/2018	BSR_AFS_2018_02
21MM73600	Barge Frederic	30/11/2020	14/12/2020	BSR_AFS_2018_02
19MMP0000	Le Clerc Patrick	07/01/2019	18/01/2019	BSR_AFS_2018_02
18MM84400	Le Clerc Patrick	05/02/2018	16/02/2018	BSR_AFS_2018_02

Relevance - 3

1/ Risks in the financial sector have been on the rise since the 2015, when the falling oil prices started to negatively affect the Angolan economy. But even before that, at the peak of oil, the collapse of one of the major banks in Angola resulted in US$5.7 bn in bad loans and this sent shockwaves through the international system. When the crisis set in, liquidity issues and NPLs in the banking system became an even bigger issue (interview, former LTX). All these events led to a speedy introduction of reforms from 2016 onwards. This included implementing Basel core principles for the banking system in an accelerated manner, including stronger capital requirements for banks, but in a context where capacity constraints to implement complex rules and compliance in the financial sector were well known. An unpublished FSAP referenced in the Article IV staff report from 2012 noted that sustainable financial sector development required urgent, but sustained policy action and that existing capacity constraints made it critical for the authorities to work closely with international partners and TA providers to address those issues (IMF, 2012).

Tackling these issues was associated with major concerns about capacity but also political will for genuine reform within a highly politicized banking sector. A report based on a roundtable discussion by academics found that capacity constraints did not constitute the main impediment to regulatory effectiveness, s the main issue was a lack of independence from the political elite (Engebretsen and Zeitz, 2015). This should be seen also in the context of the tumultuous governance arrangements and involvement in grand corruption schemes of the BNA between 2015 and 2017 (see entry under the Improved economic analysis and forecasting capabilities at the Central Bank objective). Political economy issues beyond what Basel can tackle need to be addressed and usually this happens in the second part of the reform process. This has been the approach in other countries in Southern Africa (interview with former LTX).

2/ Strengthening financial sector resilience, capital and liquidity positions have remained priorities and concerns since then, both for surveillance and the EFF program, although capacity constraints in this particular area have been highlighted less (IMF, 2018a; and IMF, 2018b). The AFS scoping mission in 2017 did identify a need for extensive capacity development (interview with former LTX). The focus within the objective was narrowed down specifically to pillar 2 of Basel II, especially the Supervisory Review and Evaluation Process (SREP) and guidelines to banks on the Internal Capital Adequacy Assessment Process (ICAAP) (IMF, 2017b; and IMF, 2018c).

In 2018, the BNA reported in its Annual Report and Accounts that "…as part of the continuous alignment of the regulatory framework and supervisory processes with Basel II and III requirements, the BNA approved and published a range of 41 regulations, namely 12 Notices, 21 Instruction and 8 Directives" in 2018. However, it also acknowledged that this represented a continuous process with "some matters" still to be regulated and that it had put in place a plan to address these. It was confirmed in a WhatsApp exchange with a senior official of the BNA that Basel requirements, as well as regulation to get supervision equivalence by the ECB, remain priority areas (correspondence with senior BNA official, 2021).

3/ The design of the project in its early stage was as a relatively standard approach, although individual assessments were specific to the country context. A more comprehensive approach to political economy would come in a second stage (interview former LTX). That second stage just never materialized, as only two missions were carried out, with the most recent within the period under evaluation taking place in August 2018 (a virtual mission focusing on SREP with support of an STX was carried out in 2021) (interview current LTX).

The 2018 mission followed one earlier "scoping mission" carried out almost a year earlier in September 2017. No TA report was issued after the first mission. The design of the project did not take into account the particular circumstances of Angola and especially not those of a political economy character. The timing of the missions is peculiar, as the first was a month before the new President came to power, as one of his first actions was to reappoint former BNA Governor Lima de Massano in October 2017 and then he only returned almost a year after the governor and key players in senior management had changed.

4a/ Given the low level of implementation of CD activities, the objectives and design have not been adapted to changing circumstances. The current LTX mentioned focus having shifted somewhat, but the results framework seemingly remains the same.

4b/ Covid-19 only set in long after the last activity for this objective, which was way back in September 2018. The former LTX left in December 2019 and the current LTX was appointed in September 2020 but didn't get started until January 2021 (interview, current LTX). Since then, no visits have been possible to Angola, although after the current LTX came on board in January 2021 there has been some online engagement and one (virtual) mission.

Coherence – 3

5a/ The activities on this project were complementary to other activities of the BNA, especially on updated AML/CFT regulation for financial institutions, attempts to address the de-risking in Correspondence Banking Relations and adoption of international accounting and reporting standards (IAS/IFRS) in the financial sector (BNA, 2018).

5b/ The level of consistency was high, as the HQ provided TA in areas related to the exchange rate policy and AML/CFT, while AFS provided TA in the area of economic analysis and forecasting capabilities at the BNA. The TA on financial supervision and regulation was being done in very close coordination with MCM.

As illustrated above, Article IV had consistently recommended strengthening financial sector resilience, although Basel requirements are not referenced specifically. The Extended Fund Facility program likewise emphasized the risks in the financial sector and the need to address them, which is pursued through structural benchmarks and TA on AML/CFT provided by LEG.

6/ There is consistency with the work of the World Bank, assisting the BNA on a revised Financial Institutions Law that aims to further align the legal and regulatory framework with international practices. This revised law was approved by the Council of Ministers and submitted to the National Assembly in August 2020. This was a prior action of the second Development Policy Finance. Seemingly these issues have not been on the radar of AFS however, as the current LTX at the time of the interview had not yet been in touch with World Bank colleagues in Angola and had not coordinated with the IMF Resident Representative.

Effectiveness – 1

7/ AFS has not been effective in pursuing the objective and associated milestones or outcomes of this project, as activities came to a halt after the September 2018 mission. Indeed, the outcomes and most of the milestones are currently not rated in the RBM system. The lack of activities is aggravated by the relatively high relevance and coherence of the activity and a positive response from the authorities. According to the TA report: "BNA authorities requested the continuity of the technical assistance." Moreover, the TA report identified "low hanging fruit" in terms of among Basel II requirements to be implemented (IMF, 2018d). If a continuous process had been put in place with 2-3 missions per year, the IMF could also in the process have come to a better appreciation of potential political economy constraints in deepening compliance with the regulation.

In the RBM system, two outcomes are listed, with a number of milestones of which the sampled ones are included below:

1. Banks have adequate capital adequacy made up of high-quality capital instruments that are in line with issued regulations on Basel II/III (non-rated);
a. Banks prepare an action plan to meet the new requirements (non-rated);
b. Banks implement the action plan to meet the new requirements (non-rated).

2. The level of banks' capital reflects well their risk profile, their business strategy and their risk acceptance level (non-rated);
a. Guidance on ICAAP issued to banks (rated 4);
b. ICAAP report sent by banks to Supervisors, who conduct SREP and develop an internal process to set up additional capital requirements based on banks' risks that are not covered in Pillar 1 (rated 4);
c. Supervisors integrate this assessment of banks' capital adequacy in the supervisory framework, so as to better tailor supervisory activities to the risk profile of each bank (non-rated).

Neither of the two outcomes are rated in the system. Of the five sampled milestones, three are not rated and two are rated 4, and fully achieved with these milestones last being updated in May and

December 2018. The two milestones that are rated as fully achieved must be characterized very much as “low hanging fruit” and did not need much effort or commitment to deliver them.

8/ There is some evidence that the issuing of ICAAP was a result of the TA, but this is an easy target. However, the BNA had already initiated implementation and had a detailed and ambitious action plan in place (IMF 2018d). As indicated, no other results can be attributed to the IMF, due to limited activities.

9/ All activities within the evaluation period were pre-pandemic.

Efficiency – 2

10/ The limited activities were delivered by an appropriate mix, as the Mauritius-based LTX who initially experienced difficulties due to language issues was accompanied by a Brazilian STX in the second mission. As noted by the former LTX, the authorities welcomed having this STX, who was a Portuguese speaker (interview with former LTX)

11/ Only two missions happened in the evaluation period, and both were included in the evaluation sample. The number of days used for the initial scoping mission was four and for the second mission the LTX used 5 days and an STX was brought in for 15 days, making the total count 20. Four and five days spent by the LTX must be seen as a very efficient use of time while allocating 15 days to an STX is quite normal and only slightly above the average mission days per person for other workstreams. The outputs of the first mission were highly limited, as no TA report was produced: this suggests that the efficiency was not particularly high. For the second mission, a detailed TA report was issued with a few findings and recommendations, and hence the output justifies the additional number of days and personnel.

Overall, the work seems to have been delivered efficiently and could absolutely have benefitted from a higher investment of resources allocated to follow up on the initial activities. However, the rating of efficiency is downgraded from 2 to 3, based on the assumption of an efficiency loss from the potential gains that could have been made from regular missions within a priority area and the efficiency loss from the extensive gap between the last mission and the current LTX being in place.

12/ It is difficult to assess this issue, as it would seem that expectations had been created for further support by the mission in August 2018, though this was not followed up due to the limited activities. That said, the two missions and activities and tasks set out in the briefing papers were carried out to schedule (IMF, 2017a; IMF, 2018c; 2018d; and interview with former LTX).

Impact – 1

13/ The contribution of the project was too thin to have had any meaningful impact on the macroeconomic and financial stability of Angola.

14/ The project did not take any new priorities into account, partly due to the timing of the activities. In Angola, the World Bank has been leading on financial inclusion issues (World Bank, 2021). After the end of the evaluation period, the current LTX has received requests on Fintech and climate change, but MCM is leading on this (interview with current LTX).

Sustainability – 1

15/ It is highly unlikely that the benefits from the activities will last, as they were limited and came to a halt at a time where there was a strong window of opportunity for reform based on the new leadership of the BNA. While this window may be extended, the upcoming elections and potential reshuffles in the aftermath pose a risk.

16/ The benefits and impact of the project were very limited, as evidenced in the effectiveness and impact sections.

Workstream: Strengthen macroeconomic and financial statistics compilation and dissemination

Objective: Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard

Angola

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
21ST54800	Ladiray Dominique	27/10/2020	30/10/2020	RSS_AFS_2018_02
18STL8200	Pegoue Achille	15/01/2018	19/01/2018	RSS_AFS_2018_02
18STH9117	Pegoue Achille	28/05/2018	08/06/2018	RSS_AFS_2018_02
18STH9126	Pegoue Achille	15/10/2018	19/10/2018	RSS_AFS_2018_02
19STM83	Pegoue Achille	18/03/2019	29/03/2019	RSS_AFS_2018_02
20STV3507	Pegoue Achille	03/08/2020	14/08/2020	RSS_AFS_2018_02
21ST54900	Santos Antonio Daniel	20/07/2020	24/07/2020	RSS_AFS_2018_02

Relevance – 3

1/ The IMF/AFS has been supporting Angola in rebasing its national accounts, which at the time of the first of the three sampled missions used 2002 as the benchmark year, and thus no longer reflected the structure of the economy. International best practice recommends that national accounts be rebased at least every five years. The rebasing project was initiated in 2017. The aim was to support the National Institute of Statistics (INE) in implementing new benchmarks for the year 2014, to be completed by January 2020 (IMF, 2019c). This was identified as a priority in the 2019 AFS Capacity Development Strategy Note (IMF, 2019a).

Angola's national statistics have suffered from the impact of four decades of civil war. and is perhaps the partner institution of the IMF in Angola that best reflects the peculiarity of the country having moved very swiftly from being a fragile to a higher-middle income country. There is a lack of basic statistics. For example a national census was not carried out between 1970 (when Angola was still a Portuguese colony) and 2014, when the complex and massive operation was concluded. As an institution, INE did not have the same ability to attract skilled staff from a limited pool, compared to

institutions like the Central Bank, Ministry of Finance and Revenue Authority. For the same reasons, staff turnover is a significant issue, as good people get poached (interview with AFS STA).

INE has remained an institution with serious capacity constraints, although the situation has greatly improved in recent years. The 2018 Article IV report noted that Angola had made progress and produced several regular and informative statistical publications. While progress had been strongest in the Central Bank, significant progress was also noted in INE in terms of provision and publication of much more extensive data on a timely basis. Still, it was noted that INE had yet to resume the dissemination of annual and quarterly national accounts (IMF, 2018b). Against this backdrop, IMF/AFS has provided TA to the INE to address the identified capacity constraints.

2/ As noted in an interview with a STA LTX for AFS, there is a certain underrepresentation of national statistics agencies in identifying and setting priorities overall within AFS, as they are not present at Steering Committee meetings but represented by Ministries of Finance. At national level, statistics agencies also tend to be marginalized and "treated like a doormat" within government (interview with AFS STA). However, in relation to the particular project in Angola, the Central Bank in Angola has certainly noted the need for access to quarterly national accounts, something that has been a major constraint in moving forward with improved forecasting. But there is not much evidence of rebasing of national accounts being a high-level government priority. In Angola, statistics are heavily politicized, with sensitive data being held back by the government. This was a constraint in this particular project, as government was afraid of big revisions in the national accounts at a time when the country had already been in recession for several years and unable to produce good numbers (interview with current LTX).

3/ The CD design followed a fairly standard approach, relying on international best practice, such as for rebasing national accounts at least every five years. This resulted in the need to collect substantial data from a range of sources beyond fairly well-resourced entities like the Ministry of Finance and the Central Bank. TA and national accounts improvement efforts were tailored to INE's level of statistical development, and INE's staff resources while also balancing the need to provide accurate and reliable statistics for its users (based on international best practices (STX, STA). Hence, a feasible timeline was proposed and initially recommended INE to publish the rebased accounts in January 2020. Certain adjustments were made to take the limited availability of data into account, such as using headcount to compile a payroll index rather than hours worked (IMF, 2018c).

4a/ The sampled activities for this project took place between October 2018 and August 2020. Apart from the disruptions created by the Covid-19 pandemic, this period represented a fairly stable, between-elections period, where the government was principally trying to cope with the impact of the economic decline that set in after oil prices declined dramatically in 2015. The CD project met several challenges both at high and low levels. The rebasing was considered politically sensitive and had to adapt to this by using a highly technical approach (which provides legitimacy and credibility to the recommendations made) and work branch by branch (interview, current LTX). It also found that staff lacked basic skills and had to be trained on basic tools like MS-Excel, and that staff faced difficulties in mastering and adapting the backcasting methods (interview with former LTX).

4b/ As with most other projects, this one adapted its delivery method from in-person to remote for the third of the three missions sampled: this was the only one taking place after mission activity had been suspended. Virtual meetings were held for a maximum of 2 hours per day over a ten-day period (IMF, 2020). Meetings were conducted with consecutive interpretation services. During the virtual

mission, the platform had to be changed from Webex to Zoom, as staff had difficulties with the former (interview with former LTX).

Coherence - 2

5a/ There were broad synergies between this project and the Ministry of Finance's attempts to develop a medium-term framework, a project complicated by institutional overlaps in critical data. However, although there should have been linkages with the reforms going on within the revenue authority, these did not really materialize.

5b/ In the same vein, there was consistency and synergies between the objective of this CD activity and the objective to improve economic analysis and forecasting capabilities at the Central Bank. MCM and STA collaborated and facilitated the establishment of a task force to prepare a memorandum of understanding for cooperation between the two agencies on various issues, including the missing quarterly national accounts. A similar attempt was made to establish connections with the Revenue Authority, with a couple of meetings facilitated in which the issue of collaboration was raised but not followed up on (see above). Meetings were also facilitated with the Ministry of Finance, the Directorate of Planning within the Ministry of Economy and Planning, and the Ministry of Health to strengthen collaboration on improving and providing data (interview with former LTX).

6/ LTXs interviewed argued that statistics generally is a narrow field, with few other donors except perhaps the World Bank (interview AFS STA). In Angola this is not the case, as INE has collaborated with Portugal on price statistics, while UNECA and UNFPA played a major support role in relation to the census (interviews with AFS STA, former LTX, and UNFPA 2016). Moreover, the World Bank supported Angola with a US$ 62m project to strengthen the capacity of the National Institute for Statistics to fill data gaps, improve statistical production and enhance statistical dissemination practices and consistency (World Bank, 2021a).

INE has been receiving additional support from a World Bank Team. However, computer-based tools/frameworks are likely not editable by the INE staff and as such have created an overreliance on the support provided the team. From the AFS perspective, the reliance on these tools may have led to some delays in implementing AFS' recommendations.

Effectiveness - 2

7/ The results framework for this objective is extensive and overly elaborate, with three different outcomes and 17 milestones! One outcome is specifically related to the focus of the sampled activities on rebasing the national accounts (this was the focus of all missions in the 2018-2020 period) and within this outcome a few milestones were selected, as they provide a good picture of what has been achieved and some issues with the results framework:

- Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs (2);
- Review methodologies (4);
- Improve methodologies and compile new benchmark estimates (4);
- Publish improved estimates (1);
- First seasonal adjustment and quality assessment (4);
- Dissemination of experimental QNA seasonally adjusted series (2);

- Authorities disseminate a time series of annual GDP (NR);
- Remote workshops with examples that include step-by-step resolution.

As can be seen, the higher rating is given to milestones that almost exclusively depend on things that can be delivered by the IMF, while milestones that are harder to reach – such as publishing improved estimates or disseminating experimental QNA seasonally adjusted series – are rated much lower. While these milestone ratings align with the findings of this evaluation, it is also correct that it only has summed up to a 2 in the overall rating of the outcome. However, the project has made an unsteady start with serious delays, but also made some progress with very limited resources. It could be on track to improve on this rating in future. A new and dedicated LTX was in place, with much less of a gap than for other workstreams. However, there are massive challenges ahead, as the last TA report identified a long list of major constraints that could further hamper the compilation and dissemination of the backcasted series. These include: limited time, limited capacity of human resources, quality of source data, coordination, communication and buy-in from key institutions like the Ministry of Finance, the Ministry of Economy and Planning, and the Central Bank (IMF, 2020a).

8/ The three missions sampled were all focused relatively narrowly on rebasing and preparing the new time series and they involved specific TA on (based on IMF 2018c, 2019b, and 2020a):
- Data improvements (very granular advice on coverage e.g. on fetching water);
- Methodological improvements (likewise highly granular advice e.g. on Output of non-life insurance);
- Timing of release and workplan (with proposed internal deadlines for INE);
- Hands-on training on compilation (good approach but too limited number).

The extremely detailed and highly technical nature of the TA might have been contributing to the limited effectiveness, given that the missions simultaneously identified significant capacity issues on basic skills such as being able to use Excel. Discussing and agreeing on timelines is often useful for institutions in Angola, but ownership is critical. According to the new LTX, all deadlines were carefully discussed (interview current LTX). Likewise, hands-on training was a must but it addressed just (two) highly skilled staff, which is a handicap despite the known issues of high staff turnover.

9/ As noted, the last of the sampled missions was virtual and attempted to adapt to Angolan circumstances. However, the effectiveness of virtual delivery declines significantly, in line with the institutional weakness of the counterpart. The less prominent the institution, the less resourced will the personnel be (e.g. in terms of working from home), having access to stable internet, workspace, childcare and other features that are necessary to achieve a high level of productivity when working from home. It was noted that participants did not want to turn on their cameras, but this can be due to both bandwidth or fear of exposing the living conditions or even personal appearance when working from home. It is important that IMF experts acknowledge and respect the real-life conditions that personnel in developing countries can find themselves in, in such situations. Ultimately, a virtual mission adds to existing staff work demands: when coupled with personal demands at home, this tends to lower staff's ability to fully focus on the mission.

Efficiency - 2

10/ The Annual National Accounts mission was mostly delivered by the non-Portuguese speaking LTX through individual missions while the QNA/seasonal adjustment missions were primarily delivered by Portuguese-speaking experts. This mix (or lack thereof) is highly inappropriate in a context like the Angolan one, with the capacity gaps and specific characteristics of an institution like INE. Here too, linguistic capabilities, as well as the level and quality of the educational background of most personnel,

are likely to be weaker and this is likely in line with the weakness of the institution itself.

11/ The outputs from AFS were delivered cost-efficiently, and outcomes would have benefitted from more resources being invested. The three missions sampled used an average of 8 days per mission and involved one expert. This is significantly lower than the number of staff days used in other workstreams and would also represent lower non-personnel costs such as travel and per diem. Indeed, LTX indicated that standard practice is for missions to be delivered in 10 days – and by one expert (if a single topic is discussed). The fact that one mission was delivered remotely made delivery even more cost-efficient.

12/ Overall, activities as set out in the briefing papers have been implemented to schedule. However, the timeline for delivering on outcomes and milestones has been shifted several times and this has faced many delays. An exception was the plan to provide training of staff in backcasting methods in the third mission. This task was postponed to a further mission, however, due to limited time and slow progress made by the INE. Moreover, this would be difficult to deliver effectively through a virtual mission. The proposed timing of the conclusion of the backcasting exercise was December 2021.

Impact - 1

13/ It is too early to assess the impact of the CD project, as the rebased accounts had not yet been released at the end of the evaluation period, so its impact so far has been minimal.

Sustainability - 1

14/ The continuation of the CD project is vital to achieve results, but it needs to be better calibrated to the context.

15/ The system more broadly has some capacity, especially in prominent institutions like the Ministry of Finance and Central Bank. However, as noted throughout, INE differ from these institutions as less prominent. Therefore, continued but better calibrated and much better coordinated CD is very important.

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19STM8114	Grcman Donna Marie	25/02/2019	08/03/2019	RSS_AFS_2018_02
19STM8136	Grcman Donna Marie	08/06/2020	12/06/2020	RSS_AFS_2018_02
21ST48107	Grcman Donna Marie	26/10/2020	30/10/2020	RSS_AFS_2018_02
19STM5400	Jenkins Christopher	04/02/2019	15/02/2019	RSS_AFS_2018_02
21ST55000	Jenkins Christopher	19/10/2020	26/10/2020	RSS_AFS_2018_02

Relevance - 4

1/ The CD Project seeks to assist Statistics Botswana (SB) in improving the quality of the national accounts statistics, to ensure they are more in conformity with international standards. To this end, a regional workshop on Rebasing of National Accounts was a basis for the national authorities to rebase the national accounts and to improve the national accounts statistics to System of National Accounts

2008 (2008 SNA) standards. The supporting AFS assistance responds to the capacity development needs highlighted in the National Statistics Strategy developed by SB to realize its objective on improving the quality of national statistics and to the purposes of Botswana Data Quality Assessment Framework (DQAF). The former has been developed by BS, in order to promote the production of statistics that conform to the UN Fundamental Principles of Official Statistics.

2/ The national statistics authorities support the view that reliable national accounts are essential for enabling more informed economic policy and planning decision-making, so they view the CD objective as being top of the reform priorities agreed within Government. See Article IV Consultation Reviews of 2021, 2020 and 2018, which all highlight the national authorities' views on the compilation of national accounts and migration to the 2008 SNA standard, with the latter recommending that the national accounts are rebased every five years. Rebasing requires comprehensive national accounts surveys and ideally, supply and use tables (SUTs) to support coherent checking of relevant data.

3/ The CD project design is quite sensitive to the Government's efforts to improve the quality of the national accounts surveys and the policy analysis and research capacities necessary to enable better policy decisions. National accounts surveys now include the informal economy, as part of the 2008 SNA methodology, which should lead to the improvement of labor statistics and allow policy-makers to perform a better measurement of the informal economy within households and the results of macroeconomic and job creation policies.

4a/ Follow-up missions, hands-on training, and coaching by STA and AFS experts adapted successfully, despite the delays by the general elections of 2019 and to the exceptional COVID-19 circumstances.

4b/ Despite the COVID-19 crisis, the CD delivery approach adapted satisfactorily. Skills were developed adequately, both conceptual and hands-on, and remotely for assisting in the process of rebasing the national accounts system to the new 2016 base year.

Coherence - 3

5a/ AFS assisted the SB in exploring with BURS the inclusion of corporate income tax data in the annual national accounts estimates. The BURS taxpayer system is being updated and, once completed, SB will be able to obtain the data required but it will not be in time for this rebase. Little or no interaction developed with other relevant statistics-related interventions in the monetary sector and the Government Finance Statistics (GFS) sector.

5b/. There was no major interaction with other relevant statistics-related CD missions, such as GFS, and the support being provided to the central bank to strengthen the data management on financial markets and financial liquidity

6/ Some relevant AFS activities were coordinated adequately with African Development Bank (AfDB). SB has received technical assistance from AfDB in areas of common support, such as the SUTs and other activities associated with the rebasing of the national accounts statistics.

Effectiveness - 4

7/ The CD project seeks to achieve two outcomes in the RBM framework: first, Data are compiled and disseminated using the concepts and definitions of the latest SNA 2008 manual/guide; second, Higher frequency data have been compiled and disseminated internally and/or to the public. The first CD outcome was met satisfactorily, with six out of seven milestones being largely or partially achieved, whereas the second CD outcome was met partially, with one out of two milestones being largely achieved.

The former group of achievements includes (1) the compilation of rebased GDP by production estimates, (2) SUTs were populated and balanced, (3) rebased estimates were disseminated, (4) Statistical frame and weights were determined and applied to economic surveys, (5) the compilation of rebased GDP by expenditure estimates, and (6) the dissemination of backcast series from 2006 to 2016 (the new base year). Still outstanding is (7) the effort to complete the dissemination of backcast series from 1994 to 2016 (the new base year).

In the latter group of two milestones, only one was largely achieved: the reviewing of quarterly GDP methodologies and data sources. Still outstanding is the dissemination of revised quarterly GDP estimates based on the rebased annual national accounts.
SB has made considerable progress in populating the SUTs and the process is nearly complete. During 2020 and 2021, the margin matrix, taxes and subsidies on products, input matrix, government consumption and capital formation have been populated. However, there are a few outstanding items to be included, such as financial intermediation services indirectly measured (FISIM) and the informal sector estimates. The method for allocating margins and taxes to products was reviewed and deemed to be sound.

8/ AFS assistance contributed meaningfully to the efforts by SB in rebasing the national accounts to 2016 and to upgrade the national accounts framework to the System of National Accounts (SNA) standards of 2008 basis, from the SNA 2003 basis.
AFS provided training in the implementation of SNA 2008 guidelines and other statistical techniques, surveys, and procedures manuals. This resulted in the compilation of a supply and use table (SUT) for 2016, the base year, for the first time in Botswana. *As a remarkable achievement, the national statistics authorities now acknowledge the SUT being an innovating and powerful tool in the compilation of national accounts as it confronts and coordinates estimates of supply and use in the economy. In contrast with previous national accounts statistics, there is no discrepancy (errors and omissions) between GDP compiled by the production and expenditure approaches for 2016. The SUT requires detailed data which were provided by intermittent surveys and other sources under the assistance of AFS experts.*

9/ COVID-19 placed a significant strain on senior management time available for meetings and training, but did not prevent AFS from delivering training and other capacity development at large. Adequate arrangements were convened by AFS experts with SB staff, and flexibility in the availability of SB staff and AFS experts was a factor of success in accommodating the delivery of CD activities.

Efficiency - 3

10/ Experts' resources consisted mainly of one international LTX expert with deep knowledge on the subject.

11/ The expert and time resources allocated to achieve the CD outcomes are considered to have achieved the majority of expected results, as noted in the preceding section, in amount and quality

and in a cost efficient manner. The CD activities have resulted in a high level of cost effectiveness and efficiency that is, considering the high level of technical assistance input –dedication and products— delivered by AFS matched by the high level of output –knowledge converted to practice and number of milestones— produced by the beneficiary entity up to now.

12/ However, AFS conducted a total of five technical assistance missions, resulting in 52 working days to assist Statistics Botswana (SB) in improving the quality of the national accounts statistics during 2019 and 2020. The assistance was initially planned for only a period of 12–18 months, before being extended up to 30 months. Moreover, missions were delayed three months on average, with CD outcome-1 and most activities being achieved with a combined delay of almost three years. This was attributed mainly to some local officials not being always available during the election year (2019) and others being infected during the COVID-19 epidemic.

Impact - 3

13/ The CD project is considered to have met the CD objective of strengthening the compilation and dissemination of national accounts statistics as well as improving the national authorities' ability to perform macroeconomic and job growth policy analysis adequately.

14/ The CD project is considered to have potential impact on policy studies on income and job inequality, given the new features that now form part of the national accounts, and business and household surveys being introduced as part of the 2008 SNA standard.

Sustainability - 3

15/ Statistics Botswana has built sufficient knowledge on the need to continue to support the CD objective and the policy of rebasing the national accounts system every 5-6 years, due to changing economic and social conditions in the country and the world.

16/ Statistics Botswana is considered one of the featured technical and professional institutions in the country, with sufficient capacity to sustain the effort of the CD project over time.

Comoros

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19STM5600	Badji Yankhoba Jacques	28/01/2019	08/02/2019	RSS_AFS_2018_02
18STI5100	Davies Michael	07/08/2017	11/08/2017	RSS_AFS_2018_02
21ST94500	Graf Brian E.	29/06/2020	03/07/2020	RSS_AFS_2018_02
19STM5500	Nghogue Voufo Leonel Eri	21/05/2018	01/06/2018	RSS_AFS_2018_02
19STU5900	Nghogue Voufo Leonel Eri	15/10/2018	26/10/2018	RSS_AFS_2018_02
21ST55200	Pegoue Achille	26/10/2020	06/11/2020	RSS_AFS_2018_02
18STH9101	Pegoue Achille	12/12/2017	22/12/2017	RSS_AFS_2018_02
19STU6000	Pegoue Achille	25/02/2019	01/03/2019	RSS_AFS_2018_02
21ST55200	Pegoue Achille	26/10/2020	06/11/2020	RSS_AFS_2018_02

Relevance - 3

1/ In general, the central objective for all AFS countries in Phase II remained the same as in Phase I: "To strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision-making according to relevant internationally accepted statistical standards." (AFS Phase II, 2017). Moreover, Phase II defines two tracks for AFS support to Statistics in the whole region: in increasing order of complexity, and from basic to more advanced statistics: Track 1 consists in the Rebasing of the National Accounts (NA) and Reweighting of the Consumer Price Index (CPI) and producing Supply and Use Tables. Track 2 focuses on producing higher frequency indicators like Quarterly GDP, Producer Price Index (PPI), quarterly NAs, etc. (BKS, STA, 07/21/21)

2/ Priority by the Comoros' Authorities has been weak on technical grounds, when it comes to carrying on required activities suggested by AFS consultants. This is troubling because, unlike Angola and Botswana discussed above, Comoros is a fragile state.

On the work on National Accounts, the AFS consultant found in December 2017 that "all AFS recommendations to improve the data series from the 2007-2015 System of National Accounts 2008 (2008 SNA) were never implemented. In addition, the National Institute of Statistics (INSEED) stopped the dissemination of GDP series compliant with the 1968 SNA. An AFS mission initially recommended the INSEED to validate the 2007 GDP compiled during the mission before the updating of the remaining ANA and strengthen cooperation with data users and providers, including the Central Bank of Comoros, but later agreed that many shortcomings in the agricultural census undermined the 2007 GDP and validation of the 2007-2015 was postponed following a mission, accompanied by a revised workplan." " (STX, STA, 06/28/21)

3/ Between 2017 and 2018, and according to their weak technical capacities and resources, Comoros' Authorities had only made mild progress in Track 1 CD activities: (i) GDP rebased/revised; and (iii) rebased/improved CPI.

4a/ Key CD objectives did not change, but their implementation only moved slowly, due to several technical and administrative issues. On technical grounds: (i) serious lags in finalizing and publishing the 2018 private sector survey and the 2016 business survey; (ii) late arrival of balance of payment statistics (including new import estimates of refined petroleum products and transports); and (iii) the decision to also include data from the 2019 Household Budget Survey (HBS) on final consumption, agriculture and informal sector. On the administrative side, INSEED was desperately struggling to have adequate minimum staffing. Staff working on NA dropped to nil (from six in 2013), and relied on just one available trainee who showed high commitment (STX, STA/06/29/21). These issues led the Authorities, and AFS, to agree on delaying the release of the rebasing of the 2019 GDP until 2021.

4b/ COVID-19 initially delayed the finalization of the 2019 GDP from August to December 2020. The 2020 private sector survey, a major source of information, was completed in October 2020, instead of May 2020 as originally planned. Finalization of some planned activities was delayed due to scarce human and financial resources, as well as because logistical issues related to national restrictions impeding field visits.

Coherence - 3

5a/ Given serious shortcomings in staff and financial resources, Authorities have mainly concentrated on work leading to the Revised NAs (and GDP) and updating the CPI. "Whereas the former continued

facing delays in 2021 (in July, Comoros Authorities had not even drafted the project document for the planned rebased GDP), INSEED team had overcome some of the delay problems in publishing timely CPI data until June 2021. However, some issues remained referring to the updating of the CPI basket and weights, funding and staff resources." (BKS, STA, 07/21/21)

5b/ (IMF, Article IV, 2020) fully endorses CD activities supporting INSEED: "In view of the Authorities' limited absorption capacity, lesser priority areas relate to strengthening statistical capacity, focusing on training officials and also requesting resources for capacity building from the World Bank on Medium-Term Debt Management Capacity."

6/ External coherence is a constraint, but not a major determinant other than adding resources if the Government is committed (LTX, STA, 06/28/21). The 2018 private sector survey was funded by the AfDB and collected data on revenue and expenditure from financial and non-financial enterprises, and non-profit institutions between 2015 and 2017. It has been collected every two years. FAO also used to finance the Agricultural census, but the one for 2019 was lagging and Authorities were moving to fund it with their own limited resources.

Effectiveness - 3

7/ Up to end-FY 2021, and despite the COVID-19 pandemic, a remarkable 74 percent of the defined milestones were fully or largely achieved.

On the Outcomes, updated ratings from the RBM logframe are:
+ Improved timeliness of data available: rated 2;
+ Concept and definitions of latest manual applied: rated 2;
+ Staff capacity increased: rated 4,

On the Milestones, updated ratings from the RBM logframe are:
+ National accounts are disseminated monthly or quarterly: rated 2;
+ General framework, concepts, definitions broadly follow the 2008 SNA: rated 2;
+ Number of staff trained to compile/disseminate statistics is adequate: rated 4,
Work toward a rebased NAs and GDP is still to be completed and published. In exchange, an updated CPI continues to be published (the latest goes up to June 2021). Progress on staffing is temporary: INSEED expanded staff team assigned to work on the revised NAs consists of five trainees (not permanent) with one-year contract at best, as some CPI staff have worked (and may still be working without contracts). (STX, STA, 06/29/21)

8/ Mastering work toward GDP compilation and updated monthly CPI has required strong AFS support, even if conducted remotely post-COVID.

9/ AFS support has been intensive and exceptional: due to travel restrictions and new staff hirings and rotations, a total of 21 virtual meetings took place in 2020.

Efficiency - 2

10/ Field missions are critical for a fragile country like Comoros. Remote training is only a partial solution. Pros: very focused approach and money-saver. Cons: slower than in-person knowledge-sharing; requires step-by-step teaching approach; not easy to verify full learning and results; lack of

trust may also delay learning (LTX, STA, 6/29/21).

However, the presence of permanent Long Term Experts (LTX) – also known as Resident Advisors (RAs) – is NOT a permanent solution: once the task is over, knowledge is lost, and local staff tend to rely excessively on them, instead of learning/doing it by themselves. Instead, close follow-up (better if supported by in-situ missions) is the right mix, though lately affected by travel constraints due to COVID (LTX, STA, 6/29/21).

11/ In Comoros, as in all AFS countries: only 1 person per mission is the standard and cannot be more cost-efficient. Scarce, but irregular proactive donor coordination and joint funding have also helped to keep the budget low. However, the standard 5-years and 2-years average lag for updating NA accounts and CPI index respectively has not been respected in Comoros (LTX, STA, 06/29/21).

12/ Significant delays have also occurred due to COVID.

Impact - 2

13/ The impact of STA work is mixed. Even if delayed and late coming, improvements in delivering an updated monthly CPI plays an important role for tracking price stability (and decision-making). In exchange, as a late reporting tool, major delays in CD compliance related to the rebasing of the NAs have failed to make their expected contribution to timely tracking of the country's macroeconomic and financial stance, and by the same token, to policy-making. "Exceptions on NA (good INSTAT performers) are: South Africa, Mauritius, Seychelles. Among the worst AFS cases are Angola, Comoros and Madagascar." (LTX, STA, 06/29/21)

14/ A future challenge for AFS work on Statistics in Comoros is its limited scope for rebasing national accounts and updating the CPI. Handling new global topics like climate change, gender and even financial inclusion will require additional local skills and staff. And this is even more difficult when it comes to have Portuguese-speaking consultants" (BKS, STA, 07/21/21).

Sustainability - 2

15/ Given the lack of permanent and qualified INSEED staff, the likelihood of net benefits continuing over the medium term strongly rely on sustained and abundant AFS support.

16/ Very low capacity. Major hurdles to sustainability in INSEED, that particularly apply to Comoros are:

- Scarce and low-skilled INSEED staff: arising from low salaries and unsteady jobs.
- INSEED Recruitment may take months, and once done, it requires training (which delays startup of actual work by new staff).
- Continuous staff removal and rotation at INSEED (low stability at the same job) prevents learning accumulation/sharing.
- Too strong reliance on external consultants fosters dependency and reduces knowledge when a donor project ends. Here is a recent example: Comoros saw a WB project end in December 2020 and INSEED had to fire all temporary staff working in the absence of resources – a major loss of technical capacity and institutional memory.
- Lack of a permanent structural solution to train statisticians (no 1-2 year university diplomas agreed with local institutions).

• INSEED has a shortage of staff and often gets its work program continuously modified/overburdened with too many activities, which also results in delays.
• AFS work faces the need to build trust, which is often difficult to achieve (suggestion: missions started with training are advisable, but were interrupted by COVID-19).
• No real (even functional) autonomy for INSEED, with political economy often playing a big role (positive or negative). "Only time when INSEED works well is when Finance appreciates its work." (LTX, STA, 06/29/21)

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18STI5400	Davies Michael	14/08/2017	18/08/2017	RSS_AFS_2018_02
18STJ9600	Davies Michael	05/02/2018	14/02/2018	RSS_AFS_2018_02
18STQ0400	Davies Michael	05/04/2018	08/04/2018	RSS_AFS_2018_02
19STM5800	Davies Michael	01/10/2018	05/10/2018	RSS_AFS_2018_02
18STL8400	Pegoue Achille	05/02/2018	09/02/2018	RSS_AFS_2018_02
18STH9112	Pegoue Achille	13/08/2018	17/08/2018	RSS_AFS_2018_02
19STM8310	Pegoue Achille	04/03/2019	14/03/2019	RSS_AFS_2018_02
20STV3509	Pegoue Achille	05/10/2020	16/10/2020	RSS_AFS_2018_02

Relevance - 4

1/ The central objective for all four AFS countries in Phase II remained the same as in Phase I: to "Strengthen Compilation and Dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standards." Moreover, Phase II defines two tracks for AFS support to Statistics in the whole region: in order of complexity, and from basic to more advanced statistics. Track 1 consists in the Rebasing of the National Accounts (NA) and Reweighting of the Consumer Price Index (CPI) and Supply and Use Tables. Track 2 focuses on producing higher frequency indicators like Quarterly GDP, Producer Price Index (PPI), quarterly NAs etc. (BKS, STA, 0721/21).

2/ Authorities have strongly endorsed intensive TA provided by AFS, instrumental for complying with Track 1, and started developing Track 2. Authorities have also strengthened their participation on the enhanced General Data Dissemination System (e-GDDS) with a web-based National Summary Data Page launched in May 2019 with AFS support. (IMF, ECF, 2021).

3/ Since 2017, and according to their technical capacities and resources, Madagascar's Authorities have made progress in the following activities: (i) revising GDP estimates accordingly, so as to ensure consistency; (ii) compiling data for producing quarterly GDP estimates; and (iii) disseminating experimental quarterly 2018 GDP estimates. Some quality NA improvements done include: using the 2007 Supply and Use Table to identify industries that are input for other; accelerating data processing procedures; improving the selection of suitable indicators for transportation, telecommunications, banks and insurance, and taxes on products; and improving the collection of government finance statistics.

Updating the CPI was particularly sensitive to context. The task faced multiple difficulties: (i) difficult relationship with pricing officials; only one staff member assigned to work on this project at INSTAT

(and also engaged in other priority tasks); 2012-13 Household (HH)-based weights were available; the updating model was from French Polynesia, which had an overly simplified description of food products; and a World Bank project became available to finance some survey work, but requiring close coordination as this project was centered on poverty issues.

4a/ Key CD objectives did not change, but their implementation faced some technical issues. Preliminary 2018 and 2019 annual GDP data were completed and disseminated. However, by end-2020, it was decided that GDP data for 2019 would be revised again: authorities realized that the share of quarterly GDP estimated with indicators that have an acceptable relationship with annual GDP estimated decreased to 46 percent from 70 percent in March 2019. Besides prompting the revision of quarterly GDP, the preliminary 2020 annual GDP estimates were also scheduled to be reviewed. As a result, developing and disseminating improved/revised quarterly national accounts is another key priority for FY22.

4b/ Given scarce human and financial resources and logistical issues related to national restrictions impeding field visits, COVID-19 has delayed the finalization of some planned activities (mainly required surveys in situ). In general, STA struggled with a weak adaptation strategy to convert face-to-face data collection into online- or telephone-based data collection and weak IT infrastructure (STX, STA, 06/29/21).

Coherence - 4

5a/ Authorities have prioritized: (i) Revising GDP estimates; (ii) compiling data for producing reliable quarterly GDP estimates; (iii) disseminating experimental quarterly 2018 GDP estimates; and (iv) updating its CPI. AFS work on the CPI started in 2018, and work on the rebasing of NA started in 2017. Internal coherence with other Government agencies worked well: as initial results started to show up, there was good endorsement on work done by the MIFIN, CB. "Internal coherence is critical as it limits capacity to commit resources, staff hiring, budget, extent of the work program, but getting something done" became important (LTX, STA, 06/28/21).

5b/ (IMF, ECF, 2021) fully endorse this program. They also underscored the need to tackle Government Finance Statistics and Financial Soundness Indicators (managed by the IMF STA, another division).

6/ External coherence is a constraint, but not a major determinant other than adding resources (LTX, STA, 06/28/21). A new rebasing of the NA exercise is being planned with the World Bank, but no base year has been defined (BKS, 07/21/21). External coherence has worked well on the reweighting of the CPI, featuring good coordination with the World Bank (STX, STA, 07/13/21).

Effectiveness - 3

7/Up to end-FY 2021, and despite the COVID-19 pandemic, a remarkable 74 percent of the defined milestones were fully or largely achieved.

On the Outcomes, updated FY21 ratings for Madagascar from the RBM logframe are:
+ Improved timeliness of data available: rated 2;
+ Concept and definitions of latest manual applied: rated 2;
+ Staff capacity increased: rated 4.

On the Milestones, updated FY21 ratings for Madagascar from the RBM logframe are:
+ Dissemination of experimental quarterly national accounts: rated 4;
+ Dissemination of re-weighted CPI: rated 4;
+ General framework, concepts, definitions broadly follow the 2008 SNA: rated 2;
+ Number of staff trained to compile/disseminate statistics is adequate: rated 4.

In general, late but good results were only obtained progressively. Rebased NA and updated CPI are published (the latest goes up to May 2021).

8/ All results were partly due to AFS timely support. Indeed, in all AFS countries, expected compliance with Outcomes and Milestones in Statistics was too optimistic, while the planned volume of work often became unrealistic and prone to delays (e.g. surveys for NA could require up to 18 months, versus 6-months planned).

9/ COVID did not modify CD priorities, but operational delays increased task delivery time even further.

Efficiency - 3

10/ Field missions are critical. Remote training is only a partial solution. Pros: very focused approach and money-saver. Cons: slower than in-presence knowledge-sharing; requires step-by-step teaching approach; not easy to verify full learning and results; lack of trust may delay learning (LTX, STA, 06/29/21).

However, the presence of permanent Long-Term Experts (LTX) – also known as Resident Advisors (RAs) – is NOT the solution: once the task is over, institutional knowledge risks being lost despite several existing processes undertaken. Local staff also tend to rely excessively on them, instead of learning/doing it by themselves. Instead, close follow-up (better if supported by in-situ missions) is the right mix, though lately affected by travel constraints due to COVID (LTX, STA, 06/29/21).

11/ In Madagascar, as in all AFS countries: only 1 person per mission is the standard and cannot be more cost-efficient. However, work in general in AFS countries takes longer – and requires more missions – than the standard 5-years and 2-years average lag for updating NA accounts and CPI index respectively (LTX, STA, 06/29/21). Imperfect, but proactive donor coordination and joint funding have also helped to keep the budget low.

12/ Significant delays have occurred recently due to COVID. This also involved the survey conducted for updating the CPI (STX, STA, 07/13/21). Prior to COVID-19, one important lesson can be learned from the initial wrong selection of consultants. Indeed, before Mr Davies' participation (since 2017), three previous missions were unsuccessful in updating the CPI. One took place in 2015 (work by a French-Australian consultant) proposing wrong weights; another by a US professor who provided irrelevant advice; and finally a Senegalese consultant who did not bring much value-added and did no training. All missions were financed by AFS and, besides being cost-ineffective, they also contributed to delays in delivery.

Impact - 2

13/ Impact of STA work is mixed. Even if delayed and late coming, improvements in delivering an updated monthly CPI plays an important role for policy-making. In exchange, as a late reporting tool,

delays in CD compliance related to the rebasing of the NAs and quarterly GDP have missed their expected contribution to timely tracking of the country's macroeconomic and financial stance. By the same token, they have also failed to contribute to policy-making. "Exceptions on NA (good INSTAT performers) are: South Africa, Mauritius, Seychelles. Among the worst AFS cases are Angola, Comoros and Madagascar." (LTX, STA, 06/29/21)

Sustainability - 2

14/ The likelihood of net benefits continuing over the medium term still strongly rely on sustained and abundant AFS support.

15/ Major hurdles to sustainability in Statistical agencies (INSTAT) that also apply to Madagascar are:
• Scarce and low-skilled INSTAT staff: arising from low salaries and unsteady jobs.
• INSTAT Recruitment may take months, and once done, it requires training (which delays startup of actual work by new staff).
• Continuous staff rotation at INSTAT (low stability at the same job) prevents learning accumulation/sharing.
• Too strong reliance on external consultants fosters dependency and reduces knowledge when a donor project ends. Here is a recent example in a neighboring country: INSTAT had to fire all temporary staff working in the absence of resources, with major loss of technical capacity and institutional memory.
• Lack of a permanent structural solution to train statisticians (no 1-2 year university diplomas agreed with local institutions).
• INSTAT staff often gets their work program continuously modified/overburdened with too many activities, which also results in delays.
• No real (even functional) autonomy for INSTAT, with political economy often playing a big role (positive or negative). "Only time when INSTAT works well is when Finance appreciates its work."

Workstream: Central Bank Operations

Objective: To strengthen the capacity of the central bank to implement monetary policy effectively

Botswana

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
19MMF7600	Nielsen Lars Mayland	28/03/2019	10/04/2019	MPO_AFS_2018_02
18MM58200	Nielsen Lars Mayland	15/08/2017	24/08/2017	MPO_AFS_2018_02
15MMA4835	Selander Carina	14/08/2017	18/08/2017	MPO_AFS_2018_02
15MMA4868	Selander Carina	30/03/2019	05/04/2019	MPO_AFS_2018_02

Relevance: 4

1/ The Bank of Botswana (BoB) requested technical assistance from AFS on monetary policy implementation. The last technical assistance provided by the IMF to the BoB on monetary policy implementation was back in the mid-1990s. The BoB felt that it was time to review its monetary policy implementation framework, with the aim to reinforce the monetary policy transmission mechanisms,

and support market development. With this objective, the BoB sought external technical advice from the IMF on modernizing its implementation framework.

The BoB also requested technical assistance on liquidity management in a fixed exchange rate arrangement. After several years of work on FPAS with the assistance of AFS, the BoB requested advice on its monetary policy implementation framework. The BoB considered that improving its implementation framework was/is necessary to reinforce the transmission of its interest rate policy. As a result, a joint AFS and MCM assessment mission was fielded in August 2017. Its main objectives were (1) to assess the performance of the monetary policy implementation framework in steering short-term rates; (2) analyze challenges to monetary policy transmission arising from the exchange rate arrangement and market funding; and (3) to provide recommendations to address the identified weaknesses in the framework and support market development.
The CD objectives are also derived from both capacity gaps identified by the IMF and BoB, and from IMF surveillance priorities set out in the IMF Article IV Consultation Reviews of 2019, 2020 and 2021.

2/ The technical assistance priorities agreed between IMF surveillance and the national monetary authorities are consistent with the country's macroeconomic priorities. The IMF Article IV discussions identified in 2019 and 2020 other areas where TA was needed, in particular the reassessment of the monetary policy and exchange rate policy frameworks.

3/ The CD design is quite sensitive to the fixed exchange rate regime, which creates challenging conditions for liquidity management in Botswana. Limited interbank market depth also poses an additional challenge for the CD objective of strengthening the BoB's liquidity management. The CD project is designed to achieve four outcomes: (1) the central bank has a sufficiently accurate liquidity forecasting framework to guide the liquidity management operations; (2) the central bank has adequate operational instruments and is able to formulate operational strategy to deal with changing liquidity conditions; (3) 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; and (4) the collateral framework is consistent with the central bank's risk tolerances and sufficiently broad so as to not constrain the implementation of monetary policy.

4a/ Follow-up missions, training, and coaching by MCM and AFS experts adapted well in the face of the general elections of 2019 and the COVID-19 epidemics.

4b/ Despite the COVID-19 crisis, the CD delivery approach adopted by AFS responded adequately to the COVID-19 crisis. So the remote transmission of training and remote working meetings suited well the health crisis of 2020 and 2021.

Coherence: 3

5a/ The CD project was designed to interact with other CD interventions and objectives pursued by the national monetary authorities, such as those aimed to improve the economic analysis and forecasting capacities of the Central Bank. Part of the CD project required establishing an internal coordinated work structure to obtain necessary data inputs in a timely manner, both within the CB and from the MFED. It is not integrated, though, with other relevant CD interventions carried out by the Government. These interventions could potentially serve to strengthen the capacity of the CB to implement monetary effectively, particularly those relating to Statistics Botswana to work together with the CB to improve the quality of monetary, public sector debt, and real sector statistics and thus improve the coordination of monetary and fiscal policy.

5b/ The CD project has a high level of consistency with other CD projects being implemented under AFS technical assistance to improve the economic analysis and forecasting capacities of the Central Bank of Botswana. The CD project developed a link between monetary implementation and previous TA work led by AFS on the Forecasting and Policy Analysis System (FPAS). It also included a follow-up TA program consistent with the liquidity management log frame.

6/ There is no evidence of World Bank, AfDB or other development partners assisting the Central Bank and/or collaborating with AFS in any projects of relevance.

Effectiveness - 3

7/ All four CD outcomes pursued in the CD project were to large extent met, since the CD project implementation started in 2018, as nine out of 14 milestones in the RBM framework were fully/largely achieved by the Central Bank of Botswana (BoB) and ahead of schedule. These refer to milestones #1 (Construct liquidity table, where all outflows and inflows of liquidity is accounted for by different liquidity factors on the highest available frequency), #3 (Establish an internal coordinated work process to obtain necessary data inputs in a timely manner both within the central bank and from other agencies), #5 (Liquidity forecasts are fairly accurate and used to inform operational instruments), #7 (A database has been set up which is updated on a daily basis with all relevant financial market data for daily, weekly, monthly and quarterly frequencies stored on a shared drive), #8 (Clarify the importance and purpose of the objective(s) of reserve requirements (RR) and adapt the RR framework consistently), #9 (Review the set of Open Market Operations instruments), #11 (Analyze and understand liquidity conditions and interest rate volatility), #13 (the BoB has an assessment of the amount of collateral required for monetary policy implementation), and #14 (Identify risk management measures to ensure neutrality across assets classes and to mitigate the risks to the central bank balance sheet). The other milestone achievements remain in progress.

8/ The build-up of a liquidity forecasting framework by the BoB – inclusive of the construction of models, tools, and templates for international weekly monitoring report and memos and of the financial market analysis – is largely attributed to the CD project work carried out by AFS and MCM experts.

9/ COVID-19 placed significant strain on BoB staff availability for meetings and training, but it did not prevent AFS from delivering capacity development. Adequate arrangements were made by AFS and BoB management to keep the expert assistance on track.

Efficiency - 3

10/ CD resources consisted of five experts, all international experts, from both AFS and MCM. MCM's national expert from Denmark was responsible for presenting the Central Bank of Denmark's good practices and experience on liquidity management under a fixed exchange rate arrangement.

11/ A total of seven five LTX and STX experts participated in five AFS and MCM assessment and follow-up missions and training activities during 2017, 2018, 2019 and 2020, resulting in a total cost of 37 working days. Overall, the expert and time resources allocated to execute these CD activities are to large extent considered to have efficiently achieved the four expected outcomes – in amount and quality. Thus, the CD activities have resulted in a relatively high rate of cost efficiency that is,

considering the high level of technical assistance input –dedication and products— delivered by means of AFS matched by the high level of output –knowledge converted to practice and number of achieved milestones— produced by the BoB up to now.

12/ Six of the nine milestones were fully/largely achieved ahead of schedule. The other three milestones were achieved with delays of six months on average.

Impact - 2

13/ The BoB has strengthened its liquidity forecasting capacities with AFS assistance, according to BoB senior management staff surveyed. However, there is no evidence suggesting the extent to which these capacities has enhanced the guidance of BoB liquidity management operations. It is also premature to expect that the CD project has contributed meaningfully to the BoB ability to implement monetary and foreign exchange policy effectively.

14/ Relevant strategic priorities such as climate change and/or financial inclusions have not been addressed within the scope of the CD project.

Sustainability - 2

15/ The likelihood of the net benefits of the CD project continuing over the medium term is high, given the high level of ownership built by the BoB and the high level of expertise developed under the lead of AFS experts over the past three years.

16/ The level of technical capacity developed within the BoB to sustain the net benefits of the CD project is generally high.

Madagascar

Mission ID	Head or Ex.Name	Mission Start Dt	Mission End Dt	Proj#
18MM88300	Couderc Stephane	23/10/2017	03/11/2017	MPO_AFS_2018_02
18MM88400	Frohm Eric Per	25/04/2018	04/05/2018	MPO_AFS_2018_02

Relevance - 4

1/ This Quarterly Business Survey (QBS) work aims to appraise quarterly economic activity. Its main two-week mission took place from 25 April to 4 May 2018, following the recommendations of a AFS-TA mission done in November 2016. The TA report was published in July 2018. Its internal and external value was strongly endorsed by the Central Bank of Madagascar (BFM). In its origins, a reference was made to a similar survey regularly done by the CB of Botswana. QBS' main purpose is to support the design of quarterly macro forecasts of the economic activity. This CD project was self-standing and separated from parallel AFS work on the National Accounts (and GDP rebasing).

2/ This CD activity was requested by the Central Bank of Madagascar (BFM).

3/ The CD design was mainly adapted to available statistics. Given data limitations, not all variables could be measured quantitatively, but only qualitatively: e.g. sales volumes, or investment or export activities. Its preparation was fulfilled in 2 missions. An initial small questionnaire, which took time to prepare, was prepared and implemented efficiently. Its timing was also an issue (frequent delays by local counterparts to deliver their committed tasks). This was followed by sampling, data cleaning, preparation of results in Excel, analytics, reporting and dissemination.

4a/ Frequent lags in field missions occurred before COVID-19.

4b/ Following COVID-19, all missions in this field became virtual.

Coherence - 3

5a/ Internally, the activity was self-standing. As the task evolves, and initial estimates have seen the light, one very important issue has been to explore actual correlation between annual growth rates (from National Accounts) and quarterly GDP rates (from the Index of the Volume of Economic Activity, known as IVAE) produced on the basis of the QBS. However, this comparison exercise remains ad hoc.

5b/ Work under this CD project is complementary to the ongoing rebasing of the GDP. In so doing, it helped to calibrate short-term quarterly GDP cycles with the annual GDP. Notably, it provides sensitive information to the Central Bank in order to monitor the economic stance and appraise the convenience of monetary policy interventions.

6/ Externally, there has been no donor involved. Besides AFS support, this activity was entirely financed by the Central Bank of Madagascar.

Effectiveness - 3

7/ On the Outcomes, the RBM rating is:
+ Improved economic analysis and forecasting: rated 2.

On the Milestones, the RBM rating is:
+ Business Survey has been reinstated on a quarterly basis, process and analysis has improved, report is published in a timely manner: rated 3.

8/ Clearly, this CD activity was achieved as a result of timely and qualified support from AFS. The activity was not related to any formal surveillance or conditionality from the IMF.

9/ COVID-19 placed significant strain on BFM staff availability for meetings and training, but it did not prevent AFS from delivering capacity development.

Efficiency - 3

10/ The mix of inputs was well designed. Besides the STX expert, everything else was done in-house at the BFM: barely 2 staff at the CB were involved in it. Its major limitation was not a lack of skilled staff (a common shortcoming in other CD activities/agencies) but its poor software: compared to the software used in Botswana, supporting software in Madagascar was in dire condition.

11/ As indicated above, the activity was quite cost-efficient: only 2 missions by the STX were required.

12/ The QBS was completed, but at slower pace (two years) than other similar surveys. For instance, Zambia and Botswana were much quicker to do it. Madagascar struggled on collecting the survey responses, as many questionnaires went to the wrong addresses (a typical problem for this kind of survey).

Impact - 3

13/ Up to now, Madagascar QBS remains a very useful published tool to inform Authorities and the public in general about the macro stance. It is a highly precious tool for short-term monetary policy-making. The STX consultant is not aware of any politically sensitive results that might have produced any negative reaction in Authorities or prevented its publication (STX, MPO, 07/15/21)

14/ No consequences so far. However, climate change, gender composition in new hiring by enterprises, and financial inclusion (data on access to credit) patterns could be added to the Business Survey Questionnaire in the future.

Sustainability - 4

15/ Sustainability likely provided a few risks are managed, also supported by proper training and regular external advice by an expert. High staff rotation at the BFM is a concern. According to the expert, a QBS requires a team of 6-7 permanently dedicated staff. So far, the present team assigned by BFM has been smaller than that number and is continuously rotating.

16/ Moreover, the low level of skills in its dedicated staff is another limiting factor, as well as the "fear of learning" by local BFM staff, who tend to over-rely on the external expert. Staff need to develop a certain degree of personal trust and use their best judgment in solving practical issues when facing issues with some complexity. The latest is more of a cultural matter to solve.

Annex III: Assessment of the RBM logframe

Background analysis

According to the ToRs, the evaluation at the CD level is expected to be based on the ex-ante RBM log frames that have been made available for FY18/19/20. These logframes provide the list of projects and related workstreams and objectives for each beneficiary and is structured according to the RBM catalogue.

Based on this logframe, the evaluation should assess if the activities implemented over the evaluation period are aligned with the logframe objectives.

To ensure the logframe constitutes a solid basis for the evaluation, and as requested in the ToRs (§25), the evaluation team reviewed its composition and relevance, with emphasis on:

- The logframe consistency with the planned intervention logic of AFS comparing what capacity gaps were identified and what objectives were set in the strategy vs the logframe. This will be investigated looking at strategic documentation when assessing the relevance of the RTAC programming and coverage of the capacity gaps of its recipients.
- Assessing the verifiability and measurability of the log frame in terms of the connection between objectives, workstreams and actual CD activities, implemented over the evaluation period.

To sustain this analysis, the data in the log frame will be cross referenced with the database on CD activities that underpins the briefing papers. This aimed to verify the extent to which projects and objectives are associated with activities and the allocation of resources across countries, projects, and objectives. Eventually this analysis will enable the evaluation to reach robust conclusions on the DAC criteria for objectives and workstreams. Following this preliminary review, the team adjusted the findings from the log frame to provide a more accurate picture of the framework with which AFS delivers capacity development.

AFS is working across 13 countries, but not all CD workstreams are undertaken in all countries. Table 1 below provides a synthesis of what Workstreams, and Objectives are being undertaken in which countries.

Summary statistics

The anLogfalysis of AFS log frame presented in Table 2 shows workstreams being undertaken in the 13 countries covered by AFS, some in collaboration with regional partners.

Table 1: AFS Beneficiaries and Selected Regional Partners

Beneficiaries Countries		Regional entities
✓ Angola ✓ Botswana ✓ Comoros ✓ Eswatini ✓ Lesotho ✓ Madagascar ✓ Mauritius	✓ Mozambique ✓ Namibia ✓ Seychelles ✓ South Africa ✓ Zambia ✓ Zimbabwe	✓ Southern African Development Community (SADC), ✓ COMESA and ✓ Southern African Customs Union (SACU) ✓ African Development Bank

The 8 projects implemented cover a total of 11 workstreams. One of the workstreams reported in the region are not listed in the catalog (Financial Crisis Management). These workstreams are directly

associated with four IMF departments (FAD, LEG, MCM, STA) and aim to achieve a total of 29 objectives. A total of 186 objective IDs can be identified across the 13 member countries.

In terms of CD activities, which in the database are associated with projects but not directly with objectives or workstreams, the database contains a total of 1,031 CD activities implemented during the evaluation period, amounting to 13,205 working days used.[10] In The data received and presented with the CD list of activities provided by the IMF is broad and shows that activities and associated human resources (measured in workdays) are delivered from the AFS Centre as well as from HQ, other countries within and outside the region, and partners such as the Africa Training Institute as well as other TACs.

As illustrated in the preliminary analysis of the distribution of CD activities across projects, objectives, workstreams and countries listed in Annex II the activities spread across almost all projects and countries.

Lograme consistency, verifiability and measurability.

During the mapping of the CDs with the Logframe objectives, over the 266 CDs delivered over the evaluation period for the 4 sampled countries the team reached to link 92% (243) CD. Over this total, 15% (38) seems to be inconsistent with the logframe, meaning they are not necessarily well aligned with the objectives of the logframe, most of them being linked to the PFM workstream, as discussed in Part III Section 2.2. of the report. The evaluation has not been able to link 23 activities, 0,08% of the total to the objectives of the logframe, mainly because of the lack of information on them.

Other observations

Evaluation methodology

There is no structured CEF evaluation scoring framework adapted to the IMF RTAC setting, that is supported with a scoring criterion as to when to score 1, 2, 3 ot 4, what the data requirements are, the extent of documented evidence available, for each of the individual six OECD-DAC dimensions, except effectivness. On the absence of technical guidance, the evaluators have used their best professional and technical judgement to score -in particular, the evaluation of efficiency of RTAC work has been problematic on the absence of proper RTAC statistics / accounting on CD missions and the amount and type of resources planned and actual, classified by country, workstream, and objective.

There has been no uniform framework of CD objectives across RTACs thus making the comparison of scores and supporting arguments difficult. The setting of CD objectives is questionable, not aligned adequately to other relevant performance evaluation indicators, e.g., PEFA.

There is no uniform criteria as to how to address an evaluation of RTAC work when the size of the target group of countries varies often significantly across RTACs. Evaluators found a mismatch between the size of the group of countries being serviced across RTACs and the amount of independent experts resources allocated.

Data availability

[10] This figure is based on “actual days”. Allocated days listed as “days” in the database are much higher at 22,164.

Challenges first emerged for the preparation of interviews as key briefing papers and TA reports were not readily available--in some of the RTACs, lack of documented background information was significant, e..g, Afritac West.

This turned into a process where RTACs and IMF HQ had to search for the missing documents thus resulting in subsequent delays and rescheduling of the interviews. Hence, the readiness of evaluators to conduct interviews and the preparation of background notes were challenged by the lack of proper documentation.

Apart from BPs and TA reports, the evaluators relied heavily on the CD MAP database which presented errors and omissions. In some cases, the evaluators noticed certain CD missions were misclassified, not linked to the right CD objectives, not linked to the right BPs and/or TA reports thus resulting in prolonged delays and dedication in quality assurance tasks not envisioned from the onset of the evaluation work.

The CD database was filled with several "non identified" descriptions in the CD objective column, for example, scoping missions aimed mostly to strengthen the budget formulation process. This is another task that LTXs could have undertaken on behalf of RTACs and filled those gaps accordingly, more so considering the sequence of logical interventions is evident from the data, from scoping CD missions to actual TA missions to follow up missions.

Due to the above, the evaluators chose to dedicate heavily on improving the quality of the data to be best possible--so called a "mapping" exercise of errors and solutions.

Achievement of RBM outcomes and milestones

A report on the achievement RBM outcomes and milestones was availed to the evaluators, including scores 1,2,3, 4 to the extent of achievement according to the LTX experrts responsible. The report is dated April 2021 for AFS, which in some instances did not include the most recent developments and was prepared before the interviews with LTX and STXs took place afterwards, which required the evaluators to eventuallly change the scores

Annex IV: RBM Logframe Ratings on Key Outcomes and Milestones per Objective of Sampled Countries

Table AIV.1 Angola, Botswana, Comoros and Madagascar: RBM logframe FY21 Ratings on Outcomes/Milestones per Objective (Updated end-FY21)

Objectives	Key Outcomes	Rating	Key Milestones	Rating
Botswana				
1	A more credible planning and budgeting for public investments	2	Improved costing of public investment projects Budget documentation/instructions include recurrent and capital ceilings More effective linkages between the projects reflected in the PIM and the resource allocations provided in the MTEF and budget	3 3 3
3	To enhance the comprehensive and quality of fiscal reports To align the chart of accounts and budget classification with international standards	2 2	Review current accounting system reform proposals and assess Treasury capacity to operate on a dual cash and accrual bases for financial reporting and revise roadmap for IFMIS reform Pilot production of fiscal reports and financial statements incorporating key financial assets and liabilities based on international standards	3 2
13	Botswana to amend laws incorporating changes to the tax legal framework	NR (3)	Authorities submit revised draft Tax Administration Bill Authorities submit revised draft Income Tax Bill and Value Added Tax Bill	NR (4) NR (4)
4	To strengthen fiscal oversight and analysis of public corporation risks	2	Complete the analytical requirements in the consolidated SOE report to enable risk analysis to be undertaken for this sector Prepare a fiscal risks statement as part of the Budget Strategy and Options Paper that incorporates macroeconomic and specific fiscal risks Fiscal risks statement to incorporate most contingent liabilities and other fiscal risks of the central government	3 2 NR (2)
5	Customs control during the clearance process more effectively ensures accuracy of declarations	2	Risk Management action plan designed and agreed with BURS in November 2015 is implemented, monitored, and updated Risk selectivity is resulting in less inspections and improved trade facilitation and compliance A Classification, Valuation and Origin ruling is established, and the number of advance rulings is increased, and the rulings published	4 2 2
6	Organizational arrangements enable more effective delivery of strategy and reforms	4	Training course delivered to nominated managers from tax and customs Workplace mentoring and monitoring of managers nominated by the BURS who participated in the training courses	4 4
8	A. The central bank has a sufficiently accurate liquidity forecasting framework to guide the liquidity management operations	3	A1. Construct liquidity table, where all outflows and inflows of liquidity is accounted for by different liquidity factors on the highest available frequency	3

	B. The central bank has adequate operational instruments and is able to formulate operational strategy to deal with changing liquidity conditions	2	A2 Develop simple model(s) or calculation (e.g., for currency in circulation), or obtain timely forecasts from other departments/agencies	2
	C. 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	2	A3. Analyze forecasting errors regularly and update the forecasting framework	NR (2)
			A4. Liquidity forecasts are fairly accurate and used to inform operational instruments	3
	D. 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	3	A5. Financial market analysis has improved, weekly reports are produced including dashboards with relevant charts and tables for reporting on financial market developments	2
			B1. Clarify the importance and purpose of the objective(s) of Reserve Requirements and adapt the RR framework consistently	
			B2. Review the set of Open Market Operations instruments	3
			C1. Analyze and understand liquidity conditions and interest rate volatility	4
			C2. Decide the range of the interest rate corridor and establish a deposit facility, if not currently in place	4
				4
			D1. The CB has an assessment of the amount of collateral required for monetary policy implementation	2
			D2. Identify risk management measures to ensure neutrality across assets classes and to mitigate the risks to the central bank balance sheet	4
				3
9	A. Forecasting and Policy Analysis System (FPAS) fully integrated into the monetary policy decision-making process	3	A1. A projections coordinator manages the forecasting process	4
	B. Improved economic analysis and forecasting capabilities at the Central Bank	3	A2. The Monetary Policy Committee (MPC) meeting calendar is adjusted to important data releases	3
			A3. A pre-MPC meeting is characterized by an informed dialogue between staff, management, and MPC members about Initial conditions, near- and- medium-term forecasts, and risk analysis	2
			A4. Monetary policy decision is reflective of the forecasts & the risk analysis	
			B1. Staff are able to conduct relevant and coherent alternative scenario analysis	3
			B2. Forecast team enhanced with sector experts	
			B3. Business survey process and analysis has been improved and information is incorporated into the forecast process	3
			B4. Well analyzed and comprehensive baseline projections and alternative scenarios are presented to members of the MPC and used to inform the policy decision	2
				3
				3

10	A. Clear and consistent external communication of Monetary Policy based on a preceding internal policy process B. The Central Bank disseminates information on its mandate, objective, statistics/data and related activities in an open, clear and timely manner to all its stakeholders	3 2	A1. The MP Report is characterized by clarity and brevity, including on content, language, and structure. A brief summary of the MP framework, the CB's mandate and objective is included as a preface to the main MP Report together with the purpose of the report A2. The MP Report includes an assessment and a clear story behind the recent, current, and future (based on updated forecast if possible) economic developments providing the rationale behind the MP decision A3. The MP Report is published with no more than a one-week lag to the actual day of the decision A4. The MP Statement is characterized by clarity and brevity and disseminates the MP decision based on the assessment of the current and future economic developments (based on an updated forecast if possible) A5. Press Conferences are held by the Governor on the day of the MP decision and include a brief presentation and CB representatives make themselves available to answer questions to engage in dialogue with the media B1. A clear description of the CB's organizational structure, governance framework, description of board and/or MPC members including mandate periods, is publicly available B2 The MPC meetings schedule is publicly available well in advance of the next year's meetings	4 NR (2) 2 4 3 4 3
22	A. Data are compiled and disseminated using the concepts and definitions of the latest manual/guide B. Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs	2(3) 2 (3)	A1. Compilation of rebased GDP by production estimates A2. Supply and Use Tables (SUTs) populated and balanced A3. Dissemination of rebased estimates A4. Compilation of rebased GDP by expenditure estimates A5. Disseminate back cast series from 2006 to 2016 (the new base year) A6. Disseminate back cast series from 1994 to 2016 (the new base year) B1. Review quarterly GDP methodologies and data sources B2. Dissemination of revised quarterly GDP estimates based on the rebased annual national accounts	2 (3) 3 NR (3) 2 (3) 2 NR (2) 2 (3) NR (2)
Comoros				
1	Adoption of and reporting on clear and measurable fiscal policy objectives (PEFA PI-15, FTC 2.3.1.) Presentation and explanation of medium-term macroeconomic and fiscal forecasts (PI-14, FTC 2.1.2)	2 2	Adoption of the budget preparation manual Prepare medium-term macroeconomic projections as part of budget documentations	2 2

	Percentage variation between aggregate expenditure outturn and approved budget (PEFA PI-21)	NR	Prepare MTFF and a fiscal strategy paper and reduce revenue and expenditure forecast errors <15%	2
5	Audit and anti-smuggling programs to enforce Customs laws	2	Customs laws, regulations, and guidelines simplified and easily accessible	2
	Customs controls during clearance process	2	Risk-based control selectivity applied more consistently	2
7	A larger proportion of taxpayers meet their payment obligations	3	Hands-on support to implementing filing/payment compliance strategy	4
	Improved payment of arrears	3	Tax arrears management strategy and implementation plan recommended to the DG	3
	More effective audits	2	Criteria for selecting audit and annual audit plan developed and LTO auditors guided to implement plan	4
			60 percent of planned audits for calendar year 2018 carried out and assessments issued to taxpayers	3
12	Implemented Risk-Based Supervision, strong capital & liquidity position	NR	Risk-based supervision and inspection manuals are developed	3
13	Improved tax system by amended tax legal framework	NR	Regulations for implementing Customs codes issued (pending)	1
14	Improved timeliness of data available	2	National accounts are disseminated monthly or quarterly	2
	Concept and definitions of latest manual applied	2	General framework, concepts, definitions broadly follow the 2008 SNA	2
	Staff capacity increased	4	Number of staff trained to compile/disseminate statistics is adequate	4
Madagascar				
1.	Presentation and explanation of medium-term macroeconomic and fiscal forecasts (PI-14, FTC 2.1.2)	2	Strengthen formulation of MTFF 2018-20 methodologies	4
			Improved budget classification integrating programs and budget docs	2
	Planning, appraisal, selection, costing and monitoring of public investment projects (PEFA PI-11, PIMA 9)	2	Adoption and implementation of a strategy and medium-term action plan for improving public investment management	3
4	Improved fiscal risk coverage (PEFA PI-10)	2	Prepare a fiscal risks statement	3
			Fiscal risks statement has most contingent liabilities and other fiscal risks of the central government	2
			Adopted legal and budgetary framework including COVID-19 Response Fund with effective and transparent management of expenditures	4
5	Audit and anti-smuggling programs to enforce Customs laws	2	Larger share of trade controlled through a post clearance audit program	2
	Improved Customs controls during clearance process	2	Rate of physical inspections decreased	1
	Trade facilitation and service initiatives support voluntary compliance	2	Customs laws, regulations, and guidelines simplified and easily accessible	3
7	A larger proportion of taxpayers meet their payment obligations	2	Taxpayers services strategy & standards developed and guidance provide for effective implementation	3
	improved tax services and payment of arrears with	2	Debt (arrears) management strategy developed & support given to DGI	3
			Capacity to carry out risk based audits further strengthened	

	More effective audits	3		3
8	Strengthened capacity of the Central Bank to implement monetary policy effectively	2	Business Survey has been reinstated on a quarterly basis, process and analysis has improved, report is published in a timely manner	3
13	Improved tax system by amended tax legal framework	NR	Customs Act and regulations amended and implemented (pending)	1
14	Improved timeliness of data available	2	Dissemination of experimental quarterly national accounts	4
			Dissemination of re-weighted CPI	4
	Concept and definitions of latest manual applied	2	General framework, concepts, definitions broadly follow the 2008 SNA	2
	Staff capacity increased	4	Number of staff trained to compile/disseminate statistics is adequate	4
Angola				
1.	A more credible medium-term macro-fiscal framework that supports budget preparation	2	Strengthen the MTFF to illustrate fiscal forecast scenarios based on alternative macroeconomic and other specific assumptions	3
			Prepare and publish the MTFF	3
			Prepare & publish a fiscal strategy (budget strategy paper)	3
2.	Budget execution and controls are strengthened	2	Development of procedures for strengthening commitment and expenditure control	2
			Clearance strategy for arrears adopted and implemented	2
			Strengthen in-year budget execution planning	2
6.	Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized	3	Complete an assessment of project management capacity.	4
			Project Management Office established.	4
			Performance measurement framework designed and implemented.	3
			Project management procedures documented and implemented.	4
9	A. Improved economic analysis and forecasting capabilities at the CB	3	A1. Short term forecasting analysis and models cover key variables and are used as an input to inform the medium-term forecast.	3
			A2. The medium-term model is used to produce baseline projection, conditioning on information such as near-term forecasts, foreign economy developments, and expert judgment.	3
			A3. Staff are capable of maintaining the core medium-term model and further develop the near-term forecasting	1
	B. FPAS fully integrated into the monetary policy decision-making process	2	B1. A rigorous forecasting process has been established which includes cooperation and participation of other departments/divisions and the MPC	2
			B2. A pre-MPC meeting has been established, where staff presents Initial conditions, near- and- medium-term forecasts, and risk analysis and MPC provides feed-back and discussions.	2

11	A. Banks have adequate capital adequacy made up of high-quality capital instruments that is in line with issued regulations on Basel II/III B. The level of banks' capital reflects well their risk profile, their business strategy and their risk acceptance levels	NR NR	A1. Banks prepare an action plan to meet the new requirements. A2. Banks implement the action plan to meet the new requirements. B1. Guidance on ICAAP issued to banks B2. ICAAP report sent by banks to Supervisors, who conduct SREP and develop an internal process to set up additional capital requirements based on banks' risks that are not covered in Pillar 1 B3. Supervisors integrate this assessment of banks' capital adequacy in the supervisory framework so as to better tailor supervisory activities to the risk profile of each bank	NR NR 4 4 NR
22.	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs	2	Review methodologies Improve methodologies and compile new benchmark estimates Publish improved estimates First seasonal adjustment and quality assessment. Dissemination of experimental QNA seasonally adjusted series Authorities disseminate a time series of annual GDP	4 4 1 4 2 NR

Source: RBM data updated by LTX and AFS Secretariat. *Note*: NR=Non-rated. Ratings in parenthesis reveal Transtec's expert score. The List of Objectives is as follows: 1 = Comprehensive, credible and policy-based budget preparation; 2 = Improved budget execution and control; 3 = Improved coverage and quality of fiscal reporting; 4 = Strengthened identification, monitoring and reporting of fiscal risks; 5 = Improved Customs administration core functions; 6 = Strengthened revenue administration management and governance; 7 = Strengthened core tax administration functions; 8 = Strengthened capacity of the Central Bank to implement monetary policy effectively; 9 = Improved economic analysis and forecasting capabilities at the Central Bank; 10= Ensured capacity of the Central Bank to effectively communicate in order to fulfill its monetary policy mandate; 11 = Banks have strong capital and liquidity positions that adequately cover their risks; 12 = Implement risk-based supervision system and upgrade of other supervisory processes; 13 = Improved tax system by new or amended tax legal framework; 14 = Strengthened compilation and dissemination of data on macroeconomic and financial statistics.

Annex V: Analysis of the Online Survey

This Annex summarizes the results of an Online Survey consulting a wide range of individuals in AFRITAC SOUTH (AFS) member countries, development partners (DPs), IMF staff and the Steering Committee (SC). The Survey benefitted from CVent, an IMF-approved and managed online survey tool.

The Online Survey of AFS covered three group of respondents. Group 1 addressed members of the SC and DPs. Group 2 addressed IMF staff (including back-stoppers at IMF Headquarters), Long-Term Experts (LTXs also known as Resident Advisors-RAs) and Short-Term Experts (STXs). Group 3 addressed Trainees and other officials' beneficiaries from AFS services, namely technical directors, assistant directors and senior staff of the different relevant ministries (Finance, Economy) or organizations (Central Bank and Institute of Statistics) that have received support from AFS.

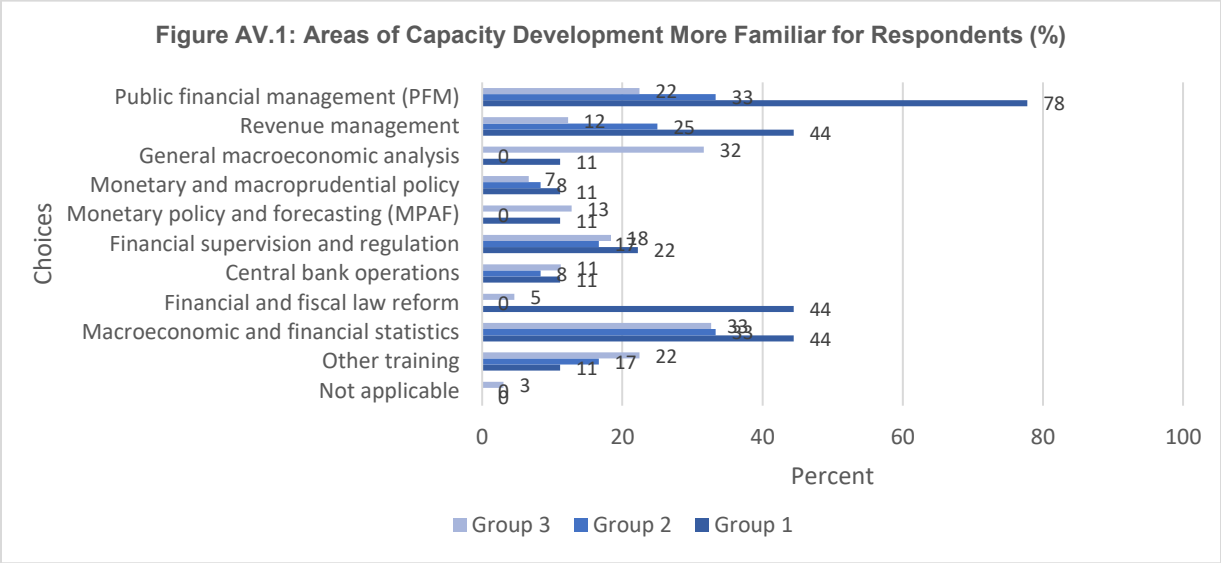
The questionnaire mainly collected information relevant to the six Development Assistance Committee (DAC) criteria: Relevance, Effectiveness, Impact, Efficiency, Coherence and Sustainability. It mainly contained common questions to all 3 Groups, as well as a small set of additional questions customized per Group. Respondents were asked to rate performance on the basis of four options (Excellent, Good, Modest and Poor) and a "No Opinion" when it applied. The evaluation covered the 2017-2020 period, including the first year of the COVID-19 pandemic. Moreover, Respondents were invited to elaborate short written answers on the rationale of their ratings in the text boxes (country-wise or workstream) and also elicited opinions regarding: the effectiveness of the SC, the quality of coordination with DPs, risk management/AFS response to COVID-19 and exogenous events, and attention to fragile countries.

The Survey had an acceptable response rate. The initially intended sample sizes of Survey respondents were 51 SC members and representatives from DPs; 30 staff from IMF (ICD, FAD, MCM, STA departments), LTXs and STXs, and 1,324 Trainees and Officials Beneficiaries. Due to different obstacles, the final percentage of the responses received was slightly lower than expected (15 percent) only for Group 3: Final responses per Group 1, 2 and 3 were 8, 12 and 194; which represents a response rate of 15.4 percent, 40 percent and 14.6 percent. In addition, the total number of respondents for the beneficiaries' survey was reasonably well spread across the 13 AFS countries and 8 thematic areas (workstreams) where capacity development (CD) activities were provided. On Groups 1 and 2, respondents were also fairly spread between country representatives and Donors on the former, and between IMF back stoppers and LTXs on the latter.

Hence, the total number of respondents was sufficient to extract valid indicative conclusions and trends by Group, with minimal statistically representative findings <u>within</u> thematic area (workstream) or by country. Only in a few particular cases of Group 1 and 3, the origin of country representatives' respondents was not sufficient to extrapolate some responses when referring to questions addressing countries beyond their knowledge, questions on which a majority of respondents had no opinion. In sum, the Online Survey provides three points of comparison among responses obtained on similar questions. Finally, in the Annex, the analysis adds selected verbatim from respondents on suggestions for improvement of AFS services over different dimensions explored.

Coverage of the Survey

The coverage of thematic areas by the respondents from the three Groups was well spread among the thematic areas. The three most representative areas were, in the order of importance: Public Financial Management (PFM), macroeconomic and financial statistics, and Revenue Management for Groups 1 and 2; and macroeconomic and financial statistics, macroeconomic analysis and PFM for Group 3. A zero percentage indicates no representatives: e.g. There were no representatives from Financial and Fiscal Law among respondents in Group 2.



Relevance

The perceptions of the three Groups with respect to Relevance (and Responsiveness during COVID-19 crisis) were overwhelmingly positive, with 90 – 100 percent of respondents rating them as "Good" or "Excellent." The only, but important, exceptions to this general rating were: the 14 percent share of beneficiaries rating Responsiveness as modest or poor, and the 19 percent share having "opinion"; which might reflect their higher expectations for prompter delivery of AFS services during the COVID-19 crisis.

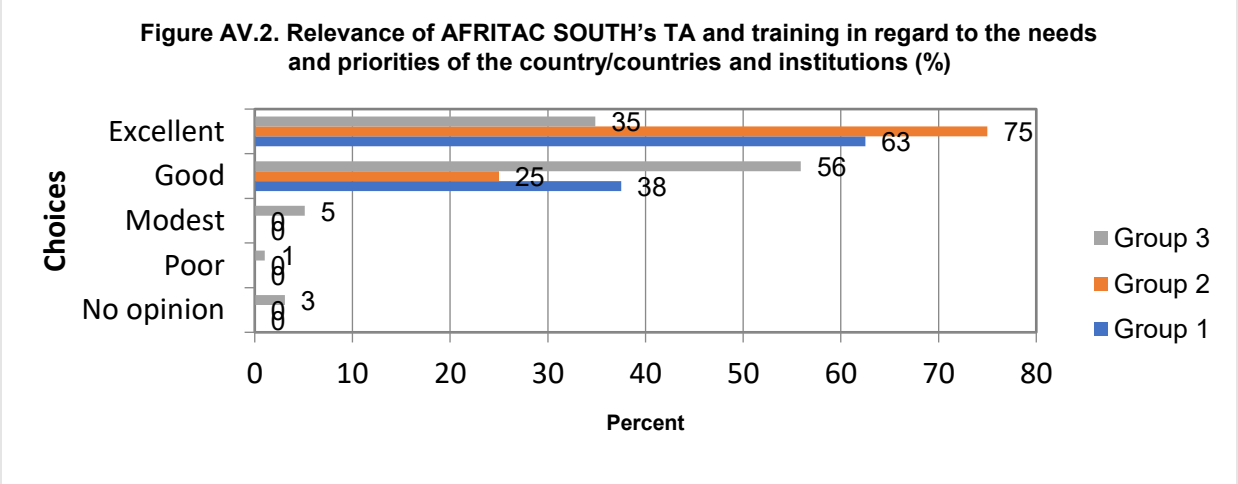
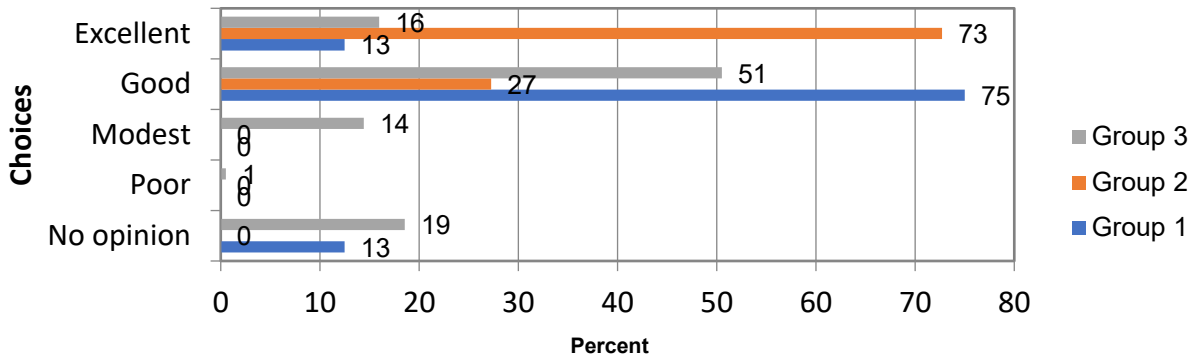


Figure AV.3. Responsiveness of AFRITAC SOUTH to the financial and economic crisis induced by COVID-19 crisis (%)



Effectiveness

The perceptions of the three Groups on Effectiveness and Attainment of Stated Objectives were overwhelmingly positive, but not so on the Effectiveness of the Result Based Management (RBM) approach. On the former two, about 80 – 100 percent of respondents rated them as "Good" or "Excellent." On the latter, in contrast, the ratings of Group 1 and 2 show some contrast: Whereas 75 percent of the SC members and DPs find the RBM approach effective, barely 45 percent of IMF staff (Back-stoppers, LTXs and STXs) endorses its effectivity, while their majority considers it—in equal shares--either modest or have no opinion. However, a majority (75 and 50 percent of Group 2 and 1) consider the indicators and milestones used as properly defined. These results point to encouraging progress in the development of the RBM framework, but still with room for improvement in their operationality. **Furthermore, the three more important challenges encountered for effectiveness among three Groups) in order of importance (graph not shown were: Low Implementation Capacity, Political Issues and Organizational Resistance to Change. And notably, unrealistic/overambitious timelines for delivery were not identified as a major challenge by any Group.**

Figure AV.4. Effectiveness of AFRITAC SOUTH services been in helping develop the technical capacities of the member countries? (%)

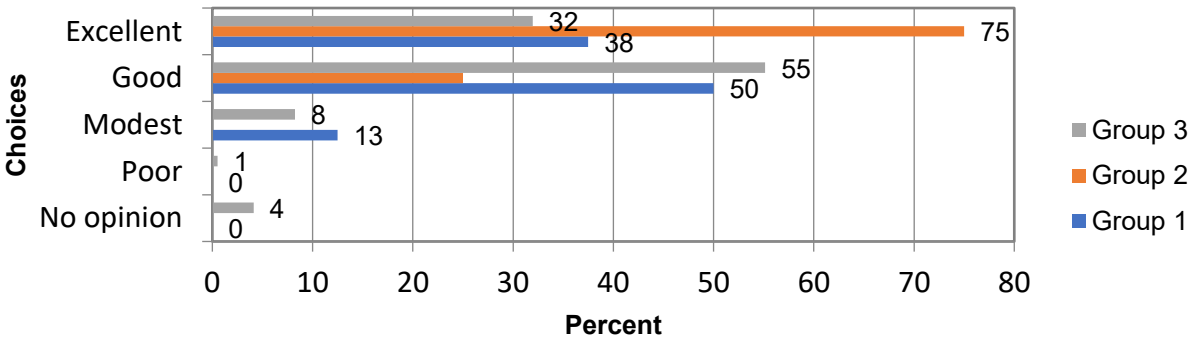


Figure AV.5. Extent that the stated objectives and results of AFRITAC SOUTH's activities are actually being reached (%)

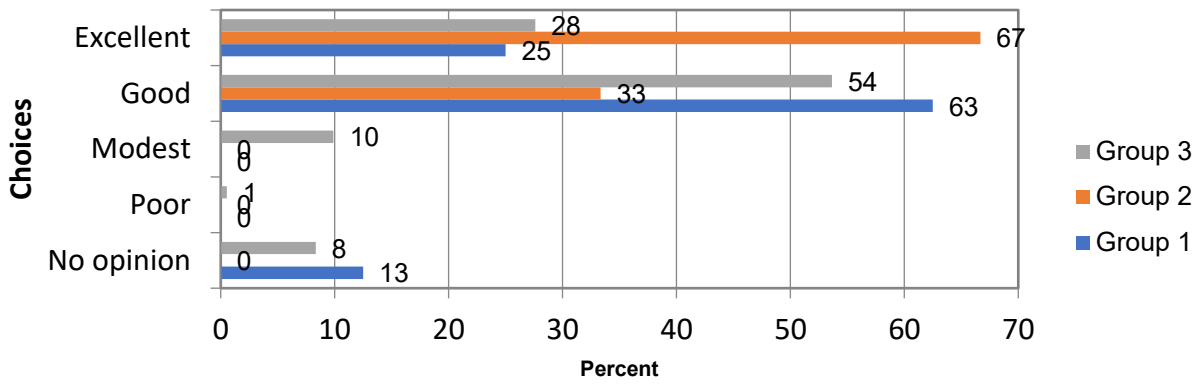


Figure AV.6. Is the Results-Based Management (RBM) approach effective? (%)

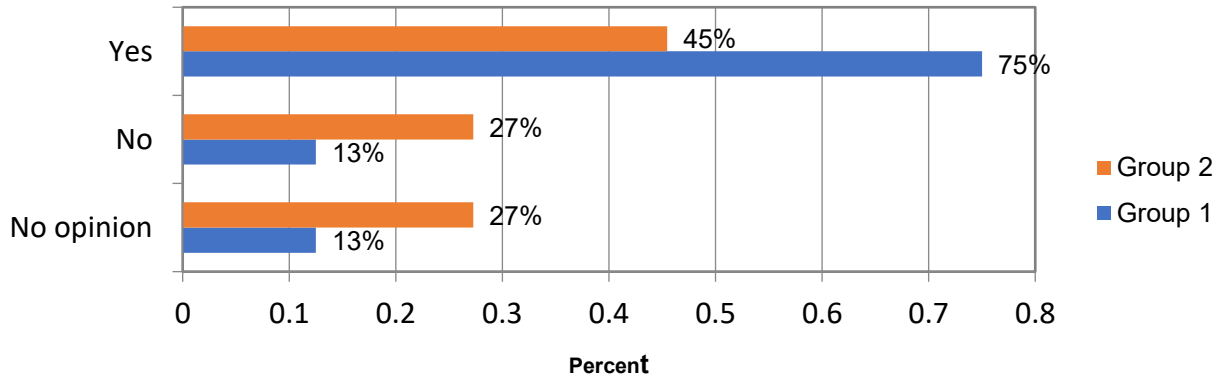
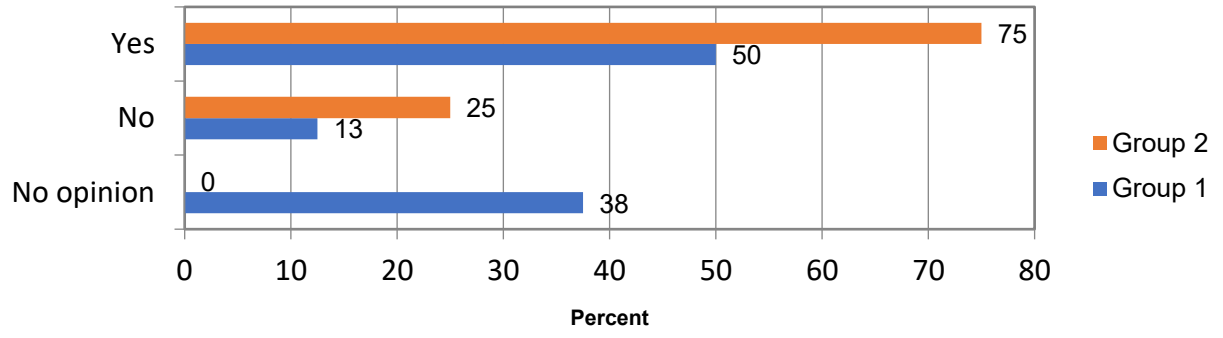


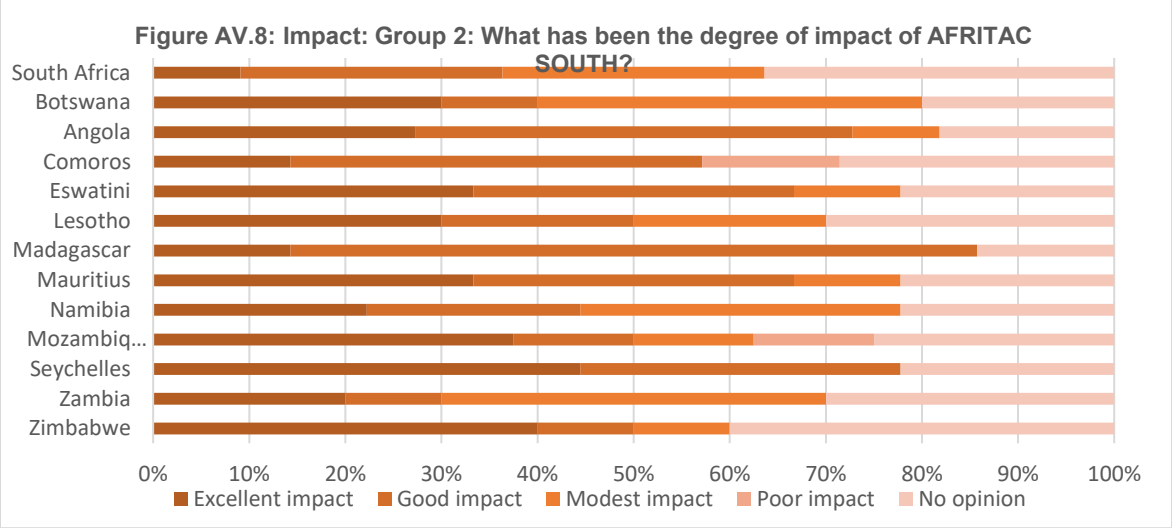
Figure AV.7. Are indicators and milestones appropriately defined, measured, and are results evaluated? (%)



Impact

The perceptions of Groups 2 and 3 on the Impact of AFS services on each country show wide dispersions. Group 1 was excluded, showing a high percentage of responses with 'No Opinion." Responses from Group

2 were mixed: About 72–86 percent of respondents rated them as “Good” or “Excellent” for Madagascar, Seychelles and Angola, but 40 percent gave “Modest” ratings to Botswana and Zimbabwe. In the same vein, responses from Group 3 were positive, but at a lower range of 39–48 percent of respondents rating them as “Good” or “Excellent” for Mauritius, Zimbabwe and South Africa. In addition, while Groups 2 and 3 consider AFS Contribution to Regional Integration as “Good” or “Excellent” in the 58-90 percent range; such rating is not shared by 25 percent of SC member and DPs, which still finds it as “Modest.” Similarly to a previous finding, the impact of AFS response to the COVID-19 crisis show a different response between Group 2 (which rates it as “Good” or “Excellent” in a wide dispersion 38-85 percent range depending on the country) versus Group 3 which rates it much lower in the 22-42 percent range.



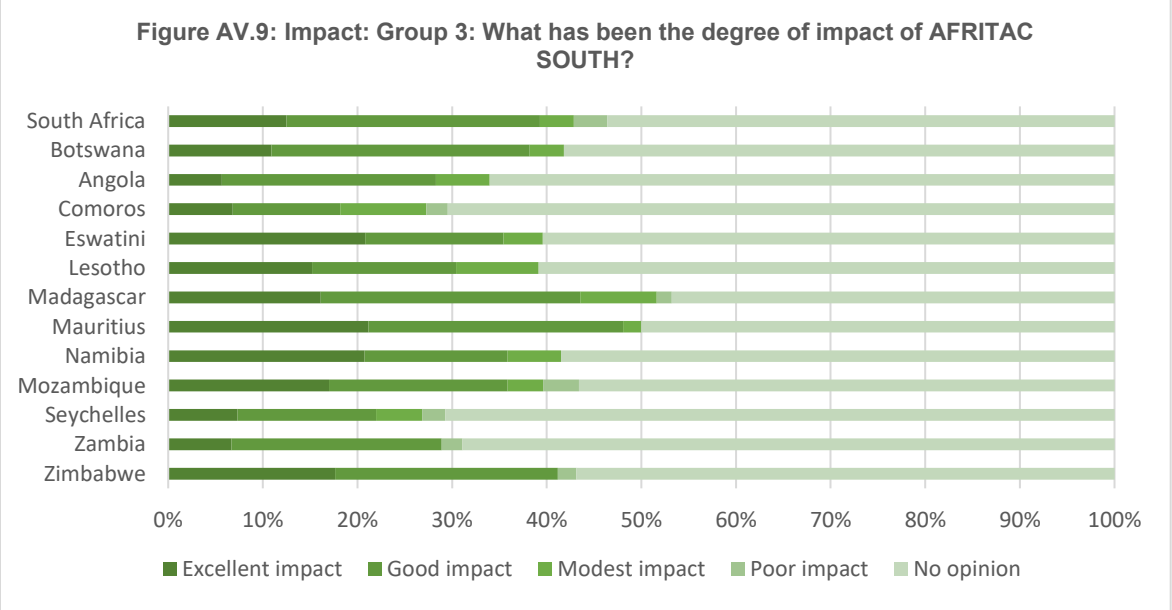


Figure AV.10: Impact: How do you rate AFRITAC SOUTH's contribution to regional integration (policies, institutions, trade) and regional institution-building? (%)

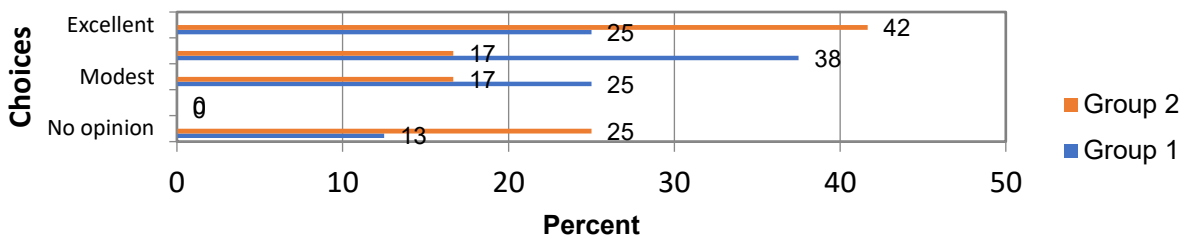


Figure AV.11: Impact : Group 2: How do you rate the impact (and effectiveness) of AFRITAC SOUTH's response to the COVID-19 pandemic? (%)

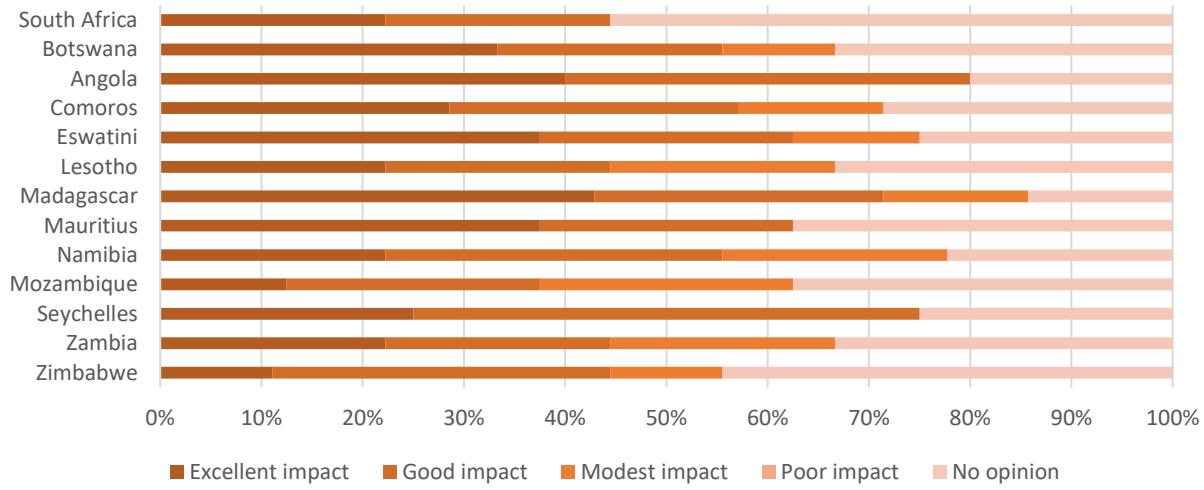
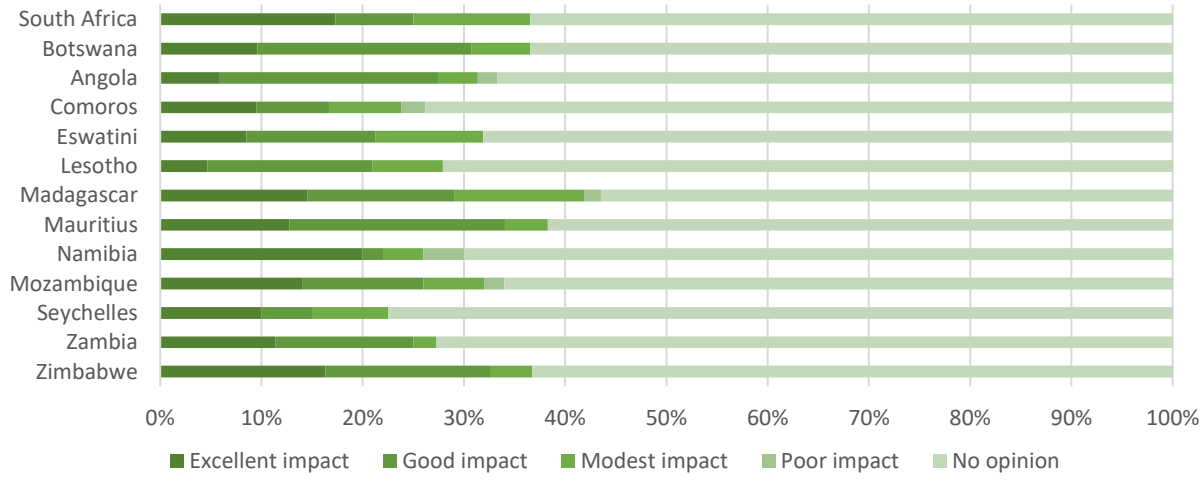


Figure AV.12: Impact: Group 3: How do you rate the impact (and effectiveness) of AFRITAC SOUTH's response to the COVID-19 pandemic? (%)



Efficiency

The perceptions of all Groups on the Efficiency of AFS services is overwhelmingly positive. In terms of alternative scores for efficiency, the ratings were highest for quality—range of 90-100 percent, timeliness—range of 78-100 percent, and then successively for cost-efficiency—range of 58-75 percent. A large majority of Respondents from all three Groups—range of 49 to 83 percent--also find no systematic delays in executing annual workplans.

Figure AV.13: Efficiency : How do you rate the quality of AFRITAC SOUTH activities in general? (%)

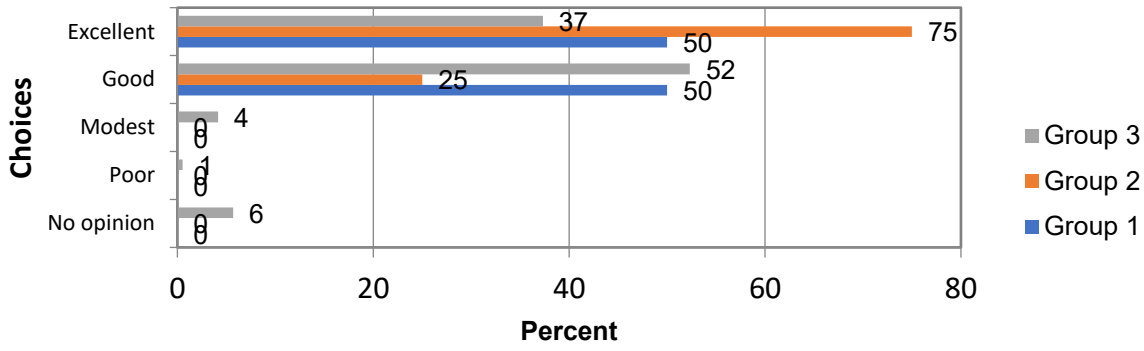
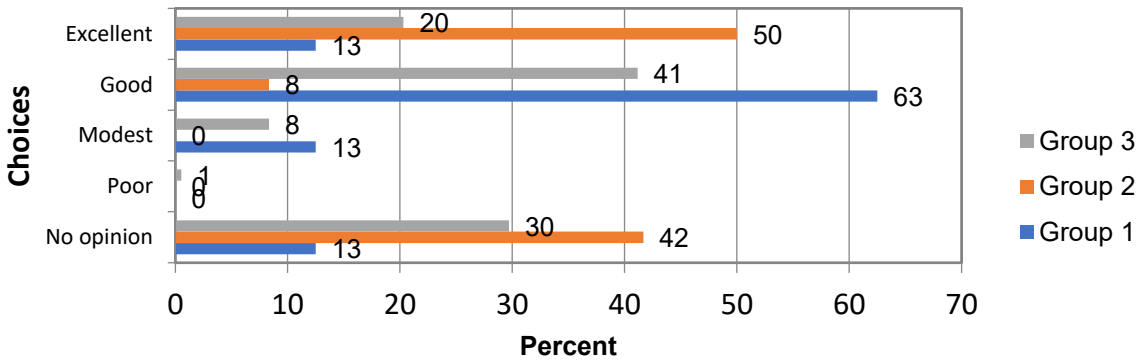
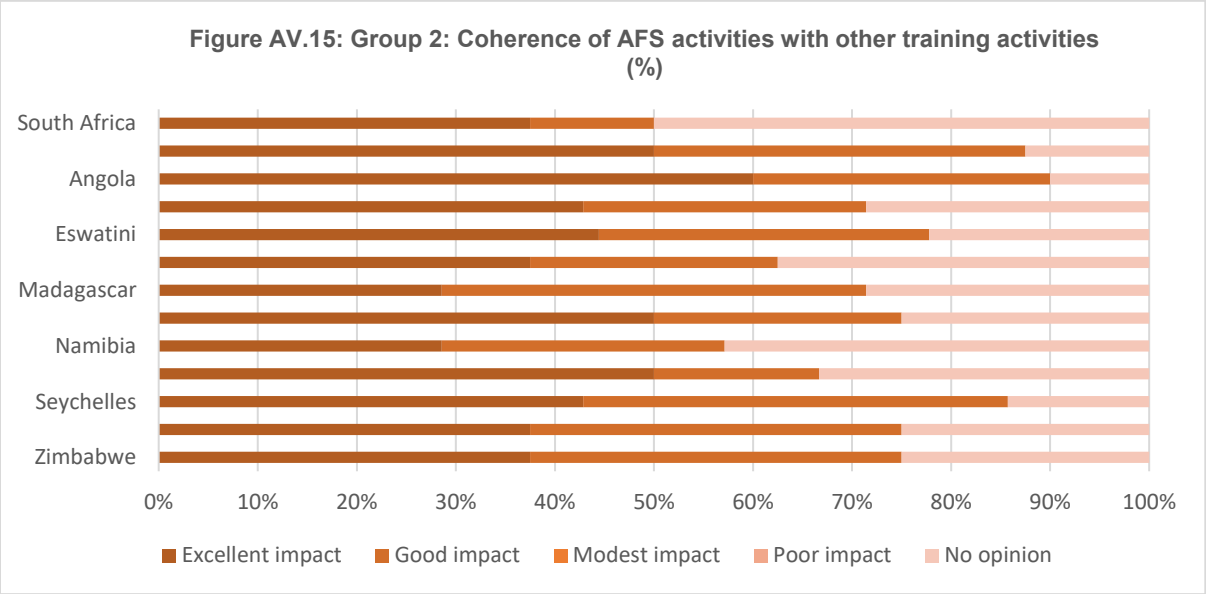


Figure AV.14: Rating Cost-Efficiency of AFS Activities (%)



Coherence

The Coherence of AFS activities with other regional training activities also show high ratings. Excluding Groups 1 and 3, showing very high percentages of responses with 'No Opinion" for AFS services provided in several countries, responses from Group 2 were very positive, with 85–90 percent of respondents rating them as "Good" or "Excellent" for AFS activities developed mainly in Angola, Botswana and Seychelles. Moreover, about 49-88 percent of respondents in all three Groups indeed find that AFS services have comparative advantage with respect to other sources of CD provision; even though 25 percent of SC members and donors still find donor coordination as "Modest."



Sustainability

Regarding the Sustainability of AFS services provided in several countries, responses from Group 2 were mixed. On the one hand very positive, with 75–88 percent of respondents rating them as "Good" or "Excellent" for AFS activities developed in Seychelles, Madagascar and Eswatini. On the other hand "Modest" in Botswana, Zambia and South Africa -- 20 to 33 percent range. Groups 1 and 3 were excluded, showing very high percentages of responses with 'No Opinion." However, all three Groups also converge at the three key factors that impact on the sustainability of AFS services, in the order: Lack of skilled/capable staff, insufficient support from member countries/budget and lack of systems and organizational capacity. Finally, more varied are their suggestions for improving its sustainability: Use of innovative mechanisms (e.g. training of trainers, etc.), better measurement of what trainees do and follow up of TA activities, and linkage with other CD programs (Group 1); make TA and training part of a medium-term program, better measurement of what trainees do and follow up of TA activities, and linkage with other CD programs (Group 2); and make TA and training part of a medium-term program, better measurement of what trainees do and follow up of TA activities, and increased selectiveness of AFS type of CD provision based on country capacity, readiness and receptivity of targets (Group 3).

Conclusion

In terms of average scores, and summarizing per DAC criteria, the ratings were highest for Relevance, and then successively for Effectiveness, Efficiency, Sustainability and Impact. Below, in the Annex, the reader can find important suggestions for improvement from the Respondents of the 3 Groups.

Figure AV.16: Sustainability : How do you rate the sustainability of AFRITAC SOUTH's activities and interventions? (%)

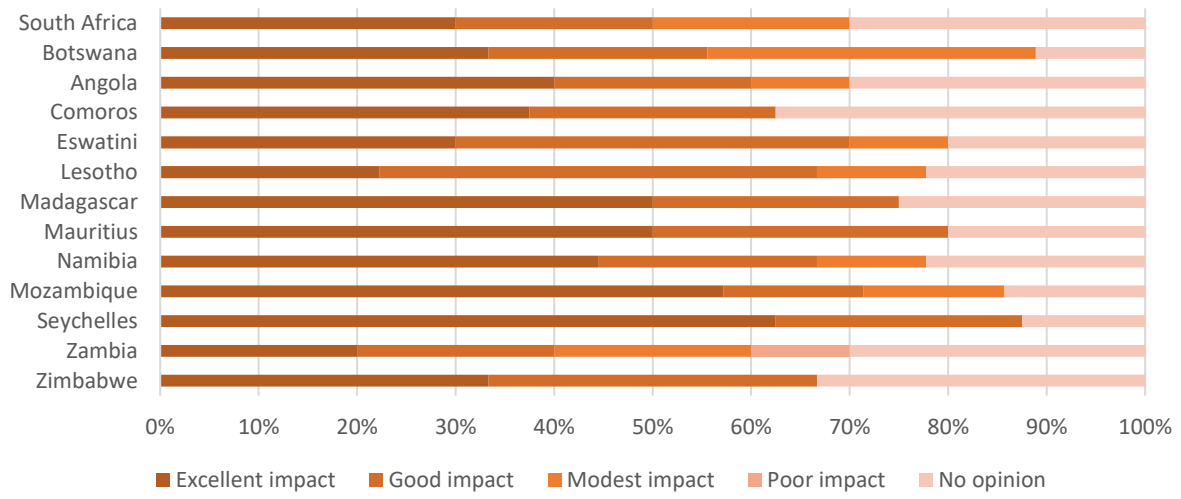


Figure AV.17: Sustainability : How do you think the sustainability of AFRITAC SOUTH's activities and interventions could be improved? (%)

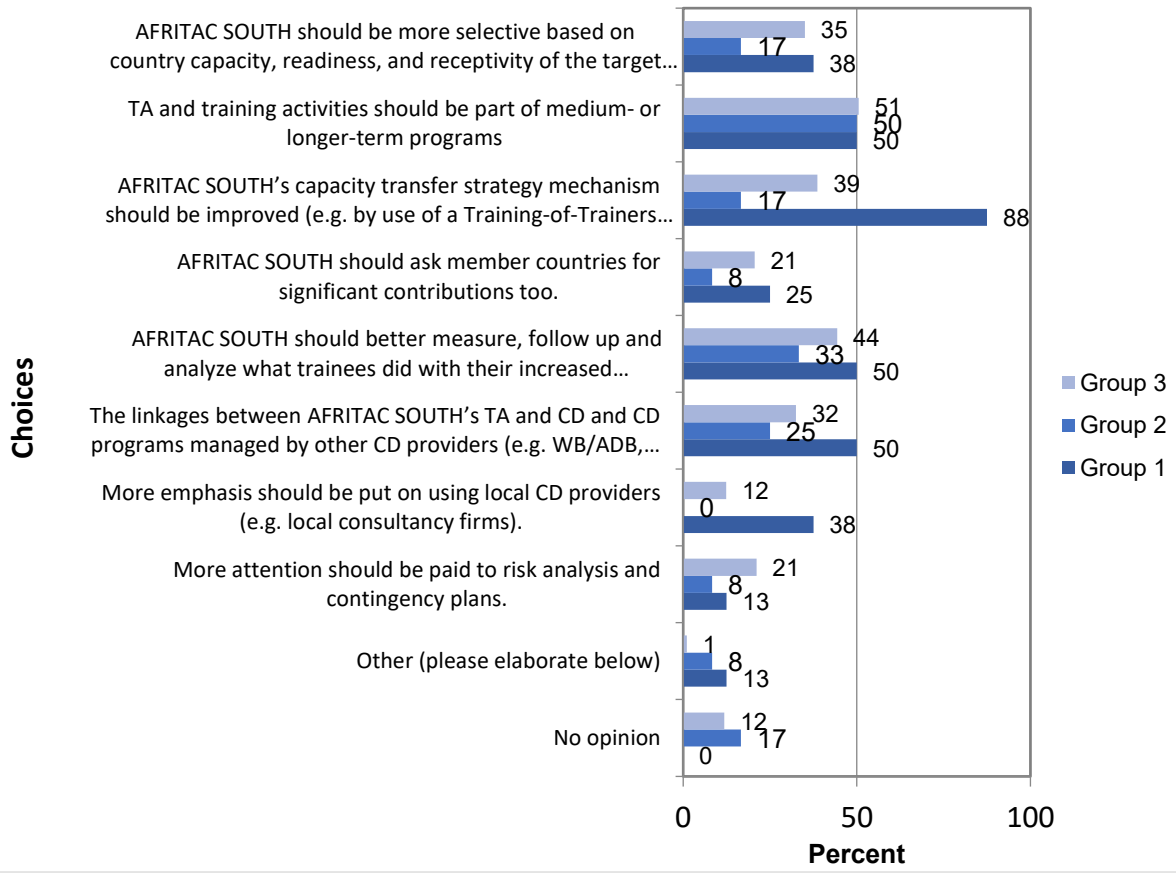
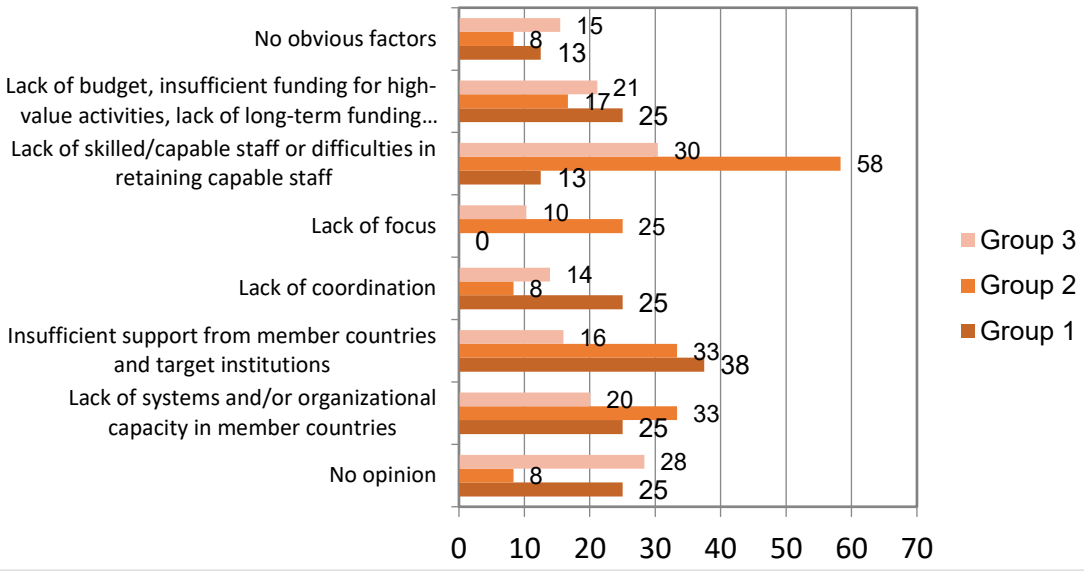


Figure AV.18: Sustainability : What key factors impacted sustainability in a negative way? (%)



ANNEX on Survey: Selected verbatim on DAC Criteria

I. Relevance : How do you rate the relevance of AFRITAC SOUTH's TA and training in regard to the needs and priorities of the country/countries and institutions?

a. What could have been done better?

Group 1	Group 2	Group 3
To accompany the institutions after the interventions.	More hands-on training to fill identified capacity gaps	Dar formações na lingua oficial de um determinado pais.
AFRITAC activities are usually assessed at output level rather than outcome	With COVID-19, AFS TA plans were updated for each country to meet its emerging needs and to maintain focus on key regulatory and supervisory reforms. In response to countries' specific requests, many TA were organized (for example, TA to Zimbabwe on banks' remote examination, Mauritius on digital banking licensing framework, etc.). Huge work was done in establishing the AFS MCM Cybersecurity Initiative (Botswana, Mozambique, Namibia, Zambia and Zimbabwe).	It would be ideal for the TA recommendation to be customized/aligned to the country's structural and economic settings other than recommendations which are hard to implement.
For some countries, like SA, the AFRITAC South team has as key stakeholders (National Treasury for instance) not as strong as it should be. This might be because the IMF country office is not perceived as very present/strong.		Sometimes countries are invited on training which are not within their training needs. Trainings should be tailor made for specific countries or grouping countries that have the same policies. e.g same exchange rate policy, forecasting tools. I attended a training on monetary policy and forecasting and the tools or software used was one which most of us were not familiar with.
		Compte tenu de la situation sanitaire, la durée de formation est assez restreinte du fait des séances organisées en ligne.
		Online price index seminars and courses will greatly help member countries to conform and ensure continued adherence to international standards and practice. Secondly, a little bit of programming is necessary for price statisticians for the continued improvements to be made.
		Improved screening of participants so that the relevant ones are trained.
		More concertation with authorities on required training. More focused training on practical issues being faced.
		Customized modelling. Namibia has its unique setup being in a monetary union with a fixed exchange rate and limited monetary policy independence. Most modelling techniques require variables such as exchange rate and inflation to respond to policy decisions. In addition, we did not have MATLAB and that limited us from learning more from trainings.
		Plus d'échanges avec ce que font les autres pays

		In addition to the tax audit management principles, we need guidance on coming up with Audit Plan, Compliance Plans and Compliance Improvement Plans for the Revenue Authority (BURS).
		Provision of practical examples and sharing of other countries; experience especially in area of Producer Price Index.
		To have refresher training each year
		More case studies.
		My personal preference is more of on the site training
		Involvement staff on lower levels, i.e. junior management and lower
		Try to engage Consultants who are close to member countries or from countries that face similar economic challenges, and among regional member states
		Mais formações em português
		L'assistance après la formation
		Follow-up TA's to assess effectiveness of implemented recommendations in the local context.
		More awareness of the services offered by AFRITAC South

Relevance : How do you rate the responsiveness of AFRITAC SOUTH to the financial and economic crisis induced by COVID-19 crisis?

What could have been done better?

Group 1	Group 2	Group 3
More consultation and interactions with relevant institutions before and after interventions.	When COVID-19 pandemic started, many regional webinars were organized to AFS member countries to support central banks/supervisory authorities to deal with COVID-19 impact: webinars on banking, insurance, cybersecurity based on the IMF COVID-19 Notes, series of regional webinars on crisis preparedness and resolution, regional webinar on unwinding COVID-19 policy interventions for banking systems (AFS together with MCM).	One would expect the linkages of health experts and health economics experts to assist in the process.
The IMF acted as swiftly as possible to the new reality. I hope that the positive aspects of this crisis - virtual missions and training - will be incorporated in a blended approach and used wherever they bring value-added to the IMFs work.	It is not something that AFRITAC South, in those extraordinary circumstances, could have done better, but I think that on-site TA missions would need to resume sooner than later for central banks with limited capacity. The effectiveness of on-site TA in those countries is just better than in a virtual environment.	Training online demands a lot of discipline and ability to share within teams. But it's difficult online. Some analysis demand physical presence
		Spécifier COVID à la différence aux réponses aux autres pandémie (Ebola ...)

Group 1	Group 2	Group 3
		La gestion budgétaire pendant la période de crise
		Helping countries who struggle to use digital platforms on their daily operations.
		Early equipment of member states on how to plan during crisis periods
		By arranging for country specific intervention measures.
		Maybe some form of assessment on what financial assistance is needed.
		Maior envolvimento com os stakeholders locais
		Awareness on how the organization would assist during the crisis
		La capacité d'adaptation face aux contraintes de la covid-19 est remarquable, mais certains cours devraient être rendus accessibles avec moins de contrainte d'admissibilité et flexible suivant les horaires disponibles des bénéficiaires.
		Partager les problèmes posés par la COVID-19 rencontrés par les pays, et partager les approches ou les solutions de chaque pays pour les résoudre ou les affronter
		Accompagnement des Banques Centrales pour faire face à l'émergence des nouveaux acteurs (fintech...), au nouveaux services, canaux de paiement, changements des habitudes de paiement et sa règlementation et surveillance
		More virtual training on bank supervision.
		Co-ordinate training on responsiveness to crisis for high-level staff in central banks and Government.
		Moçambique tem se beneficiado de algumas capacitacoes da Afritac no qual agradecemos. Afritac poderia dar alguma assistencia de monitoria das analises feitas pelo paises para avaliar a consistencia, sobretudo de algumas metodologias novas, como é o caso do teste de stress fiscal no caso da Covid-19
		Intensively engage countries through digital platforms
		More country experiences to complement the TA provided by trainees

II. Effectiveness : To what extent are the stated objectives and results of AFRITAC SOUTH's activities (e.g. TA missions, trainings) actually being reached in your opinion?

What could have been done better?

Group 1	Group 2	Group 3
	The virtual environment is a challenge for delivering effective TA to central banks with modest technical capacity. Some things just	Melhorar a monitoria das analses dos países

	work better in presence of local colleagues.	
		La sensibilisation des autorités
		Periodicity of Needs assessments may need to be increased in order to customize training to suit the fast-evolving macro-fiscal landscapes for member countries. AFRITAC should understand the varying degrees of technical capacities in pairing/grouping members for courses.
		Increased number of TA missions
		Trainings are provided but is difficult for AFRITAC to ensure that institutions implement the trainings thereafter.
		Follow up and documentation is lacking because the focus is TA only. It will be ideal that every TA is accompanied by potential training on a specific topic and not wait for training to all countries.
		Training is often reserved for top management, who fail to pass on the knowledge

Rating the effectiveness of AFS RBM logframe and use of indicators

What could have been done better?

Group 1	Group 2	Group 3
More training and assessment	Challenges and risks are discussed during regular monthly meetings among AFS LTX, AFS TA Manager (MCM TA Division) and HQ MCM FR backstopper of LTX, and problem solving decisions are made. Also, AFS LTX has daily interactions with MCM experts.	They could have been designed country-specific.
		A better understanding of country-specific work and management culture helps better respond to management-related challenges.
		La gestion des risques en période de crise
		Apresentar mais metodologias de análise e quatificação dos riscos fiscaise como os incorporar no orçamento do Estado
		Aspects financiers

III. Impact: What is the degree of Impact of AFRITAC SOUTH?

What could have been done better?

Group 1	Group 2	Group 3
It is important to aim for longer-term engagement/multi-annual projects as impact cannot be	AFS intervention has been as expected and the actual impact is dependent on the country circumstances and willingness to change.	Some recommendations are only effective with structural changes that cannot be done in the short term due to resistance to change, long processes and procedures & shortfall in funding

achieved in the short term.		
		AFS should conduct impact measurement
		Ensure the organization implement some of the recommendations
		Awareness
		The learnings have been fruitful - countries area willing to embed what is relevant per country.
		After the workshop should be given recommendations, and we should have continuous review
		Conduct of better follow up processes
		We could have better political support.
		Le suivi et le contrôle des impacts
		More practical/on the job training

III. Impact : How do you rate AFRITAC SOUTH's contribution to regional integration (policies, institutions, trade) and regional institution-building?

What could have been done better?

Group 1	Group 2	Group 3
Better harmonization and coordination and reporting.	AFS has been supporting central banks of Comoros, Zimbabwe and Mozambique. These countries are treated as priority countries. Comoros has been updating Basel II/III regulatory framework with the support of AFS STXs from Banque de France. Recently, Zimbabwe received AFS TA on remote examination of banks (AFS STXs from Netherlands, Ghana and Thailand).	Prévoir des assistances techniques beaucoup plus rapprochées.
IMF should collaborate more with existing regional organizations (ATAF to name just one organization).	Language is an issue. When organizing TA in French (Comoros) and in Portuguese (Angola) to facilitate TA absorption by central banks adding short-term experts (from France and Portugal) to our roster.	Manter o intercambio e acontinuação das formações

IV Efficiency: What could have been done better?

Group 1	Group 2	Group 3
The IMF has very strong quality monitoring systems in place. Sometimes a bit of an overkill.	In FY21, spending was significantly lower for TA activities in this area (due to virtual TA), but LTX work exceeded expectations	Consultations and tailor made trainings will be good. in addition, on job training and or attachments should be encouraged by Afritac as a follow up to the training attended.
		TA is better when participants have different levels of knowledge and course contents can be reduced to have

		more focus (group fewer models per course and present more courses). This is much more possible with online delivery.
		A programação das formações, sobretudo, deviam ser remetida aos países no ano anterior a sua realização

IV Efficiency: Cost-effectiveness

What could have been done better?

Group 1	Group 2	Group 3
Increase contribution of other countries	In the future, it would be good to deliver more TA in person.	Training could now possibly happen online instead of travelling to other countries. However time-zones may only allow training for a part of the day - so training may be split over a couple of days or weeks.
		There is room for improvement on the time taken to inform participants on whether they have been admitted or not for trainings applied for.
		Sometimes there is no need for TA but they are provided regardless. i.e No point in providing TA for same work to the same people every time. That is waste of resources

IV Efficiency : How do you rate the impact and effectiveness of AFRITAC SOUTH's response to the COVID-19 pandemic?

What could have been done better?

Group 1	Group 2	Group 3
More consultations with member countries.	AFS (timely update TA plans for each country to meet its emerging needs and to maintain focus on key reforms.	Resistance to behavioral change is an issue
Not much traction seen in South Africa, as the SA government was not capable to approach the IFIs or the donors for specific requests/support it needed.		The information. Issue a report on interventions made
		Nous pouvons appliquez désormais les techniques identifiées liées à la COVID-19
		It probably depends on country restrictions and Covid being a black swan that AFRITAC will react to better in future.
		Better prepare members for future crisis.
		Could have covered more areas
		Appoint national contact persons to facilitate and co-ordinate the AFRITAC South activities nationally.

V. Coherence

Group 1	Group 2	Group 3

More consultations prior to interventions	In banking regulation and supervision, if IMF provides TA (FSSR and FSSR Follow-up in Zimbabwe, Lesotho), all TA is coordinated with AFS.	In case of Angola the issue of corresponding banks could be better addressed, for the good of macroeconomic management.
The alignment with government is often excellent. However, coordination with donors (EU, SECO, BMZ etc) and the World Bank could be more proactive.		It is always important to engage the other agencies on their work streams to increase complementarity and avoid duplication of efforts.
Une meilleure coordination de toutes les initiatives		Need for improved coordination
		More synergy is required between the TAs from different organizations; there are instances where recommendations to the country are conflicting

VI. Sustainability : Please specify what could be done better (e.g. personnel rotation in recipient ministries/organizations, budget, ways to overcome political/institutional constraints,…).

Group 1	Group 2	Group 3
Need to remove institutional constraints		Rotation is ideal but we are limited on the number of staff
Every project should have a sustainability strategy and milestones/objectives. For that, it is also important to work in multi-years programs - single missions hardly contribute to sustainability.		Consider having focal/contact persons in each country/ministry/agency for ease of communication and sharing of information and have them publicised
		Rotations of experts
		Attach experts to some countries in technical areas in order to have meaningful impact. In some case 2weeks training may not be effective.
		Governments do not have incentives for retaining staff.
		Use more experts from African countries
		Identifying Champions of change and Trainers in institutions works better for continuity although individuals leave. Development of manuals may be useful when there is high staff turnover. Reports are seldom read, especially if lengthy.
		Personnel rotation in recipient organizations, added budget for training and software and encouragement of independent projections and analyses

		Periodic trainings to capture new staff and assist in drawing country specific manuals that can be used in the absence of training
		On peut plaidoyer une meilleure motivation pour le personnel pour qu'il préfère rester dans le domaine
		Faire des stages dans les pays où les réformes sont bien avancées
		Political commitment from Government to support the interventions
		Find strategies of institutionalizing skills
		Trouver moyens de surmonter les contraintes politiques, institutionnelles
		Faire face au népotisme aux ministères/dirigeants et la non-pénalisation de la corruption
		The problem is funding to implement the suggested improvement.
		Increasing trained pool to counter employee exodus
		Overcome political/institutional constraints

VI. Sustainability : What other factors impacted sustainability in a negative way?

Group 1	Group 2	Group 3
Budget constraint	Lack of willingness to make substantial changes in ways of operating.	Government budget limited and subject to cuts. Some of the knowledge from trainings is frustrated by the challenge of implementation in the member countries due to resource constraints both human resources and financial.
Fly-in-fly-out missions is not suitable when it comes to sustainability. Another factor is missing reform: if we fix a specific technical issue but the reform are not happening, there will be no sustainable result.	PFM reform is very difficult in any circumstance. To be successful requires focus to drive toward objectives relentlessly over time. Resources with this kind of commitment are hard to find in failing bureaucracies.	Les problèmes d'ordre politique et instabilités institutionnelles

Annex VI: Resource Allocation Statistical Tables

Status of the Budget Phase II. By end-FY21, the total funding gap with respect to the initial budget was USD 4.9 million (8 percent) of the original budget. AFS Phase II program budget is funded by a combination of grants from DPs and member countries (***Table AV.1***). Until end-FY21, together they had committed USD 47.8, fully disbursing an amount of US$ 46.2 million.[11] Added resources come from in-kind contributions from the IMF, including the funding through internal transfers, host country and members' contributions. The under-execution across CD activities, due to prolonged travel restrictions during the pandemics, has led to significant savings that have temporarily though only partly compensated for the shortfall in the funding gap.

Contributions per development partner. The European Commission's contribution represents almost 50 percent of total contributions. The next largest contributions were from Germany, Switzerland, and the United Kingdom. China, Netherlands, Australia and member countries contributed with smaller amounts.

Table AVI.3 AFS: Status of Financial Contributions by development partners and members, end-FY21

Agreement/Amendment Information			Contribution Received	Contribution Expected (U.S. Dollars)	
Partners/Members	Signed Date	U.S.Dollars	U.S.Dollars	Requested	Future Contrib.
PARTNERs		44.3	44.3	-	0.02
Australia	5/23/2016	0.2	0.2	-	-
China	7/13/2018	2.0	2.0	-	-
European Commission	Pending	24.7	24.4	-	-
European Investment Bank	4/19/2018	0.2	0.2	-	-
Germany	12/11/2018	2.8	2.8	-	-
Germany	11/30/2017	3.0	2.9	-	-
Netherlands	11/6/2015	1.1	1.2	-	-
Switzerland	10/8/2016	5.1	5.1	-	-
United Kingdom	10/11/2017	1.5	1.5	-	-
United Kingdom	12/12/2018	3.7	3.8	-	0.02
MEMBERS		3.5	1.9	0.7	1.0
Angola	10/1/2018	0.3	0.3	-	-
Botswana	8/28/2017	0.5	0.2	0.3	-
Madagascar	12/21/2018	0.5	0.1	0.3	0.1
Mozambique, Republic Of	12/22/2017	0.5	0.5	-	-
Namibia	12/2/2019	0.5	0.3	-	0.3
Seychelles	12/20/2017	0.5	0.2	0.1	0.2
South Africa	3/21/2018	0.3	0.3	-	-
Zambia	8/28/2017	0.5	0.1	-	0.4

[11] DPs are Australia, China, the European Commission, the European Investment Bank, Germany, the Netherlands, Switzerland, United Kingdom (UK). Regional organizations are the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

PARTNERS AND MEMBERS TOTAL	47.8	46.2	0.7	1.0
Internal Transfers TOTAL	0.2	0.2	-	-
UNDER NEGOTIATION TOTAL	2.0			
Comoros	0.5			
Eswatini	0.5			
Lesotho	0.5			
Zimbabwe	0.5			
HOST COUNTRY	2.0	1.2	-	0.8
Cash	2.0	1.2	-	0.8
IMF	2.6			
GRAND TOTAL	54.6	47.6	0.7	1.8
PROGRAM DOCUMENT BUDGET	59.6			
	-4.9			

Source: AFS Secretariat

The main noticeable changes in the status of milestones *per country* are as described below.

- Overall compliance across countries with fully or largely achieved milestones also decreased from 82 percent to 55 percent.
- Slow performers in FY19 – Angola and Zambia – did not reach 67 percent of compliance across countries with fully or largely achieved milestones. Moreover, their performance further deteriorated in FY20 to 50 and 33 percent respectively. Other countries whose performance was significantly hit by the pandemics were Mozambique and Mauritius at below 43 percent.
- Similarly, among best performers in FY19 – Comoros, Lesotho, Mozambique, South Africa, and Zimbabwe, only South Africa managed to keep compliance above 80 percent in FY21. Zimbabwe, Comoros, and Lesotho slowed down to around 67 percent.

  All remaining countries – Botswana, Eswatini, Madagascar, Namibia and Seychelles – also had a marked decrease from their FY19 levels of compliance with fully or largely achieved milestones. However, Botswana and Zambia's increase in partial compliance above 44 percent reflects that significant work was on the move but is still not yet fully materialized.

Table AVI.2. Status of Milestones by Country

By Funding Program	Total Milestones	Fully or Largely Achieved	Partially Achieved	Not Achieved
FY19	195	82%	13%	5%
Angola	14	57%	29%	14%
Botswana	23	87%	13%	0%
Comoros	7	100%	0%	0%
Kingdom of Eswatini	21	81%	5%	14%
Lesotho	15	93%	7%	0%
Madagascar	13	77%	15%	8%
Mauritius	15	73%	20%	7%
Mozambique, Republic Of	5	100%	0%	0%
Namibia	14	71%	21%	7%
Seychelles	34	88%	12%	0%
South Africa	2	100%	0%	0%
Zambia	18	67%	28%	6%
Zimbabwe	14	93%	0%	7%
FY20	198	55%	23%	22%
Angola	15	60%	0%	40%
Botswana	18	50%	44%	6%
Comoros	9	67%	11%	22%
Kingdom of Eswatini	21	57%	24%	19%
Lesotho	21	67%	5%	29%
Madagascar	11	55%	27%	18%
Mauritius	14	43%	29%	29%
Mozambique, Republic Of	10	40%	0%	60%
Namibia	18	56%	33%	11%
Seychelles	18	61%	22%	17%
South Africa	6	83%	17%	0%
Zambia	24	33%	50%	17%
Zimbabwe	13	69%	8%	23%

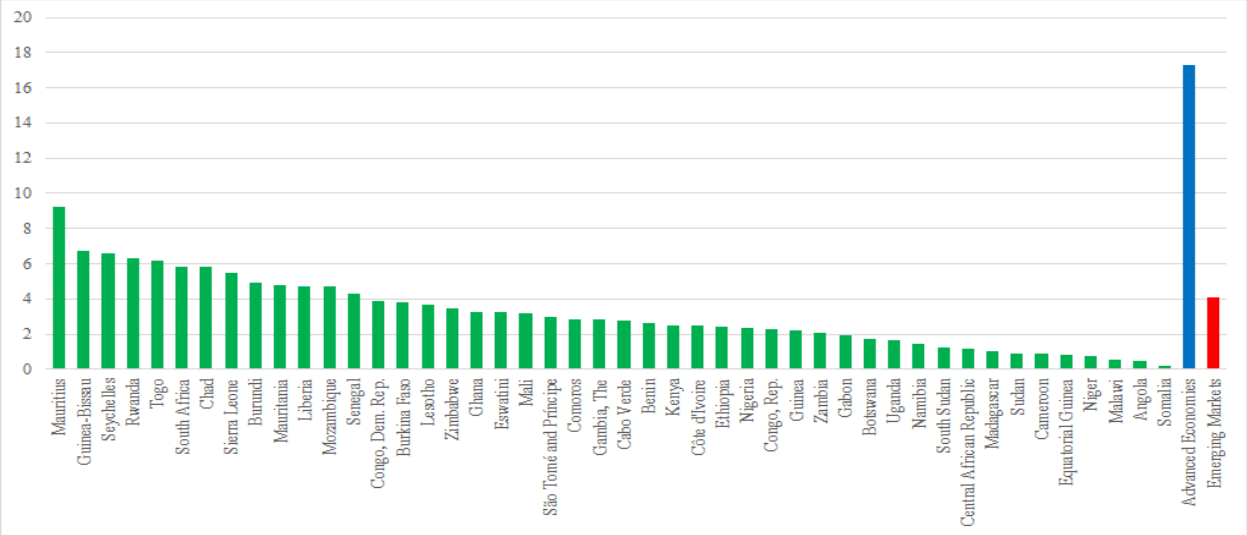
Source: Preliminary data provided by RTAC-AFS Secretariat.

Table AVI.3 Status of Milestones by Funding program

Funding Program	Total Milestones	Fully or Largely Achieved	Partially Achieved	Not Achieved
FY19	195	82%	13%	5%
AFS Banking Supervision and Regulation (BSR)	20	90%	0%	10%
AFS Financial Market Infrastructures (FMI)	16	69%	31%	0%
AFS Money & FX Market Operations (MPO)	43	74%	26%	0%
Customs Administration (CADM)	5	100%	0%	0%
Financial and Fiscal Law in AFRITAC South (FFL)	4	25%	0%	75%
PFM AFRITAC SOUTH	40	80%	20%	0%
Real Sector Statistics in AFS (RSS)	47	85%	4%	11%
TAX Admin AFRITAC (TADM)	20	100%	0%	0%
FY20	198	55%	23%	22%
AFS Banking Supervision and Regulation (BSR)	33	15%	21%	64%
AFS Financial Market Infrastructures (FMI)	16	25%	31%	44%
AFS Money & FX Market Operations (MPO)	29	38%	55%	7%
Customs Admin AFRITAC South (CADM)	11	100%	0%	0%
Financial and Fiscal Law TA in AFRITAC South (FFL)	6	33%	0%	67%
PFM AFRITAC South	37	43%	46%	11%
Real Sector Statistics in AFS (RSS)	41	90%	0%	10%
TAX Admin AFRITAC South (TADM)	25	92%	4%	4%
FY21	284	68	22	5
AFS Banking Supervision and Regulation (BSR)	42	65	7	8
AFS Financial Market Infrastructures (FMI)	10	55	25	10
AFS Money & FX Market Operations (MPO)	59	50	48	2
Customs Admin AFRITAC South (CADM)	66	63	25	13
Financial and Fiscal Law TA in AFRITAC South (FFL)	10	16	5	0
PFM AFRITAC South	21	68	29	2
Real Sector Statistics in AFS (RSS)	42	86	7	6
TAX Admin AFRITAC South (TADM)	34	94	3	3

Source: Preliminary data provided by AFS Secretariat. Note: Total Milestones include those awaiting rating.

Figure AVI.2. Discretionary Fiscal Response to COVID-19 in Sub-Saharan Countries (% of GDP)



Sources: World Bank 2021 based on Database of Country Fiscal Measures in Response to the COVID-19 Pandemic and IMF staff estimates.

Figure AV.3. **highlights the main barriers to implementing sustainable institutional reforms as highlighted by respondents of Group 2 (LTX, STX and IMF back-stoppers) to the Online Survey.** These barriers are: Lack of skilled staff and capacity to retain them/rotation (31 percent), insufficient support and organizational capacity in target institutions (17 percent each), lack of focus on sustaining CD recommendations (13 percent), and insufficient budget for CD and follow-up activities (9 percent). This distribution seems to be replicated, with minor variations, across all Groups of respondents. However, interviews indicated that Central Banks – followed by ministries of Finance and Customs – have fewer problems in this regard. Lack of skilled staff and their rotation, however, is rather particularly pronounced in institutions that are integrated into Government departments, like the Institutes of Statistics. They also feature an ineffective organization and small budgets that often translate into weak human resource management and poor performance, even for those departments that are legally considered as functionally autonomous.

Figure AV.3. Group 2: Key Factors Impacting Sustainability in a Negative Way (%)

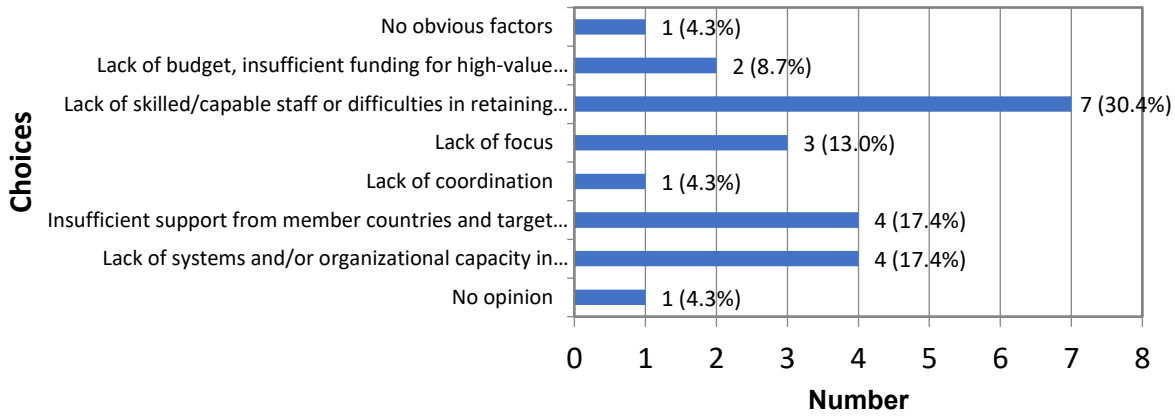


Table AVI.4: Seminar/Courses evaluation ratings

Financial Years	Dates	Technical	Administrative	Overall
Seminars/courses		**Out of 5**	**Out of 5**	**Out of 5**
FY 2017				
TAX-Revenue Administration-Fiscal Information Tool	9-13 May 2016	4.60	4.64	4.62
BSR Seminar on AML/CFT	16-20 May 2016	4.66	4.43	4.55
MPO Seminar on Monetary Policy Communication	23-27 May 2016	4.57	4.48	4.53
PFM Seminar on Managing Government Compensation and Employment: Institutions, Policies and Reform Challenges	20-23 June 2016	4.64	4.59	4.61
PFM Seminar on Organization of Central Government Finance Functions	15-19 August 2016	4.64	4.53	4.59
TAX Seminar on Taxation for Extractive Industries	17-21 October 2016	4.54	4.41	4.48
FMI Seminar on Payment System Sight	24-28 October 2016	4.72	4.37	4.55
MPO Seminar on Improving Monetary Policy	7-11 November 2016	4.37	4.31	4.34
BSR Enhancements to the Basel process – Revisions to standardised approaches for credit, market and operational risks and developments relating to Basel III	14-18 November 2016	4.30	4.56	4.43
PFM Public Investment Management Course	November 28-December 2 2016	4.54	4.46	4.50
STA Seminar on compilation on National Accounts December	5-9 December 2016	4.68	4.65	4.67
PFM Seminar on Strengthening Budget Documentation to Better Inform Fiscal Decision Making	6-10 February 2017	4.63	4.55	4.59
STA Seminar on Price Statistics	13-17 March 2017	4.46	4.55	4.50
CUS Seminar on addressing Integrity in Customs Administration	3-7 April 2017	4.82	4.64	4.73
BSR Seminar on International Financial Reporting Standard	3-7 April 2017	4.69	4.68	4.68
PFM Seminar on DSS Low Income Countries)	24-28 April 2017	4.72	4.60	4.66
Average Rating		***4.60***	***4.53***	***4.56***
FY 2018-Phase 2				
PFM Seminar on Fiscal Risks Analysis and Management: Theory and Practices	31 July-4 August 2017	4.56	4.59	4.57
MPO Workshop on FX Market Dealing Simulation for Central Banks officials	4-8 September 2017	4.69		4.69
CUS Seminar on Customs Intelligence and Investigation	25 Sepembert-6 October 2017	4.73	4.63	4.68
PFM Seminar on Prevention and Management of Govt Expenditures Arrears; Theory and Practices	30 October-3 November 2017	4.76	4.73	4.75
BSR Seminar on Macro Prudential Approach to Supervision and Managing Systematic Risks	30 October-3 November 2017	4.70	4.79	4.74
FMI Workshop on the Legal Aspects of the National Payments System—Achieving Compliance with Principle 1 of the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI)	27 November-1 December 2017	4.75	4.54	4.65
STA Seminar on Compiling Producer Price Indexes	19-23 February 2018	4.72	4.59	4.65
BSR Seminar on IFRS	19-23 February 2018	4.72	4.55	4.63
TAX Seminar on Revenue Administration Leadership	19-23 March 2018	4.49	4.60	4.54

Average Rating		***4.68***	***4.63***	***4.66***
FY 2019				
MPO Seminar on FX market trading and development	25-29 June 2018			
BSR Impact of Basel III reforms in the implementation of Basel II/III in Emerging Market and Developing Economies	16-20 July 2018	*4.50*	*4.70*	4.60
TAX Seminar on Strengthening the Administration and Control of Excise	3-7 September 2018	*4.64*	*4.61*	4.63
PFM Seminar on Medium Term Fiscal Frameworks and Fiscal Risks	10-14 September 2018	4.71	4.60	4.66
BSR Seminar on Crisis Management and Crisis Solution	15-19 October 2018	4.61	4.68	4.65
ICD Model based Policy Analysis and Forecasting	5-16 November 2018	4.90		4.90
STA Seminar Mainstreaming National Accounts and BOP Statistics	3-7 December 2018	4.70		4.70
PFM Moving towards International Public Sector Accounting Standards (IPSAS)	21-25 January 2019	4.66	4.64	4.65
CUS Advanced rulings for classification purposes, origin and valuation	28 January-1 February 2019	4.80		4.80
STA Price statistics	18-22 February 2019	4.70		4.70
ICD Macroeconomic Management in Resource-Rich Countries	11-22 March 2019	4.50	4.40	4.45
FMI Fintech and Other Payment Innovations	18-20 March 2019	4.58	4.69	4.64
Average Rating		***4.66***	***4.62***	***4.67***
FY 2020				
FMI Financial Development and Financial Inclusion (FDFI)	17-28 June 2019	4.50		4.50
BSR IFRS9-Implementation issues	19-23 August 2019	4.60	4.75	4.68
TAX Seminar on Tax Audit for Comoros and Madagascar	5-15 August 2019	4.65	4.79	4.72
MPO Monetary policy implementation and financial market development	26-30 August 2019	4.65	4.79	4.72
BSR Corporate Governance	14-18 October 2019	4.66	4.62	4.64
PFM Improving Budget Outcomes through Transparent and Gender Responsive Budgets	23-27 September 2019	4.80	4.80	4.80
CUS Customs valuation	7-11 October 2019	4.68	4.66	4.67
TAX Tax Governance	23-27 September 2019	4.46	4.49	4.48
FMI Seminar on CPSS - IOSCO	9-13 December 2019	4.57	4.28	4.42
PFM Customised workshop on SOEs	9-13 December 2019	4.62		4.62
CUS Data Analysis in Customs	27-31 January 2020	4.64	4.65	4.64
STA Seminar on Compiling the Consumer Price Index	10 to 14 February 2020	4.66	4.47	4.57
PFM Regional Webinar on "Public Debt Management and managing public wealth"	27 April to 1 May 2020	4.30	4.30	4.30
Average Rating		***4.60***	***4.60***	***4.60***

Notes: Evaluations of seminars are done mostly on hard copies and the ratings are tabulated on an excel sheet.All these evaluations have been consolidated in the above table. As from FY 2021, we will start using CVENT tool for the evaluation of seminars.

Table AVI.5: AFRITAC South Phase - 2: FY2018-FY2022; Multilateral - Regional Centers: Detailed Progress Report

International Monetary Fund --AFRITAC South Phase - 2: FY2018-FY2022

Multilateral - Regional Centers: Detailed Progress Report--As of April 30, 2021 (In millions of U.S. Dollars)

Project Budget Activity Description	Phase II Working Budget	FY18 Working Budget	FY18 Outturn 9-Months	FY19 Working Budget	FY19 Outturn	FY20 Working Budget	FY20 Outturn	FY21 Working Budget	FY21 Outturn
Public Financial Management	**14.3**	**2.3**	**2.4**	**2.9**	**2.7**	**3.2**	**2.6**	**3.4**	**1.7**
Long-term Advisors	4.9	0.6	0.6	1.2	1.1	1.2	0.8	1.2	0.9
HQ led missions incl. entire mission team	1.4	0.4	0.4	0.2	0.2	0.3	0.3	0.2	0.1
Short-term Advisors - CD delivery	6.3	1.1	1.2	1.2	1.1	1.4	1.1	1.5	0.5
Governance Costs: SC / Evaluations	-	-	-	-	-	0.0	-	-	-
Seminars & Study Tours	1.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.0
Project Backstopping	0.4	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Project Management	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1
Customs Administration	**6.1**	**1.2**	**1.3**	**1.2**	**1.1**	**1.2**	**1.2**	**1.4**	**0.9**
Long-term Advisors	1.7	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
HQ led missions with entire mission team	0.5	0.2	0.2	0.0	0.0	0.1	0.1	0.1	0.0
Short-term Advisors - CD delivery	2.7	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.5
Governance Costs: SC / Evaluations	0.0	-	-	-	-	0.0	0.0	0.0	-
Seminars & Study Tours	0.8	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Project Backstopping	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Tax Administration	**5.7**	**0.9**	**0.9**	**1.2**	**1.1**	**1.3**	**1.2**	**1.4**	**0.8**
Long-term Advisors	1.7	0.2	0.2	0.3	0.3	0.4	0.3	0.4	0.2
HQ led missions incl. entire mission team	0.6	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1
Short-term Advisors - CD delivery	2.5	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.5
Governance Costs including Steering Committee / Evaluations	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Seminars & Study Tours	0.6	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.0
Project Backstopping	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.1	0.1	0.0	-	0.1	0.0	0.1	0.0
Banking Supervision and Regulation	**4.4**	**0.8**	**0.7**	**1.1**	**0.8**	**1.1**	**0.6**	**1.1**	**0.6**
Long-term Advisors	1.7	0.3	0.3	0.4	0.3	0.4	0.3	0.4	0.2
HQ led missions incl. entire mission team	0.1	0.1	0.0	0.1	0.1	0.0	0.0	-	-
Short-term Advisors - CD delivery	1.4	0.2	0.2	0.3	0.2	0.4	0.2	0.5	0.2
Seminars & Study Tours	0.7	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.0
Project Backstopping	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Project Management	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monetary Policy Operations	**4.7**	**0.9**	**1.0**	**1.0**	**0.7**	**1.0**	**0.7**	**1.2**	**0.1**
Long-term Advisors	1.5	0.3	0.2	0.4	0.3	0.4	0.2	0.3	0.1
HQ led missions incl. entire mission team	0.2	0.1	0.0	0.2	0.0	-	-	-	-
Short-term Advisors - CD delivery	2.1	0.4	0.6	0.4	0.3	0.5	0.2	0.6	-
Seminars & Study Tours	0.6	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.0

Project Backstopping	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Project Management	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Market Infrastructures	**2.2**	**0.3**	**0.3**	**0.5**	**0.3**	**0.5**	**0.4**	**0.7**	**0.3**
Long-term Advisors	1.0	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.2
HQ led missions incl. entire mission team	0.1	0.0	0.0	0.0	0.0	0.0	-	-	-
Short-term Advisors - CD delivery	0.7	0.1	0.0	0.2	0.1	0.2	0.1	0.3	0.0
Seminars & Study Tours	0.3	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.0
Project Backstopping	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Management	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
Real Sector Statistics	**6.9**	**1.1**	**1.0**	**1.6**	**1.2**	**1.6**	**1.3**	**1.7**	**0.8**
Long-term Advisors	3.1	0.4	0.4	0.8	0.6	0.7	0.6	0.7	0.5
HQ led missions incl. entire mission team	0.1	0.0	0.0	0.0	-	-	-	0.0	0.0
Short-term Advisors - CD delivery	2.1	0.3	0.3	0.4	0.3	0.5	0.4	0.7	0.2
Governance Costs including Steering Committee / Evaluations	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seminars & Study Tours	1.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0
Project Backstopping	0.3	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1
Project Management	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Financial and Fiscal Law	**1.1**	**0.4**	**0.3**	**0.3**	**0.2**	**0.5**	**0.3**	**0.1**	**0.1**
HQ led missions incl. entire mission team	0.5	0.1	0.1	0.1	0.0	0.2	0.2	0.1	0.0
Short-term Advisors - CD delivery	0.5	0.2	0.2	0.2	0.2	0.2	0.1	-	0.1
Project Backstopping	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Admin Project	**3.5**	**0.6**	**0.6**	**0.7**	**0.7**	**0.8**	**0.6**	**0.9**	**0.5**
Governance Costs: SC / Evaluations	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Seminars & Study Tours	0.0	0.0	0.0	-	-	-	0.0	-	-
Local Staff	2.0	0.3	0.4	0.4	0.3	0.4	0.3	0.5	0.3
Facilities and related expenses	1.1	0.2	0.2	0.3	0.3	0.3	0.2	0.3	0.2
Project Management	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Customized Training	**-**	**0.1**	**-**	**0.1**	**-**	**-**	**-**	**-**	**-**
Training project	**0.8**	**0.1**	**0.1**	**0.2**	**0.1**	**0.4**	**0.2**	**0.2**	**0.0**
Governance and Evaluation (including RBM advisor/backstopping)	**0.5**	**0.2**	**0.1**	**0.1**	**0.1**	**0.0**	**0.0**	**0.2**	**0.0**
Strategic Budget Reserve	**0.2**			**0.2**	**-**	**0.1**	**-**	**0.2**	**-**
Sub Total	**50.4**	**9.0**	**8.7**	**11.0**	**9.1**	**11.7**	**9.2**	**12.6**	**5.8**
Trust Fund Management	**3.5**	**0.6**	**0.6**	**0.8**	**0.6**	**0.8**	**0.6**	**0.9**	**0.4**
Total	**53.9**	**9.6**	**9.3**	**11.8**	**9.7**	**12.5**	**9.8**	**13.4**	**6.2**
IMF Contribution	**2.6**	**0.6**	**0.4**	**0.6**	**0.3**	**0.6**	**0.2**	**0.3**	**0.2**
Host Country In-kind	-	-	-	-	-	-	-	-	-
Total	**56.5**	**10.2**	**9.7**	**12.4**	**10.1**	**13.1**	**10.0**	**13.7**	**6.5**

Table AVI.6: AFRITAC South Phase - 2: FY2018-FY2022; Multilateral - Regional Centers: Detailed Progress Report

International Monetary Fund
AFRITAC South Phase - 2: FY2018-FY2022
Multilateral - Regional Centers: Detailed Progress Report
As of Apr 30, 2021 (In millions of U.S. Dollars)

Project Budget Activity Description	Phase II Working Budget	FY18 Working Budget	FY18 Outturn 9-Months	FY19 Working Budget	FY19 Outturn	FY20 Working Budget	FY20 Outturn	FY21 Working Budget	FY21 Outturn
Public Financial Management	**14.3**	**2.3**	**2.4**	**2.9**	**2.7**	**3.2**	**2.6**	**3.4**	**1.7**
LTX, STX, and HQ Delivery 1/	12.5	2.2	2.2	2.6	2.4	2.9	2.3	2.9	1.5
Other 2/	1.8	0.2	0.2	0.3	0.3	0.4	0.3	0.5	0.2
Customs Administration	**6.1**	**1.2**	**1.3**	**1.2**	**1.1**	**1.2**	**1.2**	**1.4**	**0.9**
LTX, STX, and HQ Delivery 1/	4.9	0.9	1.0	0.9	0.8	1.0	1.0	1.2	0.8
Other 2/	1.2	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.1
Tax Administration	**5.7**	**0.9**	**0.9**	**1.2**	**1.1**	**1.3**	**1.2**	**1.4**	**0.8**
LTX, STX, and HQ Delivery 1/	4.8	0.8	0.8	1.0	1.0	1.1	0.9	1.1	0.7
Other 2/	0.9	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.1
Banking Supervision and Regulation	**4.4**	**0.8**	**0.7**	**1.1**	**0.8**	**1.1**	**0.6**	**1.1**	**0.6**
LTX, STX, and HQ Delivery 1/	3.2	0.5	0.5	0.8	0.6	0.8	0.4	0.8	0.4
Other 2/	1.2	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.2
Monetary Policy Operations	**4.7**	**0.9**	**1.0**	**1.0**	**0.7**	**1.0**	**0.7**	**1.2**	**0.1**
LTX, STX, and HQ Delivery 1/	3.7	0.8	0.9	0.9	0.6	0.8	0.5	0.9	0.1
Other 2/	1.0	0.1	0.2	0.2	0.1	0.2	0.2	0.3	0.1
Financial Market Infrastructures	**2.2**	**0.3**	**0.3**	**0.5**	**0.3**	**0.5**	**0.4**	**0.7**	**0.3**
LTX, STX, and HQ Delivery 1/	1.7	0.2	0.2	0.4	0.2	0.4	0.3	0.6	0.2
Other 2/	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.0
Real Sector Statistics	**6.9**	**1.1**	**1.0**	**1.6**	**1.2**	**1.6**	**1.3**	**1.7**	**0.8**
LTX, STX, and HQ Delivery 1/	5.2	0.8	0.7	1.1	0.9	1.3	1.0	1.4	0.7
Other 2/	1.7	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.1
Financial and Fiscal Law	**1.1**	**0.4**	**0.3**	**0.3**	**0.2**	**0.5**	**0.3**	**0.1**	**0.1**
LTX, STX, and HQ Delivery 1/	1.0	0.4	0.3	0.3	0.2	0.4	0.3	0.1	0.1
Other 2/	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Admin Project	**3.5**	**0.6**	**0.6**	**0.7**	**0.7**	**0.8**	**0.6**	**0.9**	**0.5**
Local Staff	2.0	0.3	0.4	0.4	0.3	0.4	0.3	0.5	0.3
Facilities and related expenses	1.1	0.2	0.2	0.3	0.3	0.3	0.2	0.3	0.2
Other	0.4	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
Customized Training	-	**0.1**	-	**0.1**	-	**-**	-	-	-
Training project	**0.8**	**0.1**	**0.1**	**0.2**	**0.1**	**0.4**	**0.2**	**0.2**	**0.0**
Governance	**0.5**	**0.2**	**0.1**	**0.1**	**0.1**	**0.0**	**0.0**	**0.2**	**0.0**
Strategic Budget Reserve	**0.2**	-	**0.0**	**0.2**	**0.0**	**0.1**	**0.0**	**0.2**	**0.0**
Sub Total	**50.4**	**9.0**	**8.7**	**11.0**	**9.1**	**11.7**	**9.2**	**12.6**	**5.8**

Trust Fund Management	**3.5**	**0.6**	**0.6**	**0.8**	**0.6**	**0.8**	**0.6**	**0.9**	**0.4**
Total	53.9	9.6	9.3	11.8	9.7	12.5	9.8	13.4	6.2
IMF Contribution	**2.6**	**0.6**	**0.4**	**0.6**	**0.3**	**0.6**	**0.2**	**0.3**	**0.2**
Host Country In-kind	-	-	-	-	-	-	-	-	-
Total	**56.5**	**10.2**	**9.7**	**12.4**	**10.1**	**13.1**	**10.0**	**13.7**	**6.5**

Figure AVI.3: Milestones Fully or Largely Achieved per workstream and AFS country, FY19-Fy21

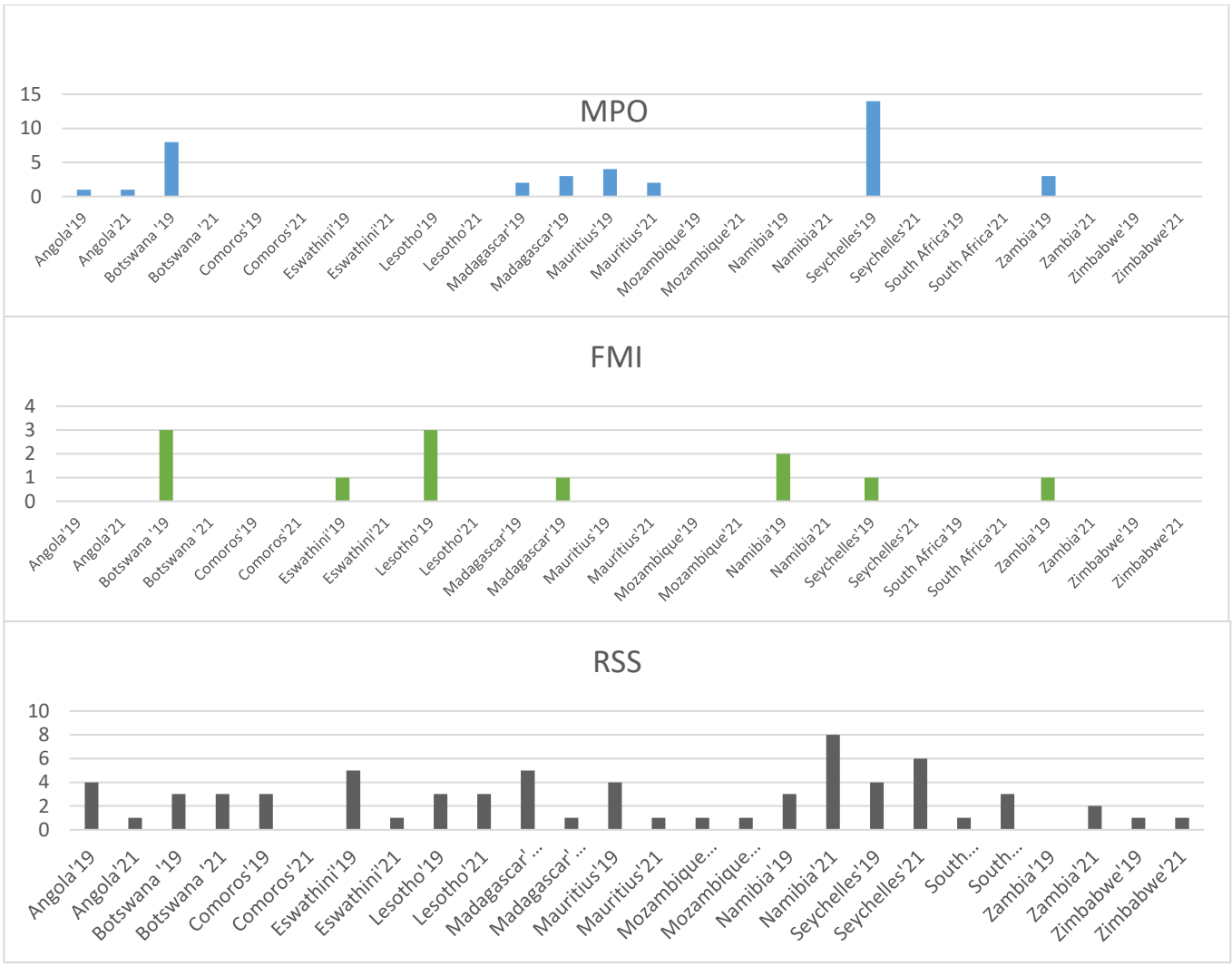


Table AVI.7: Resource allocations per funding country and per country

Resource allocation, in FTE Years (Excluding Regional)

	FY18	FY19	FY20	FY21
BSR_AFS_2018_02	**0.48**	**0.66**	**0.38**	**0.66**
Angola	0.02	0.08	0.00	0.00
Botswana	0.03	0.00	0.04	0.04
Comoros	0.00	0.07	0.02	0.06
Kingdom Of Eswatini	0.05	0.00	0.03	0.05
Lesotho	0.06	0.14	0.01	0.15
Madagascar	0.06	0.00	0.06	0.00
Mauritius	0.03	0.11	0.09	0.02
Mozambique Republic	0.04	0.04	0.00	0.05
Namibia	0.05	0.01	0.00	0.19
Seychelles	0.07	0.10	0.05	0.00
South Africa	0.00	0.07	0.07	0.03
Zambia	0.07	0.04	0.00	0.00
Zimbabwe	0.00	0.00	0.00	0.07

CUS_AFS_2018_02	1.43	1.30	1.61	2.54
Angola	0.08	0.05	0.11	0.25
Botswana	0.09	0.09	0.10	0.20
Comoros	0.24	0.20	0.16	0.31
Kingdom Of Eswatini	0.05	0.05	0.13	0.14
Lesotho	0.11	0.05	0.08	0.14
Madagascar	0.32	0.12	0.33	0.23
Mauritius	0.05	0.07	0.11	0.10
Mozambique Republic	0.05	0.05	0.00	0.00
Namibia	0.07	0.17	0.15	0.06
Seychelles	0.00	0.06	0.08	0.47
South Africa	0.00	0.00	0.00	0.00
Zambia	0.29	0.15	0.15	0.21
Zimbabwe	0.07	0.23	0.21	0.44

FFL_AFS_2018_02	0.51	0.55	0.56	0.27
Angola	0.00	0.06	0.23	0.00
Botswana	0.23	0.15	0.14	0.08
Comoros	0.00	0.00	0.00	0.04
Kingdom Of Eswatini	0.08	0.11	0.15	0.00
Lesotho	0.01	0.00	0.00	0.00
Madagascar	0.00	0.21	0.05	0.05
Mauritius	0.18	0.00	0.00	0.06
Mozambique Republic	0.00	0.03	0.00	0.04

FMI_AFS_2018_02	0.19	0.28	0.31	0.17
Botswana	0.00	0.04	0.00	0.04
Comoros	0.00	0.00	0.02	0.00
Kingdom Of Eswatini	0.03	0.00	0.07	0.03
Lesotho	0.00	0.00	0.08	0.00
Madagascar	0.00	0.00	0.00	0.02
Mauritius	0.01	0.01	0.02	0.00
Mozambique Republic	0.02	0.00	0.00	0.00
Namibia	0.00	0.08	0.06	0.08
Seychelles	0.06	0.00	0.00	0.00
South Africa	0.07	0.07	0.00	0.00
Zambia	0.00	0.08	0.07	0.00

MPO_AFS_2018_02	1.48	0.95	0.75	0.02
Angola	0.29	0.02	0.14	0.00
Botswana	0.19	0.36	0.21	0.02
Comoros	0.00	0.00	0.02	0.00
Madagascar	0.14	0.02	0.08	0.00
Mauritius	0.12	0.21	0.16	0.00
Mozambique Republic	0.06	0.00	0.00	0.00

Seychelles	0.33	0.11	0.00	0.00
Zambia	0.35	0.24	0.14	0.00
PFM_AFS_2018_02	**3.72**	**3.64**	**3.65**	**3.10**
Angola	0.16	0.14	0.18	0.41
Botswana	0.24	0.30	0.30	0.42
Comoros	0.48	0.34	0.43	0.64
Kingdom Of Eswatini	0.15	0.50	0.26	0.15
Lesotho	0.00	0.34	0.69	0.34
Madagascar	0.76	0.39	0.68	0.21
Mauritius	0.31	0.17	0.41	0.39
Mozambique Republic	0.06	0.15	0.14	0.06
Namibia	0.59	0.23	0.00	0.00
Seychelles	0.73	0.71	0.28	0.24
South Africa	0.00	0.03	0.07	0.08
Zambia	0.08	0.30	0.03	0.11
Zimbabwe	0.16	0.05	0.19	0.06
RSS_AFS_2018_02	**1.07**	**1.27**	**1.36**	**1.37**
Angola	0.04	0.10	0.18	0.11
Botswana	0.01	0.13	0.07	0.09
Comoros	0.08	0.21	0.27	0.19
Kingdom Of Eswatini	0.08	0.09	0.13	0.10
Lesotho	0.05	0.11	0.07	0.10
Madagascar	0.16	0.09	0.04	0.10
Mauritius	0.10	0.10	0.01	0.11
Mozambique Republic	0.04	0.08	0.12	0.00
Namibia	0.14	0.10	0.12	0.13
Seychelles	0.14	0.06	0.13	0.20
South Africa	0.08	0.06	0.06	0.12
Zambia	0.15	0.08	0.03	0.12
Zimbabwe	0.00	0.06	0.14	0.02
TAX_AFS_2018_02	**1.38**	**1.83**	**1.90**	**2.42**
Angola	0.00	0.17	0.19	0.22
Botswana	0.14	0.06	0.08	0.15
Comoros	0.12	0.16	0.20	0.34
Kingdom Of Eswatini	0.10	0.13	0.17	0.11
Lesotho	0.07	0.01	0.11	0.06
Madagascar	0.12	0.11	0.41	0.47
Mauritius	0.15	0.10	0.06	0.00
Mozambique Republic	0.24	0.00	0.00	0.00
Namibia	0.06	0.21	0.00	0.12
Seychelles	0.13	0.11	0.15	0.16
South Africa	0.08	0.13	0.14	0.28
Zambia	0.17	0.09	0.06	0.11

Zimbabwe		0.01	0.56	0.34	0.41

Resource allocation, in FTE Years (Excluding Regional)

	FY18	FY19	FY20	FY21	FY18-FY21
Total AFS (excl regional)					
Angola	0.59	0.61	1.03	0.99	3.21
Botswana	0.93	1.13	0.94	1.03	4.02
Comoros	0.93	0.98	1.10	1.57	4.59
Kingdom Of Eswatini	0.55	0.88	0.93	0.58	2.94
Lesotho	0.30	0.65	1.04	0.78	2.77
Madagascar	1.55	0.93	1.65	1.08	5.20
Mauritius	0.95	0.77	0.86	0.69	3.26
Mozambique Republic	0.52	0.35	0.26	0.15	1.27
Namibia	0.90	0.81	0.33	0.58	2.62
Seychelles	1.46	1.15	0.69	1.06	4.36
South Africa	0.24	0.36	0.34	0.50	1.44
Zambia	1.11	0.97	0.48	0.55	3.10
Zimbabwe	0.24	0.89	0.89	1.00	3.01

for individual portfolios

less than 10	between 10 and 20	greater than 20
0.038	0.08	0.08

for total AFS

less than 80	between 80 and 160	greater than 160
0.308	0.615	0.615

Table AVI.8: Number of missions per AFS Country FY20-FY21

Number of Missions per AFS Country FY20-FY21	FY20	FY21
Angola	9	13
Botswana	12	15
Comoros	15	23
Eswatini	11	9
Lesotho	13	11
Madagascar	15	20
Mauritius	7	9
Mozambique	3	3
Namibia	8	9
REGIONAL	18	30
South Africa	5	7
Seychelles	9	15
Zambia	6	8
Zimbabwe	12	15
Grand Total	**143**	**187**
Total missions (excl seminars)	125	157
Fragile countries(missions)	***42***	***58***
% Fragile countries	***34%***	***37%***

Source: AFS Secretariat database

Annex VII: List of interviewees

Table AVII.4: Meetings addressing IMF, AFS, the 4 Countries, Comoros and Madagascar

Name	Position	Email address
STX June 22, 2021		
Jean Luc Helis	PFM FAD	jhelis@imf.org
STX June 24, 2021		
Jerome D'Harcourt	STX PFM	jerome.dharcourt@modernisation.gouv,fr
LTX June 28, 2021		
Achille Pegoue	HQ LTX	apegoue@imf.org
Donna Grcman	AFS RSS LTX	dgrcman@imf.org
Elka Artanasova	AFS RSS LTX	eatanasova@imf.org
LTX + STX June 29, 2021		
Thabo Letjama	LTX Tax	tletjama@imf.org
Philip Penange	STX	philippenanje@rocketmail.com
LTX MCM- July 1, 2021		
Marin Molosag	AFS LTX	mmolosag@imf.org
Ben Stefanou	AFS LTX	bstefanou@imf.org
Anrich Daseman	AFS LTX	adaseman@imf.org
STX July 6, 2021		
George Claustres	STX Customs	mgclaustres@gmail.com
Richard Chopra	STX Customs	Chopra.richard@gmail.com
LTX July 8, 2021		
Philip Wood	AFS Resident Customs Administration Advisor	pwood@imf.org
Faith Mazani	AFS Resident Tax Administration Advisor	fmazani@imf.org
STX July 13, 2021		
Michael Davies	STX STA	macrostats@gmail.com
LTX Meeting -July 15, 2021		
Robert Clifton	AFS PFM Advisor	rclifton@imf.org
Camilo Gomez Ozorio	AFS PFM Advisor	cgomezosorio@imf.org
Back-stoppers/LTX meeting July 19, 2021		
Moulay el Omari	LTX Tax	melomari@imf.org
Camilo Gomez Ozorio	LTX Tax	cgomezosorio@imf.org
Thabo Letjama	LTX Tax	tletjama@imf.org
Isabel Rial	Backstopper	irial@imf.org
Robert Clifton	LTX Tax	rclifton@imf.org
Faith Mazani	LTX Tax	fmazani@imf.org
Back-stoppers/LTX meeting July 20, 2021		
Anrich Daseman	LTX FSR	adaseman@imf.org
Ben Stefanou	LTX BSR	bstefanou@imf.org
Marin Molosag	LTX MPO	mmolosag@imf.org
Jennifer Moyo	Backstopper BSR	jmoyo@imf.org
Jociene Aldona	Backstopper BSR	jaldona@imf.org
Stephane Couderc	Backstopper MPO	scouderc@imf.org

Backstoppers/LTX July 21, 2021		
Elka Artanasova	LTX STA	eatanasova@imf.org
Donna Grcman	LTX STA	dgrcman@imf.org
Achille Pegoue	STX STA	apegoue@imf.org
francien berry	Backstopper STA	fberry@imf.org
Steering Committee Members- July 29, 2021		
Dr Kealeboga S Masalila (New Chairperson of AFS SC as from May 1, 2021)	Deputy Governor, Bank of Botswana	masalilak@bob.bw
Mrs. Léa RABARISON	Directeur de la Coordination et du suivi des réformes Ministere De L'Economie et des Finances Antananarivo Madagascar	rabarisonlj@yahoo.fr
Mrs. Miora Rasamoelison	Responsable D'IBFM (Institut de Banky Foiben'I Madagasikara)	m.rasamoelison@bfm.mg
Mr N. Armoogum	Lead Analyst; Ministry of Finance and Economic Development, 1st Floor, Old Government Centre Port Louis, Mauritius	narmoogum@govmu.org
Tax and Customs- August 2, 2021		
Ms. Grace Ntereke	Director PFM Reform Coordinating unit, MFED	gntereke@gov.bw
ALI ABDEREMANE:	Secretaire Generale	abderemane1330@yahoo.fr
Lea Rabarison	Direction de la Coordination et du Suivi des Réformes	rabarisonlj@yahoo.fr
Nerethz Tati represented by Ângelo José da Silva	Head of Customs Services	nerethz.tati@minfin.gov.ao
Tiago Santos represented by Ângelo José da Silva	Head of Tax Services	tiago.santos@minfin.gov.ao
Mr. Hamadi Mohamed Soihir	Directeur Administration Generale des Impots et des Domaines (AGID)	hamadimohamed.soihir@agid.gouv.km; dgsoihir@yahoo.fr
Ms. Djamila RADJABOU	Chef de Service - Service des Relations Extérieures -Direction Générale des Douanes	djradjabou@douane.gov.km
Mr. Germain	Directeur General des Impots	dgimpots@moov.mg
Central Bank August 3, 2021		
Dr. Kealeboga S Masalila	Deputy Governor, Bank of Botswana	MasalilaK@bob.bw
Godfrey Ngidi	Director of Banking Supervision, Bank of Botswana	NgidiG@bob.bw
Fahar el dine Mohamed	Director of Banking Supervision, Central Bank of Comoros	Fahar.Mohamed@banque-comores.km
Ms. Julie RAZAFIMAHAY	DIRECTEUR, Direction de la Gestion des Réserves de Change (DRC) IBFM Madagscar	J.RAZAFIMAHAY@bfm.mg
Mr. Henri RAJAONARIVELO	DIRECTEUR, Direction des Opérations Monétaires (DOM) IBFM Madagscar	H.RAJAONARIVELO@bfm.mg
Mrs Josiane Ramanalinarivo	Director Payment System Department-IBFM Madagscar	j.ramanalinarivo@bfm.mg
Donor August 4, 2021		
Lalita Nosib	EU Representative	Lalita.Nosib@eeas.europa.eu
Donor August 9, 2021		

Rajesh Kishan	DFID Representative	rajesh.kishan@fcdo.gov.uk
Luis Almeida	DFID Representative	luis.almeida@fcdo.gov.uk
LTX + STX invited August 10, 2021		
Carina Selander	AFE MCM Advisor	cselander@imf.org
Patrick Leclerc	STX	le.clercpat@wanadoo.fr
Frederic Barge	STX	barge.frederic@gmail.com
Statistics- August 12, 2021		
Mr. Lekoko Simako	Head of National Accounts	lsimako@statsbots.org.bw
M. Said Ali MOHAMED	Chef du Service des Comptes Nationaux	smohmah92@gmail.com
AFS Director August 16, 2021		
Abdoul Aziz Wane	AFS Director	awane@imf.org
Dovindutt Baichoo	Economist	dbaichoo@imf.org
AFS Administrative Staff August 17, 2021		
Davindutt Baichoo	AFS Economist	dbaichoo@imf.org
Doorgesh Chundunsing	AFS Administrator	dchundunsing@imf.org
Varsha Lowtoo	AFS Administrative Assistant	vlowtoo@imf.org
Dya Munga	AFS Administrative Assistant	dmunga@imf.org
ICD August 30, 2021		
Carlos de Resende	ICD Former Representative	cderesende@imf.org
IMF HQ- September 2, 2021		
Alain Charlet	STX Legal	alaincharlet@gmail.com
Waerzeggers, Christophe	Senior Counsel IMF Legal	cwaerzeggers@imf.org
Ralf Tutsch	STX Legal	ralf.tutsch@web.de
K Vasques Suarez	IMF LEGAL	KVasquezSuarez@imf.org

Table AVII.5: Meetings Addressing Botswana

LTX June 22, 2021		
Jean Luc Helis	AFS - PFM expert	jhelis@imf.org
LTX June 28, 2021		
Achille Pegoue	HQ LTX	apegoue@imf.org
Donna Grcman	AFS RSS LTX	dgrcman@imf.org
Elka Artanasova	AFS RSS LTX	eatanasova@imf.org
LTX + STX June 29, 2021		
Thabo Letjama	LTX Tax Admin Advisor	tletjama@imf.org
Philip Penange	STX Tax Admin Expert	philippenanje@rocketmail.com
LTX July 1, 2021		
Achille Pegoue	HQ LTX	apegoue@imf.org
Donna Grcman	AFS RSS LTX	dgrcman@imf.org
Elka Atanasova	AFS RSS LTX	eatanasova@imf.org
STX July 6, 2021		
Jacqueline Penfold	FAD - Customs expert	jacquelinepenfold@gmail.com
LTX July 8, 2021		
Philip Wood	AFS Resident Customs Administration Advisor	pwood@imf.org

Faith Mazani	AFS Resident Tax Administration Advisor	fmazani@imf.org
STX July 12, 2021		
Lee Burns	PFM LEG - Tax legislation expert	leeburns59@gmail.com
LTX July 15, 2021		
Robert Clifton	AFS PFM Advisor	rclifton@imf.org
Camilo Gomez Osorio	AFS PFM Macro-Fiscal Policy Advisor	cgomezosorio@imf.org
IMF FAD- July 19, 2021		
Isabel Rial	FAD Backstopper	irial@imf.org
Thabo Letjama	LTX Tax Admin Advisor	tletjama@imf.org
IMF STA- July 21, 2021		
Donna Grcman	AFS RSS LTX	dgrcman@imf.org
Elka Atanasova	AFS RSS LTX	eatanasova@imf.org
Francien Berry	STA Backstopper	
STX July 27, 2021		
Frans van Schaik	PFM IPSAS accounting expert	schaikf@euronet.nl
STX - Aug 4, 2021		
Janis Platais	STA - GFS Expert	jplatais@aol.com
FCDO/UK High Commission - Aug 9, 2021		
David Osborne	Regional Officer	
LTX - Aug 10, 2021		
Carina Selander	AFS MCM Advisor	cselander@imf.org
AFS Director August 16, 2021		
Abdoul Aziz Wane	AFS Director	awane@imf.org
Dovindutt Baichoo	Economist	dbaichoo@imf.org

Table AVII.6: Meetings Addressing Angola

Former LTX June 22, 2021		
Jean Luc Helis	AFS - PFM expert	jhelis@imf.org
AFS STA team June 28, 2021		
Achille Pegoue	HQ LTX	apegoue@imf.org
Donna Grcman	AFS RSS LTX	dgrcman@imf.org
Elka Artanasova	AFS RSS LTX	eatanasova@imf.org
Resident Representative Angola June 25, 2021		
Souto, Marcos Rietti	Resident Representative Angola	MSouto@imf.org
LTX PFM July 28, 2021		
El Omari, Moulay	AFS LTX - PFM	melomari@imf.org
Former LTX PFM June 29, 2021		
Hida, Sybi	AFS LTX - PFM	shida@imf.org
Resident Advisor July 23		
Wilfried Engelke	Resident Advisor PFM Angola	wengelke@imf.org
Current LTX July 23		
Camilo Gomez Osorio	AFS LTX - PFM	cgomezosorio@imf.org
STX July 26		
Claudiano, Manoel	PFM Expert	claudianoma@gmail.com

Senior Economist August 9		
Virginia Alonso Albarran	Senior Economist FAD	valonsoalbarran@imf.org
Former LTX August 10		
Selander Carina	AFS LTX - MCM	cselander@imf.org
AFS Director August 16, 2021		
Abdoul Aziz Wane	AFS Director	awane@imf.org
Dovindutt Baichoo	Economist	dbaichoo@imf.org
Former LTX August 29		
Ramakrishnan, Ravi	AFS LTX - MCM	prravimohan1958@gmail.com
Current LTX August 29		
Benjamin Stefanou	AFS LTX - MCM	BStefanou@imf.org
Former LTX September 1		
Selander Carina	AFS LTX - MCM	cselander@imf.org
Current LTX September 3		
Marin Molosang	AFS LTX - MCM	mmolosag@imf.org
STX September 7		
Tomas Motl	Macromodelling expert	motl.tomas@gmail.com
Current LTX September 7		
Faith Mazani	AFS LTX - FAD	fmazani@imf.org
LTX September 8		
Achille Pegoue	Former AFS LTX - MCM	apegoue@imf.org
LTX September 8		
Elka Atanasova	Current AFS LTX - MCM	eatanasova@imf.org
Former LTX September 9		
Thabo Letjama	AFS LTX - FAD	tletjama@imf.org
Senior Country Economist		
Cornelius Fleischhaker	World Bank	cfleischhaker@worldbank.org

Annex VIII. Background on AFS Budget, History and Overall Performance, and Lessons Learned from Case-Studies (with Country Names)

Background

1. **AFS's main funding programs are public financial management (PFM), tax (TADM) and customs administration (CADM), banking supervision and regulations (BSR), monetary policy and operations (MPO), financial market infrastructure (FMI), and real sector statistics (RSS)**. Besides technical assistance (TA) missions – virtual and non-virtual, AFS also conducts regional seminars and courses and supports intra-regional peer-learning activities. The latter include primarily professional attachments, joint events with regional organizations, and the participation of country officials in select TA missions. The peer learning regional initiatives are complemented by the IMF's free online courses and remote training through the Africa Training Institute, the Institute for Capacity Development (ICD) and HQ-based webinars accessible to officials in the region. The selection of training topics takes into account feedback from the IMF's country teams, and the country authorities, and it is coordinated with development partners in the region.

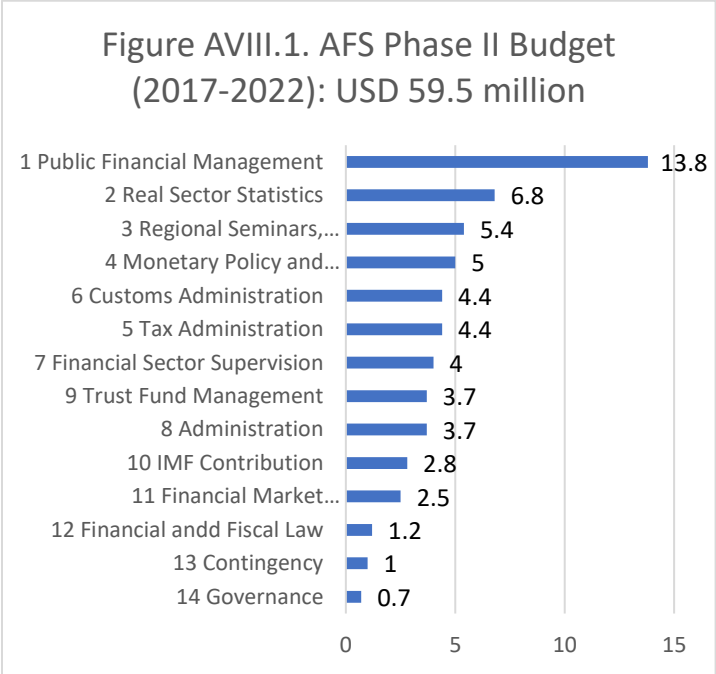


Figure 1 AFS Phase II Budget
Source: AFS Secretariat

2. **AFS original Phase II budget for FY18-22 was US$59.5 million (*Figure AVIII.1*)**. This amount represented a significant increase on the original budget of Phase I of US$40 million. In decreasing order of importance, each funding program would receive the following percentages of the program budget:[12] Public Financial Management-PFM (32.8%), Real Sector Statistics-RSS (16.2 percent), Customs Administration-CADM (10.5 percent), Tax Administration-TADM (10.5 percent), Monetary and Policy Operations-MPO (11.9 percent), Banking Sector Regulations-BSR (9.5 percent), Financial Market Infrastructure-FMI (5.9 percent) and Financial and Fiscal Law-FFL (2.8 percent) (*AFS 2017, Project Document Phase II, FY18-FY22*).

History: Evolution of Objectives and Progress Made from Phase I to II

Phase I

3. The original objectives of the AFS program during Phase I can be summarized for five initial funding programs as follows **(Consulting Base, 2015)**:

I. *Public Financial Management (PFM)*: Development of PFM reform strategies: medium-term fiscal and budget frameworks, effective cash and expenditure management, strengthened internal controls, enhanced accounting and financial reporting and transparency.

[12] Expenses in regional seminars, Administration, TF Management, IMF contribution, Governance and Contingency excluded.

II. *Banking Sector Regulations (BSR)*: Compliance with Basel Core Principles (elements of Basel II and III); risk-based supervision, macroprudential supervision, and cross-border cooperation.
III. *Customs Administration*: Enhanced Customs collection and cost-effective administration, reduced barriers to trade and increased regional harmonization.
IV. *Tax Administration*: Enhanced tax collection, cost-effective administration and strengthened compliance.
V. *Real Sector Statistics*: Compilation of national statistics according to international standards, and improvement of the scope and accuracy of price statistics

4. **In 2015, the independent evaluation of Phase I of AFRITAC South indicated that the program had already made a strong start on several fronts, but not without some difficulties (Consulting Base, 2015)**. On the one hand, AFS had developed an integrated TA and training program that was critical to member countries in key areas of their economic development. On the other hand, the program had started developing a robust system of monitoring and reporting by internal and external stakeholders. Overall, AFS support was aimed at contributing significantly to strengthen the adoption of good international practices, updated methodologies, principles, and regulatory frameworks that support greater transparency, improved reporting, and accountability across the region. Progress on thematic areas at that time was summarized as follows:

- *PFM* had a strong start developing and coordinating a well-sequenced approach to TA delivery; but there were reservations about the pace of activities and absorptive capacity of some recipients.
- *Customs (CADM) and Tax Administration (TADM*) had started strengthening counterpart institutions, but some planned activities were not implemented for reasons beyond AFS control.
- *BSR* work started later than most topical areas and featured slow traction. Some countries were receiving TA or implementing reforms without AFS support.
- *Monetary Policy Operations (MPO)* work started in 2015 and it concentrated on designing a methodological approach to capacity building, for which it received sufficient budget resources.
- *Real Sector Statistics (RSS)* benefitted from a tight focus on national accounts and prices, thus getting early results on GDP rebasing and compilation of national accounts by some recipients.

Salient points to explore from the Mid-Term Evaluation of Phase I (2015)

5. **This evaluation also explores a few issues that were identified during phase I**:

- *Balancing Medium- and Short-Term priorities*: Is the Medium-Term agenda in some thematic areas too large? Should it be modified to make room for more pressing Short-Term priorities?
- *Improving the RBM framework*: How appropriate is the RBM setting and reporting against outcomes and milestones achieved and is there scope to improve it? Can the IT system integrate financial and qualitative information with its quantitative performance?
- *Strengthening Regional collaboration*: Has there been progress in coordinating activities and information sharing on several areas of capacity building with and by other regional actors?
- *Increasing Statistics Absorptive Capacity*: How is regional statistics capability evolving and what way is AFS playing in supporting it to the extent compatible with its mandate?
- *Expanding Steering Committee Membership*: What progress has there been in strengthening the role and participation in the Steering Committee for Real Statistics?
- *Fostering regional training*: Should more regional and sub-regional training be implemented?

- *Increasing regional experts hiring*: What progress has been made to proactively implement the peer-to-peer learning initiatives and recruitment of regional experts in the IMF roster?
- *Steady funding to AFS budget*: How predictable has the AFS funding cycle been, and have there been any funding flow issues that have jeopardized/disrupted program execution?

Evolution of objectives and broad progress made over Phase II per funding program

6. **Whereas in Phase I most AFS objectives per funding program had a multi-year horizon for reaching outcomes and only very few initial milestones were expected to fully materialize, more substantive progress was expected in Phase II.** In Phase I, diagnostics and needs-assessments helped put in place priority action plans for most TA interventions. In Phase II, however, member countries were expected to bring continuity to and make notable achievements across the milestones and outcomes of each funding program. While priority areas, objectives and activities per funding program are reviewed annually and customized to country needs, an initial glimpse at overall progress shows mixed results as follows (AFS-RTAC, 2017, Phase II):

- Adoption of comprehensive PFM reform strategies has addressed the formulation or strengthening of medium-term fiscal and budget frameworks, identification and monitoring of fiscal risks, improvements in internal controls, cash and government liquidity management and financial reporting, and fiscal decentralization legal frameworks. Notwithstanding these efforts, recent ratings from Public Expenditure Financial Accountability (PEFA) reports on some AFS countries show that progress has been mixed and results are taking time to materialize.[13]
- Customs and Tax administration reforms have focused on improved legislations as well as on modern and simplified procedures. In Customs, they should have led to reduced cargo dwell times, strengthened post-control and post-release clearance. In tax administration, they should have improved taxpayers registration, filing and payment compliance, audit of large and medium taxpayers, arrears management and collection, and capability in using risk management (RM) techniques. As a result, modern Customs laws have passed in several countries, but accompanying regulations are lagging. And the recent completion of Tax Administration Diagnostic Assessment Tools (TADAT) and International Surveys on Revenue Administration (ISORA) by a few AFS countries reveal significant shortcomings in multiple areas.
- BSR has focused on increased compliance with Basel Core Principles (BCP) for effective supervision and financial stability (international norms on capital adequacy, liquidity and supervisory practices) and improving financial supervisory bodies; and, post-pandemic, on updating crisis resolution frameworks and central bank legislations. In practice, migration to Basel II regulations has been steady but at different paces, with only a few AFS countries moving toward Basel III.
- MPO activities have addressed the needs of different monetary regimes in AFS countries including (A) Forecasting and Policy Analysis System (FPAS) – (i) improving economic analysis and forecasting capabilities of the central banks, while incorporating FPAS into the decision making process, and (ii) strengthening monetary policy communication strategy; (B) Monetary Policy Implementation – (i) implementing effective monetary policy operational framework, (ii) strengthening liquidity forecasting framework, (iii) strengthening liquidity management framework, (iv) strengthening the implementation of FX operations, and (C) Developing active and efficient interbank/money and FX markets to support monetary policy transmission. Progress on all these fronts has been steady but slow as well, and adjusted post-pandemic.

[13] Most recent PEFAs are: Botswana (2020), Comoros (2016) and Madagascar (2018). Angola (2017) remains unpublished.

- Financial market infrastructure (FMI) & Fintech is a new and dynamic area introduced in Phase II focused on: (i) Enhanced FMI assessments against the Principles for Financial Market Infrastructures (PFMIs); (ii) guiding oversight practices for payment systems and other development of regulatory frameworks for digital payments, and other fintech developments; and (iii) strengthening cybersecurity and resiliency of FMIs. Results so far are promising.
- Progress on RSS activities varies across countries according to their different level of statistics development. As in Phase I, the TA areas in Phase II address core (so-called track I) reforms, like the rebasing of GDP, with updated systems of national accounts, and the updating of the Consumer Price Index (CPI) with new weights and geographical coverage. Only a few AFS countries address high-frequency statistics: quarterly GDP and business surveys (track 2).

7. **Furthermore, funding programs have had to adjust to two new priorities in Phase II: Support to fragile countries and to five emerging global topics: (i) governance and corruption, (ii) climate change, (iii) gender equality, (iv) financial inclusion, and (v) digitalization.** Since FY20, AFS - has allocated 30 percent (in FTE terms) to CD activities in fragile countries (Comoros, Madagascar and Zimbabwe).[14] Similarly, AFS rationale for including work on global topics is well justified: only two AFS countries rank in the top 50 positions with less corruption perception; a third of AFS countries has medium to low equality between women and men; the frequency and impact of recent natural disasters make the region one of the most vulnerable parts of the globe to climate change;[15] and digitalization have become critical as a financing inclusion mechanism in the post-pandemic era.

8. **ICD Collaboration with AFS during Phase II has been modest but focused on selected topics.** In the pre-COVID 19, ICD has delivered a small number of regional seminars to AFS focused on macroeconomic skills and PFM reforms. Post-pandemic, ICD has delivered a Financial Development and Financial Inclusion course to several countries in Southern Africa covering: Financial market framework, SMEs, Microfinance, Fintech, and Financial capability.

Overall Performance per Sampled Country

9. **Table AVIII.1 shows the DAC performance ratings per sampled country**. Two important lessons can be extracted.

- ***A fragile status does not always makes a difference on DAC criteria*: While Comoros's score on sustainability is lower among all four countries, due to its handicapped status as a fragile economy with weak absorption capacity hampered not only by scarce skilled staff but by logistical shortcomings: poor access to internet and energy (LTX, MCM, 08/10/21. However, this is not the case for also fragile Madagascar, which shows a higher score**. And on the average scores of DAC criteria, Angola gets the lowest scores, particularly lagging in effectiveness and impact, followed by Comoros, which lags in efficiency and sustainability. For its part, Botswana lags in Coherence, seemingly arising from the lack of domestic coordination among many donor support programs (LTX, PFM, 06/22/21). Comoros lags in Effectiveness and Efficiency due to a difficult institutional and legal setup, and weak donor coordination; and features the lowest score on Sustainability, which reflects its weak absorption capacity).
- ***CD activities supported by CD-Surveillance tend to be prioritized but do not ensure per se a satisfactory level of achievement across all DAC criteria*. The contrast between the two sampled countries that have benefited from an IMF program during Phase II – Angola and forthcoming Madagascar[16] – is revealing.** Angola's scores on Relevance and Coherence are Good; but those

[14] This was further increased by around one percent in FY21 (AFS, Report to the Steering Committee, FY21 Execution and FY22 Work plan).
[15] AFS, Report to the Steering Committee, FY21 Execution and FY22 Work plan.
[16] Madagascar requested an Extended Credit Facility in March 2021.

related to implementation – Effectiveness, Impact and Sustainability – are rather modest. In contrast, Madagascar's performance is quite consistent across all criteria as 'Excellent' or 'Good', supported by steady and well-coordinated implementation of comprehensive reforms (e.g. Customs, transition to interest rate targeting), with the only exception of 'Impact', which might reflect the preliminary expectation for reform programs that are barely starting to be implemented.

Table AVIII.1 Performance ratings per funding program – aggregated from the 14 sampled objectives (1-4 scale)

Funding programs	Relevance	Coherence	Effectiveness	Efficiency	Impact	Sustainability	TOTAL
Average	3.63	2.97	2.82	2.74	2.10	2.24	2.75
Angola	3.00	3.00	2.17	2.67	1.83	1.83	2.41
Botswana	3.64	2.55	3.55	2.55	2.09	2.27	2.78
Comoros	3.83	2.83	2.33	2.33	2.00	1.67	2.50
Madagascar	4.00	3.71	2.86	3.29	2.43	2.71	3.12

Source: Cowater's staff estimates. *Notes*: Ratings are 1=Poor; 2=Modest; 3=Good; and 4=Excellent. No FMI CD activity was sampled.

Some Lessons Learned for funding Programs from Illustrative Case-Studies on Each DAC criteria

10. **Relevance***. **Funding programs find highest relevance when supported by national development plans and/or comprehensive diagnostic studies made upfront.*** Examples are next (*see also Box VIII.1*).

- **PFM: CD aimed at Comprehensive, Credible and Policy Based Budgeting**. **The Relevance of most CD objectives/activities was high when considered among the top priorities of the Governments, like many PFM reform action plans at the onset of Phase II: e.g. Botswana (2017-2021), Comoros (2018)[17] and Madagascar (2016-25).** As part of them, the lack of credible MTFFs for budget preparation was identified as a common shortcoming by AFS Secretariat for all AFS countries at the beginning of Phase II (AFS, Phase 2, 2017). This was twice the case of Angola with its medium-term fiscal framework (MTFF) (2013 and 2018). Post-pandemic, AFS has adapted its focus in helping recalibrate the MTFFs (in Angola with EU support[18]) either to accompany the design of exceptional budget procedures (Comoros and Madagascar) or PIMAs (Botswana and Madagascar).

- **PFM: CD aimed at improving Budget, Execution and Expenditure Controls. AFS CD services in some areas often derived from global (in this case PEFA) assessments.** This was the case of Angola (unpublished) and Botswana. These pointed that existing cash management practices in the Government were ineffective, not enabling the financial authorities to exercise proper budget execution controls. A strength of their design in the Angolan context was that activities and TA reports were delivered by Portuguese-speaking STXs from Brazil and produced in Portuguese. Moreover, its last mission focused on how to tackle COVID-19 throughout exceptional budget execution processes. A weakness was that, according to the STX, the TA did not fully address the underlying issues of expenses made outside the system and without commitment controls.

- **CBO: CD aimed at improving Economic Analysis and Forecasting Capabilities at the Central Bank. The relevance of some CDs to respond to country needs varied over time according to the commitment from authorities.** For example, Angola's request for developing a Forecasting and Policy Analysis System (FPAS) within a two-year period was included in AFS annual plan in 2015. The plan also included the establishment of an integrated process for macroeconomic monitoring, forecasting, and policy formulation (IMF 2018c). Capacity gaps, however, led the National Bank of Angola (BNA)

[17] PFM reform was a priority in the national consultations for the Comoros Country Strategy Note for CD Activities (CSN, 2018).
[18] The EU funded and took over the pursuit of this objective from the second half of 2019, after which the role of AFS was discontinued. It relied significantly on the presence of a resident advisor working with the Ministry on a series of PFM reforms (IMF 2019b, LTX and resident advisor).

to discontinue it, as the country struggled with more pressing issues related to the transition to more exchange rate flexibility (IMF 2018a and IMF 2018b) and staff that were doing FPAS were transferred to other tasks. In the case of Botswana, monetary authorities considered the CD objective among the top priorities of the BoB as a valid tool for the institution to support independent and more informed macroeconomic outlooks and monetary policy decisions. However, CD implementation since 2018 has faced multiple shortages, like a lack of advanced analytical capacities and skilled staff, thus hampering the effectiveness of the FPAS despite AFS technical assistance for several years. Follow-up missions, hands-on training, and coaching by AFS experts have also faced delays created by the general elections of 2019 and the exceptional COVID-19 circumstances. Nowadays, a small modelling team continues FPAS implementation.

- **RAD: CD aimed at strengthening core tax revenue administration functions.** AFS succeeded in supplementing the efforts by National agencies of revenue in all four countries. More in particular, these targeted training and TA in tax administration reforms in Comoros (AGID) and Madagascar (DGI): Creation of large taxpayer units (LTUs), voluntary compliance, audit techniques, etc. Unfortunately, these reforms did not prevent marked falls in revenue due to the pandemic. During COVID-19, besides AFS support regionwide, short-term policy measures for a prompt recovery of revenue have been included in the IMF-ECF for Madagascar.

11. **Coherence**. ***Selected funding programs benefit from having CDs linked to an IMF program, to inter-agencies or to donor interventions so as to reach higher coherence.*** Examples are next.

- **FFL: CD aimed at amending existing tax legal frameworks in accordance with international good practices**. **Given limited resources, internal coherence is favored by interlinkages between the CD project and other IMF or donor interventions**. In this regard, all interventions from the IMF Legal department respond to a Government's request, which favors upfront its relevance and internal coherence. However, given its limited staff working at the IMF Headquarters, ensuring interlinkages relies on a certain logic of prioritizing work in AFS countries according to the following criteria and in this order: (i) countries that do have an IMF program (especially if the legal changes are structural benchmarks or prior actions (Angola and Madagascar); (ii) existence of an ongoing TA program co-financed by another donor like the World Bank or AfDB (Botswana); and (iii) degree of local capacity to absorb reforms (fragile countries like Comoros have less capacity, which justifies additional support) (STX, FAD/LEGAL, 09/02/21).[19]

- **CADM: CD aimed at improving Customs Administration Core Functions**. **Internal coherence is also enhanced by inter-agencies coordination.** At the onset of Phase II, AFS did an overall regional diagnostic for Customs Administration, which determined that Botswana and Madagascar needed a comprehensive change in Customs Strategic Leadership. Botswana's approach has followed the road map made in a diagnostic study undertaken by the World Customs Organization (WCO) at the end of 2018. CD activities have been closely coordinated between the AFS Customs and Tax teams with WCO support, working closely with the AFS Customs and Tax administration experts to implement an overarching Compliance Risk Management (CRM) Framework in Botswana Unified Revenue Service (BURS). Madagascar Customs reform was preceded by the amendment of the Customs Code in 2018 and followed by the Madagascar Customs Strategic Planning and Reform Program (SPRM) started in 2020. Its internal (and external) coherence are ensured by the joint design of annual plans involving the Customs and Tax agencies, the IMF back-stoppers and the LTXs (Backstopper, FAD, 07/18/21), and

[19] Botswana's CD activities followed the IMF recommendation to advance the drafting of fiscal tax laws. Comoros' reform of the Customs Code was enacted in 2016, but there was no IMF program involved. Madagascar's reform of the Customs Code is a component of the 2020 Madagascar SPRM.

joint implementation with the World Bank. Post-COVID-19, short-term measures for a prompt recovery of revenue have also been included in the IMF ECF.

- **RSS: CD aimed at strengthening macroeconomic and financial statistics**. **External coherence is favoured by interlinkages between the CD project and other donor TA interventions**. For instance, IMF-Article IV for Comoros, 2020 and IMF-ECF, 2021 fully endorse CD activities supporting the Institute of Statistics (INSEED). AFS work in this area has been focused on providing hands on training and supplementation to INSEED staff, advocating for financial support for the statistical office, customizing TA and coordinating training delivery incremental implementation capable by the statistics office. Given its limited resources, AFS work has benefitted from capacity building from the World Bank on Medium-Term Debt Management Capacity.

12. **Effectiveness**. ***Effectiveness across funding programs do not always get value (results) for money and, in this regard, funding programs should consider linking budget allocations according to the results they obtain.***

- **Obtaining value for money does not seem to be the case in many PFM programs**: *Figure AVIII.2* has the Public Expenditure and Financial Accountability (PEFA) ratings for Botswana, a country receiving strong AFS support in PFM: Four out of six PEFA indicators (mainly outcomes) have, however, deteriorated between 2013 and 2019. This is the case of Policy-based Budgeting, Internal Controls, Accounting and Audit. And its marginally improved scores on credibility, comprehensiveness and transparency remain deficient (on or below C+). Similar disappointing results were found for Comoros and Madagascar PEFAs. In general, in a Phase III context where AFS faces three new challenges a budget restructuring is justified by several reasons: (i) budget savings from a new mix of presential vs virtual missions, (ii) fragility-based priority allocations, and (iii) new needs arising from global topics (see Chapter III). Taking advantage of it, there is clear justification to add the level of achievement as a valid parameter to consider in setting budget allocations.

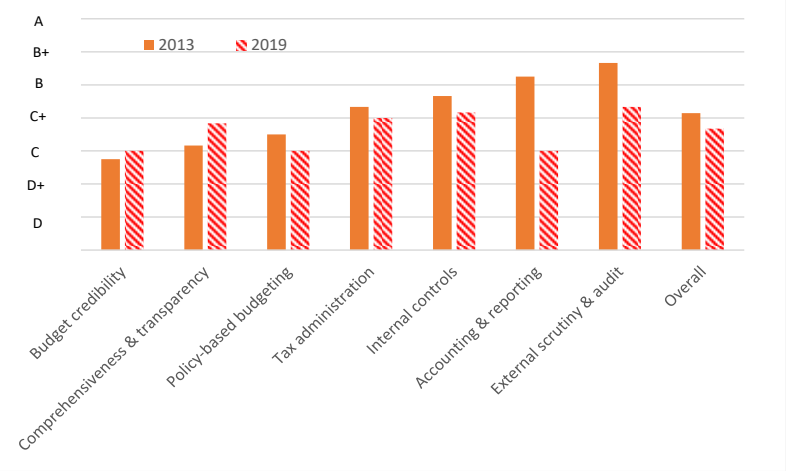


Figure AVIII.2 Botswana PEFA Ratings (2013-2019)

- **BSR: CD aimed at Banks having strong capital and liquidity positions that adequately cover their risks**. Despite its fragile status Central Bank of Comoros aims to set-up an effective risk-based supervision system (RBS) as part of the upgrading and strengthening of its financial regulations during COVID-19. Work was preceded by a regional diagnostic done by AFS in 2017. But it only started in January 2021, as the financial sector became heavily hit by COVID-19. An AFS mission of the Banque de France performed an updated gap analysis that included an assessment of risk management practices. To do this, a total of 4 missions were conducted remotely by video conferences as part of the response to COVID. The report was delivered in May 2021. In parallel, Authorities benefitted from webinars on the fundamentals of financial crisis management, crisis preparedness and banks' resolution, licensing and cyber risk. The AFS program is moving stepwise but not without difficulties. During the pandemics, whereas the solvency of the banking system and status of prudential standards have remained relatively satisfactory, several weaknesses affect the overall profitability ratio of

banks, given their heavy operating costs and NPLs ratios at 12 percent of credit portfolios. Moreover, four financial institutions have been facing risks: the *Société Nationale des Postes et Services Financiers* under restructuring, the *Banque Internationale de Comores* facing a significant deficit of provisioning, the *Banque de Développement de Comores* subject to a takeover by a French Group and the *Banque Federale du Commerce* placed under close surveillance. While AFS experts indicate that coordination with the Central Bank and donors has improved, they cannot ensure whether the country will finally be able to reach its final outcome: a RBS system under implementation. In the meantime, progress on existing milestones is slow, as banks were finalizing action plans to comply with their new requirements, and Central Bank staff were preparing manuals for the RBS (LTX, MCM, 07/20/21).

13. **Efficiency**. ***Certain funding programs reveal cases of mixed results: high effectiveness combined with low cost-efficiency of the inputs for CD services provided, and thus having room for improvement*****.** An example is next.

- **TADM: CD aimed at strengthening Revenue Management and Governance. Some AFS RTACs have started to improve the cost-efficiency of CD activities by restructuring both their mix of regional vs non-regional experts, and in-person and virtual missions.** Angola's tax administration reform presents an interesting case study during 2018-21. First, a former LTX closely monitored it and did a reasonably good handover to the current LTX. Then, CD activities were delivered by two Portuguese-speaking STXs, with a very good reputation from Brazil, and applying a methodology that had been well tried and tested in other country contexts. Excepting the first mission, both STXs implemented CD activities without the participation of LTX or IMF-HQ staff (LTX, FAD, 06/29/21). Third, out of the nine missions – 170 mission days – held for this activity, six were sampled for in-depth analysis. Two-thirds of the missions were in-person and one-third remote. The number of days per STX in missions varied between three and 20. The average number of STX days per in-person mission was 17 (slightly over the standard two weeks); and the average number of in-person and virtual-mission days per STX was 12. Hence, from the viewpoint of effectiveness, given the timely report delivered and the high level of achievement of the outcomes, the CD provided under this program was delivered quite effectively. However, from the viewpoint of efficiency, it is reasonable to question whether it was efficient to use 170 mission days just on this objective/country. This is a very high number compared to other activities within revenue administration and other funding programs. The interviewee acknowledged that missions could have been delivered remotely, which was the case anyway post-pandemic (interview, former LTX).

14. **Impact.** ***Some funding programs face more severe institutional constraints than others, and this affects the impact of CD services*****.** For instance, PFM is highly susceptible to political risks, which prevent budget transparency and control. Tax and Customs are also subject not only to political risks but to management risks related to staff hirings. Examples are next.

- **FSR: CD aimed at strengthening banks' capital and liquidity positions. All countries are at a different pace in adopting Basel II requirements**. For instance, while Botswana has successfully completed the implementation of Basel II and is an early-mover to Basel III, Madagascar still is planning to move into it with no AFS engagement so far. In between, many AFS countries have started assessing the regulatory framework so as to prepare a plan, whereas others have been in the process of implementing Basel II since Phase I in a long process that remains inconclusive due to political economy constraints (LTX, MCM, 08/17/21): In Angola, for instance, whereas Article IVs have consistently made a key recommendation to strengthen financial sector resilience, two missions were carried out in 2018. After the second mission, a detailed TA report was issued "including low hanging

fruits in terms of Basel II requirements; but due to delays in setting-up new banking regulations, its recommendations were not implemented and the process came to a halt in a time when there was a strong window of opportunity for reform" (current LTX, MCM). Only after the arrival of a new LTX in January 2021, a virtual mission attempted to revive the process.

- **PFM: CD aimed at Comprehensible, credible and policy-based budgeting.** All AFS countries have received extensive AFS support on PFM activities, not always with positive results. In Botswana, one of those major CD projects was the completion of a PIMA in 2021. AFS provided strong hands-on support with a focus on reforming project appraisal, selection, and monitoring. Besides, AFS was instrumental to the design of a project implementation capacity development plan and a project risks analysis assessment methodology. PIMA costs were significant: 10 non-regional experts engaged in the CD activities with a total cost of 69 days, including the PIM assessment and three follow-up missions. However, despite swift assistance, lack of strong ownership of the policy-makers at Cabinet level has prevented Botswana from creating a dedicated central unit for PIM at the Ministry of Finance. This has truncated the CD implementation process and stalled the passing of required regulations. As a result, planning and budgeting of public projects remains non-credible (LTX, FAD, 07/15/21).

- **PFM: CD aimed at strengthening Identification, monitoring and reporting of fiscal risks**. Following the pandemic, identifying and minimizing fiscal risks has become a major priority. In Madagascar, its implementation reflects serious shortcomings in the institutional environment: the absence of a strong reform champion and weak political commitment to complete reforms, thus limiting their possible (if any) fiscal impact. Indeed, the country had committed to comply with a formal benchmark linked to the European Union's grant support: Submitting a Fiscal Risk Statement (FRS) in the 2018 budget, which was achieved with AFS support. Initially, the Ministry of Finance fully supported preparing the FRS, but later it was hesitant to send it before the Parliament, fearing that Parliamentarians could overreact to its initial findings and demand additional information. More recently, there has been some progress in preparing the FRS for the Budget, but its coverage addressing all sources of risks (in particular, all SOEs and pensions) and implementing sensitivity scenarios falls short from expectations (LTX, PFM, 06/22/21).

15. **Sustainability**. ***Certain funding programs are more handicapped than others in terms of counterpart's absorption capacity, which would justify assigning additional resources to them***. Interviewees agreed that RSS works with counterpart agencies that are usually underfunded and partly rely on volatile donors' complementary grants for surveys. This is clearly the case of *fragile countries with very low absorption capacity (e.g. Comoros) not only in terms of staff but of resources, technology and energy inputs.* An example is next:

- **MPO. CD aimed at strengthening the capacity of the Central Banks to implement monetary policy effectively**. This is a case where AFS has successfully tailored CD activities to the context of member countries. Indeed, AFS has had to accommodate its support to the existence of different monetary policy (MP) regimes (Angola: Reserve money target; Bostwana: Crawling-peg; Comoros: Peg to the Euro; and Madagascar: Move to interest rate targeting). AFS has succeeded in providing customized CD activities: operational framework, instruments and effectiveness of the MP regime, foreign exchange policy and implementation, liquidity forecasting and management, transmission mechanisms, etc.). For sustainability of reforms, an element worth improving in some cases is a good coordination of liquidity with cash management between monetary and fiscal operations, which requires a good forecasting framework and staff skills and a sound institutional relationship (LTX, MCM, 07/12/21).

- **RSS: CD aimed at strengthening macroeconomic and financial statistics.** The regional view offers contrasting examples. Statistics Botswana is considered one of the best technical and professional institutions in the country, with sufficient capacity to sustain the effort of the CD project over time. In exchange, major hurdles to sustainability apply to Madagascar (INSTAT) and Comoros (INSEED) (LTX, STA, 06/28/21): Scarce and low-skilled staff: due to low salaries and unsteady jobs; recruitment may take months, and once done, it requires training (which delays start-up of actual work by new staff); continuous staff rotation (low stability at the same job) prevents learning accumulation/sharing; too strong reliance on external consultants: this fosters dependency and reduces knowledge when a donor project ends: e.g. Comoros saw a WB project end in December 2020 and INSTAT had to fire all temporary staff working, in the absence of resources, which represents a major loss of technical capacity and institutional memory; lack of a permanent structural solution to train statisticians. Other RTAC-participant countries feature, for instance, one-two year university diplomas on Statistics agreed with local institutions; staff often gets its work program continuously modified/overburdened with too many activities, which has resulted in continuous delays, especially post-COVID-19 (e.g.a private sector survey in Comoros, key for GDP estimates, was delayed five months from May to October 2020); and no real (or functional) autonomy for INSTAT/INSEED, with political economy often playing a big role (positive or negative) on the publication of its work or inclusion in policy decisions.

Box VIII.1. Some Lessons Learned by Funding Programs on DAC criteria

This section summarizes a few additional lessons learned by funding programs from illustrative case-studies on each DAC criteria. Full details can be found in *the Notebook (Annex II)*.

- ***A fragile status does make a difference in terms of performance.*** Comoros's under-performance is clear, due to its handicapped status as a fragile economy with weak absorption capacity.
- ***CD activities supported by CD-Surveillance tend to be prioritized but do not ensure per se a satisfactory level of achievement across all DAC criteria*.** A marked contrast between the two sampled countries that have benefited from an IMF program during Phase II – Angola and Madagascar – is revealing.

Relevance. ***Funding programs find highest relevance when supported by national development plans and/or comprehensive diagnostic studies made upfront*.** The Relevance of most CD activities was highest when considered among the top priorities of the Governments, like most action plans at the onset of Phase II: e.g. Botswana (2017-2021), Comoros (2018) and Madagascar (2016-25).

Coherence. ***Selected funding programs benefit from having CDs linked to an IMF program or to donor interventions*.** Given limited resources, coherence is favored by interlinkages between the CD project and other IMF or donor interventions. (e.g. the World Bank or AfDB in Botswana).

Effectiveness. ***Funding programs do not always get value (results) for money and, in this regard, they should consider linking budget allocations according to the results they obtain.*** In Botswana, a country receiving strong AFS support in PFM: 4 out of 6 PEFA indicators (Policy-based Budgeting, Internal Controls, Accounting and Audit) deteriorated between 2013, 2019. Similar disappointing results were found for Comoros and Madagascar PEFAs.

Efficiency. ***Certain funding programs reveal cases of mixed results: high effectiveness combined with low cost-efficiency, and thus having room for improvement.*** In response, some AFS RTACs have already started to improve the cost-efficiency of CD activities by restructuring both their mix of regional vs non-regional experts, and in-person and virtual missions.

Impact. ***Some funding programs face more severe institutional constraints than others, and this affects the impact of CD services*.** For instance, PFM is highly exposed to political risks, which prevents budget control and transparency. Tax and Customs are subject to political and management risks related to staff hirings.

Sustainability. ***Certain funding programs are more handicapped than others in terms of counterpart's absorption capacity, which would justify assigning additional resources to them***. While Central Banks and tax agencies do tend to have high quality staff, RSS works with counterpart agencies that are usually underfunded and partly rely on volatile donors' grants for surveys.