

# **Regional Technical Assistance Center for East Africa (AFRITAC East) Phase V**

**Mid-Term External Evaluation  
May 2021 to July 2024**

## **Evaluation Report**

**December 2025**

## ACKNOWLEDGEMENTS

All team members have found this work on evaluating the AFRITAC East program extremely interesting and rewarding. We have been very impressed by the very helpful, open and highly professional approach taken by the AFE and IMF teams in this evaluation exercise.

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## ABBREVIATIONS AND ACRONYMS

ACH	Automated Clearing House
AfDB	African Development Bank
AFE	IMF Regional Technical Assistance Center for East Africa
AFR	IMF African Department
AFRITAC East	IMF Regional Technical Assistance Center for East Africa
ATI	Africa Training Institute
ATS	Automatic Transfer Service
BCG	Budgetary Central Government
BCP	Basel Core Principles for Effective Banking Supervision
BRFP	Briefing Paper
CAAT	Computer-Assisted Audit Techniques
CBDC	Central Bank Digital Currency
CBK	Central Bank of Kenya
CBO	Central Banking Operations
CD	Capacity development
CDD	CD Department
CDMAP	IMF Capacity Development Management and Administration Program
Center	AFE
CIP	Compliance Improvement Plan
COFOG	Classification of the Functions of Government
CPI	Consumer Price Index
CRM	Compliance risk management
DM	Debt Management
DP	Development Partner, or Development Cooperation Agencies
EAC	East African Community
EAMU	East African Monetary Union
EFT	Effectiveness
EU	European Union
FAD	IMF Fiscal Affairs Department
FCS	Fragile and Conflict-Affected State
FMI	Financial markets infrastructure
FPAS	Forecasting and Policy Analyses System
FPW	Field Person Week
FRM	Fiscal risk management
FSAP	Financial Sector Assessment Program
FSR	Financial Sector Regulation
FTE	Fiscal Transparency Evaluation
Fund	IMF
FY	IMF fiscal year
GFSM	Government Finance Statistics Manual
GG	General Government
HQ	Headquarters
ICAAP	Internal Capital Adequacy Assessment Process
ICD	IMF Institute for Capacity Development
ICDGP	ICD Global Partnerships Division
ICDSE	ICD Strategy and Evaluation Division
ICT	Information and communication technology

IIP	Index of Industrial Production
IMEM	Integrated Macroeconomic Model
IMF	International Monetary Fund
IMP	Impact
IT	Information Technology
KEQ	Key Evaluation Questions for the evaluation
LIC	Low-Income Country
LTX	Long-Term Expert
MCM	IMF Monetary and Capital Markets Department
MoF	Ministry of Finance
MTRS	Medium-term Revenue Strategy
NAS	National Accounts Statistics
NGO	Non-governmental organisation
NPS	National Payments System
NPSC	NPS Committee
NPSD	National Payment System Department
NSO	National Statistical Office
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	OECD Development Assistance Committee
P2P	Peer-to-Peer
PBM	Performance Based Management
PCA	Post-Clearance Audits
PEFA	Public Expenditure and Financial Accountability
PIM	Public Investment Management
PIMA	Public Investment Management Assessment
PPI	Producer Price Index
Program	AFE
PSDS	Public Sector Debt Statistics
Q-CRAFT	Quantitative Climate Risk Assessment Fiscal Tool
QNAS	Quarterly NAS
RBM	Results-Based Management
RBS	Risk-Based Supervision
RCDC	IMF Regional Capacity Development Center
RST	Resilience and Sustainability Trust
SC	AFE Steering Committee
STA	IMF Statistics Department
STX	Short Term Expert
SUS	Sustainability
TA	Technical Assistance
TADAT	Tax Administration Diagnostic and Assessment Tool
TAR	TA report
TWG	Technical Working Group
VLIC	Very LIC
<b>AFE workstreams covered in evaluation</b>	
CBO	Central Bank Operations
FMIP	Financial Markets Infrastructure and Payments
FSR	Financial Sector Supervision and Regulation
GFS	Government Finance Statistics
GMA	General Macroeconomic Analysis
MMP	Monetary and Macroprudential Policies

PFM	Public Financial Management
RA	Revenue Administration
RSS	Real Sector Statistics

AFE member countries	
ERI	Eritrea
ETH	Ethiopia
KEN	Kenya
MWI	Malawi

RWA	Rwanda
SSD	South Sudan
TZA	Tanzania
UGA	Uganda

## EXECUTIVE SUMMARY

The IMF Regional Technical Assistance Center for East Africa (AFRITAC East, AFE, Center) assists eight regional member countries<sup>1</sup> and the East African Community (EAC) Secretariat to build local capacities for macro-economic stability and sound economic and financial management. It is financially supported by international donor partners, its members, and the IMF. Having been established in 2002, AFE is in its fifth phase (FY2022-2026), with a Phase V budget of US\$59m. AFE delivers capacity development (CD) support through nine workstreams, broadly divided into fiscal, financial sector, monetary and foreign exchange policy, and statistics.

**This report sets out the findings and recommendations from a mid-term evaluation of AFRITAC East's current fifth phase.** It was undertaken primarily for learning, and informing the operations of the remainder of the current and next phase. The evaluation involved assessing a sample of CD projects implemented by AFE in the current phase, and also looking back at related activities in the previous phase. The selected CD projects were assessed against three OECD-DAC criteria: Effectiveness, Impact and Sustainability, through responses to Key Evaluation Questions (KEQ) related to each of these criteria. Assessment has been undertaken through five case studies and 11 desk reviews of 16 AFE CD projects, which covered 24 IMF Results-Based Management (RBM) logframe objectives. Each evaluation criterion has been awarded a qualitative grading (rating) with a score of between 4 and 1 based on an assessment of the responses to the relevant KEQ<sup>2</sup>. AFE governance and operations management, and regional workshops, were reviewed separately, and were not rated like the CD projects. Evaluation tools used were document reviews, interviews and surveys. The evaluation also involved impact studies of AFE CD delivered between 2002 (when the Center was established) and 2024, in three different workstreams, to three member countries, to gain insights into longer-term AFE contribution to its members' institutional development.

**The current phase of the AFE program is rated as Good, indicating that the majority of objectives have been, or are likely to be, achieved.** Effectiveness, Impact and Sustainability of sampled CD projects are all rated Good, with Effectiveness being scored marginally higher than Impact, and Sustainability marginally lower. The evaluation rating for the program was adversely affected by the sample selection approach, which included a disproportionate number of fragile and conflict-affected countries (FCS) for review<sup>3</sup> in order to learn lessons. The assessment results from the other countries were better than the overall average, especially for Sustainability. The evaluation ratings are generally more reflective of country fragility and ability to implement reforms, than the workstreams the projects were sampled from.

**Program-level Effectiveness is rated as Good.** The rating reflects the results of a well-honed AFE CD delivery approach providing high quality advice tailored to counterpart priorities and capacity, and harnessing well a range of CD channels and IMF HQ expertise. A range of important outcomes were realised, or significantly realised, across the workstreams. Examples include supporting one of the member countries access US\$319m Resilience and Sustainability Trust funding; assisting in the establishment of standardised audit approaches, methodologies and operational practices at a tax administration; supporting the recent issuance of a Directive on Basel II Pillar I capital requirements at an FCS after many years of slow progress; and enabling one member country resume submission of GFS data to IMF.

**The key shortcoming identified under Effectiveness, and the program's operations more widely, pertains to the design and operation of RBM logframes.** The assessments found a significant number of technical definition, logframe design, and implementation-related issues that negatively affect the RBM system's functionality as a reporting and project management tool.

**Impact is rated as Good.** It is difficult to reliably ascertain a current-phase AFE CD project's contribution to changes in relevant higher-level macroeconomic indicators, although potential for impact at an institutional level can be discerned with more certainty. A number of outcomes realised or progressed in achievement are likely to contribute to impact at a macroeconomic level, including increased financial stability; improved revenue ratios; strengthened fiscal position; and more effective policymaking through improved data availability. Whilst the three impact studies undertaken were not assessed against the OECD-DAC evaluation criteria, and did not directly contribute to the Program's Impact ratings, they do demonstrably indicate that over the longer-term the Center's CD has been making important contributions to the strengthening of counterpart institutions.

<sup>1</sup> Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan (since May 2020), Tanzania (including Zanzibar), and Uganda.

<sup>2</sup> These are, 3.8-4: 'Excellent', or fully achieved; 3-3.7: 'Good', or largely achieved; 2-2.9: 'Modest', or partially achieved; and 1-1.9: 'Poor', or not achieved.

<sup>3</sup> In comparison to the portion of CD resources allocated to them.

**Sustainability at the program level is also rated as Good.** Objectives assessed for projects in FCS countries were generally assessed to be lower for this evaluation criterion, and those in other member countries were rated Good. These relative ratings reflect the challenges in achieving sustainability in FCS environments, including low levels of resourcing making institutions particularly vulnerable to high staff turnover. In addition, low technical know-how, organisational culture, and lack of legal or regulatory underpinning were assessed to be detractors to CD interventions achieving sustainability.

**Separate ratings for workstreams were not produced,** as it was considered that the samples assessed were either not representative of the overall workstream portfolio, or were too small in number (e.g., a number of workstreams had only one project assessed) to produce representative assessments. Instead, average sample scores have been produced for each workstream.

**The evaluation found AFE to be exemplary in its operations management in areas within its control.** In addition to high quality LTXs and Directors, the Centre benefits from, in particular, very professional economists and operational staff. Most such staff are long-standing, and the Centre's internal processes have been refined over the years to a high degree of efficiency and effectiveness. AFE economists have proactively developed, over a period of two-to-three years, more user-friendly local interfaces and report generation capabilities for LTXs and Center management to benefit from the capabilities of the Capacity Development Management and Administration Program (CDMAP), the IMF system that integrates RBM, financial information, and document tracking. The Center Director also plays a pro-active role in IMF HQ, donor, and CD counterpart consultations, briefing, and coordination. The integration of AFE activities within IMF systems and processes works well on the 'front end', enabling the Center to provide more consistent, high quality, wide ranging and technically current CD to its counterparts. However, a number of problems related to systems and processes arising from IMF integration impair the Center's 'back end' operations, especially those related to implementation of the RBM system and its associated CDMAP, but also with staff recruitment and different administrative approaches adopted by the CD Departments (CDD).

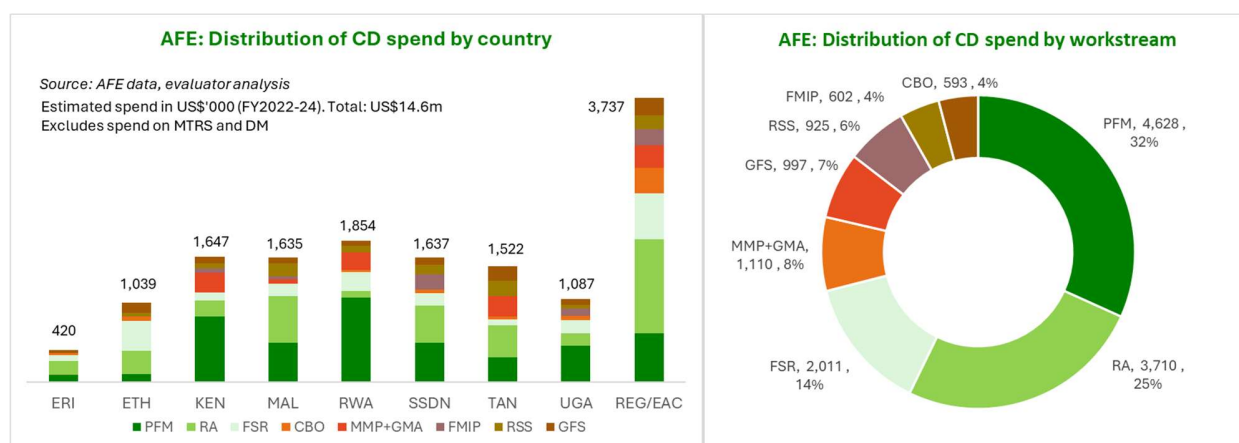
**The recommendations of the evaluation are as follows (1 to 5 are considered high priority, the others medium):**

1. CDDs, under the guidance of ICD, and in consultation with RCDCs, preferably with the involvement of a logframe specialist, should conduct a detailed review of the RBM catalogues, and logframe implementation, to ensure the various shortcomings are appropriately addressed, including: ensuring that technical definitions of indicators are robust; outcomes are set at a realistic level for RCDCs; milestones are set appropriately; objectives better reflect higher level goals, and are calculated in a logical manner; and AFE should ensure RBM Guidelines on involvement of CD counterparts in RBM processes is more closely followed.
2. AFE, the CDDs and AFR should agree to a structured process for annual work plan development, with clear timelines, that ensures that the priorities of the Centre as expressed by Steering Committee members and member countries, are appropriately and transparently reflected in annual resource allocation and work plans as envisaged in the RTAC Handbook, with due regard to the objectives of CDDs and AFR.
3. AFE should agree with each of the CDDs a general schedule of actions relating to advertising, shortlisting, interviewing, and onboarding new LTXs, to be triggered sufficiently in advance of LTX vacancies occurring, including responsibilities and involvement; timescales; and contingencies including the recruitment of stopgap STXs.
4. To better reflect the long-term nature of its core CD-interventions, AFE should consider developing multi-year plans for each workstream and country, covering an entire phase, and making CD counterparts aware of them, setting annual plans flexibly within their frameworks, and structuring annual reporting in their context.
5. For statistics missions, STA should consider engaging STXs to join LTX missions, to carry out tasks such as data clean-ups and reviews. In selected cases, such STXs might start their missions ahead of LTXs to ensure preparation ahead of LTXs arriving.
6. IMF HQ and AFE should review its procedures for the allocation of available CD resources across member countries to ensure more consistent support among them, including assessing causes of lack of demand for CD; educating CD counterparts to more effectively express CD demand; and ensuring internal consultations at all relevant functions of the counterpart institution.
7. STA should consider promoting statistics usage by national policymakers, by for example, providing CD to senior staff at relevant ministries and agencies on the effective use of statistics for decision-making; and providing CD to statistics compilers on how their outputs can be made more usable for different user groups.
8. IMF should consider promoting more systematized, direct, sharing of knowledge and information between RCDCs in general, and AFRITACs East, South and West 2 in particular. This could include sharing of briefing papers, TA reports, and other relevant documents; developing key performance indicators that can be analysed, insights gained, and lessons learnt/implemented; structured, periodic virtual meetings of workstream LTXs and operational staff to share new developments and lessons; and systematic sharing of findings and recommendations of external evaluations and other reviews.
9. In the medium-term, AFE should consider engaging research assistant(s) or economic analyst(s) initially on a pilot basis, on attachment from CD counterpart institutions, or recruited locally, to support LTXs on tasks that can be delegated, including periodic checking-in with CD counterparts.

# 1. INTRODUCTION

## 1.1 PROGRAM OVERVIEW

The IMF Regional Technical Assistance Center for East Africa (AFRITAC East, AFE, Center) assists eight regional member countries<sup>4</sup> and the East African Community (EAC) Secretariat to build local capacities for macro-economic stability and sound economic and financial management. It is financially supported by international donor partners<sup>5</sup>, its members, and the IMF. Having been established in 2002, AFE is in its fifth phase (FY2022-2026), with a Phase V budget of US\$59m. AFRITAC East delivers capacity development (CD) support through nine workstreams<sup>6</sup>, broadly divided into fiscal, financial sector, monetary and foreign exchange policy, and statistics. The total expenditure in the current phase up to the end of April 2024 was US\$16.9m. Of this AFE spent an estimated<sup>7</sup> US\$14.6m on core workstream CD between FY2022 and FY2024.<sup>8</sup> In addition, US\$350k was spent on three workshops on climate, inclusive growth and gender, and US\$1.7m on AFE governance, management and administration, and SC costs. A number of factors, including COVID-19, impacted on the pace of AFE CD delivery during the period under review. AFE also hosted Long-Term Experts (LTX) on Debt Management and Medium-Term Revenue Strategy (MTRS), funded by other donor programs, over this time, and these workstreams have been excluded from the evaluation.



Rwanda has been the largest recipient of AFE CD support in the current phase. Excluding regional workshops and a small number of EAC projects (which in total accounted for 26% of CD spend), Rwanda received over 17% of CD resources allocated bilaterally to member countries; Kenya, South Sudan, and Malawi (15% each) and Tanzania, including Zanzibar (14%) followed. Ethiopia and Uganda each received 10%. AFE continued to face difficulties in implementing CD projects in Eritrea, and the country continues to be the lowest ranking CD support recipient.

PFM and RA continue to be AFE workstreams with the highest CD expenditure, accounting for almost 60% of the total. Including workshops, PFM has accounted for 32% of CD spend, and RA 25%. IMF Fiscal Affairs Department (FAD) workstreams have therefore accounted for 57% of CD. Of the Monetary and Capital Markets Department (MCM) workstreams (30%), FSR had the highest CD spend (14%), followed by MMP+GMA (8%), and CBO and FMIP (4% each). The Statistics Department (STA) workstreams have been responsible for 13% of CD expenses, with GFS at 7% and RSS at 6%.

<sup>4</sup> Eritrea (ERI), Ethiopia (ETH), Kenya (KEN), Malawi (MWI), Rwanda (RWA), South Sudan (SSD) (since May 2020), Tanzania (including Zanzibar) (TZA), and Uganda (UGA).

<sup>5</sup> Current donor partners are The Netherlands, the United Kingdom, the European Union (EU), Norway, China, Germany, and Switzerland.

<sup>6</sup> CBO: Central Bank Operations; FMIP: Financial Markets Infrastructure and Payments; FSR: Financial Sector Supervision and Regulation; GFS: Government Finance Statistics; GMA: General Macroeconomic Analysis; MMP: Monetary and Macroeconomic Policies; PFM: Public Financial Management; RA: Revenue Administration; and RSS: Real Sector Statistics. For the purposes of this report, GMA and MMP have been considered together.

<sup>7</sup> We understand that the CDMAP system, from which financial and Field Person Week (FPW) data has been extracted, includes some estimates, but that the figures presented should be broadly reflective of the correct position. Also, the timing of recording of expenses may differ from actual activities being implemented.

<sup>8</sup> Figure excludes US\$233k spend on DM and MTRS missions, generally when AFE LTXs joined missions for those workstreams.

**Regional workshops comprise US\$3.7m<sup>9</sup>, or 26% of workstream CD expenditure.** In-person workshops, webinars and peer-to-peer (P2P) exchanges (the latter accounting for a small proportion of spend) are included in this category. Of the AFE workstreams, 57% of CBO, 36% of FMIP<sup>10</sup>, 33% of RA, 30% of FSR, and 27% of MMP+GMA CD spend were allocated to regional workshops and projects. The lowest proportion was PFM, with workshops accounting for 14% of workstream CD spend. In total, an estimated 68 workshops were held in FY2022-24, with the largest numbers by PFM and FSR (15 each) and RA (14), and the lowest FMIP and RSS (4 each) and GFS (3). Some regional workshops were held in partnership with other AFRITACs, notably AFRITAC South and AFRITAC West 2, as well as with the EAC Secretariat.

## 1.2 SUMMARY OF EVALUATION OBJECTIVES, APPROACH AND METHODOLOGY

**This mid-term external evaluation of AFE is primarily for learning, and informing the operations of the remainder of the current phase, as well as the next phase.** The terms of reference for the evaluation (ToR) set out its objectives and methodology. Accordingly, a bottom-up project-based approach for assessing AFE performance, guided by eight Key Evaluation Questions (KEQ) covering three of the six OECD-DAC evaluation criteria (Effectiveness, Impact and Sustainability) has been evaluated. Strategy and operations management of AFRITAC East has been separately assessed, without applying the OECD-DAC criteria, through responding to nine ToR questions. An important aspect of the evaluation has been its objective of providing initial answers of AFE long-term impact. Other areas addressed include the Center’s activities in low-income (LIC) and fragile and conflict-affected states (FCS)<sup>11</sup>; appropriateness of its current scope of activities and jurisdiction; and implementation of recommendations from previous evaluations. All AFE member countries, except Eritrea, Uganda and South Sudan, are implementing IMF Programs, while South Sudan has a Staff-Monitored Program with Board Involvement<sup>12</sup>.

**The assessments presented in this report are based on the review of a sample of AFE CD projects as of July 2024.** The sample includes five country case studies (three of these involved in-person country visits), covering seven CD projects, and 11 project desk reviews. These 18 CD projects covered 24 AFE Results-Based Management (RBM) logframe objectives: five each for PFM and RA; three each for FSR, FMIP, RSS and GFS; and one each for MMP and CBO. The combination of country case studies and desk assessment projects was selected to broadly reflect either significant resource deployment; geographic and topical distribution of the workstream portfolios; or, importantly, projects where success and challenge-related lessons could be learnt. The sample is drawn from a total of 163 CD projects implemented during the review period, representing commitment or actual country-specific spend of US\$10.8m (1,159 Field Person Weeks (FPW)). The sample represents spend of US\$2.1m (19% of country-specific spend)<sup>13</sup>, and 226 FPWs (19%).

**A range of evaluation tools have been deployed to undertake CD project assessments.** Extensive documents have been researched, including those related to AFE governance, management and reporting; mission briefing papers (BRFP) and TA Reports (TAR) and associated RBM logframe objectives, outcomes, milestones and indicators; strategies, policies and related reports produced by CD counterparts; relevant IMF policies and surveillance and other reports; and background information about the case study countries. Interviews have been undertaken with AFE management, economists and operations staff through an in-person visit and online; LTX and short-term experts (STX); IMF Headquarter (HQ) staff, including CD Department (CDD) leads, backstoppers, and African Department (AFR) senior staff and country economists; IMF Resident Representatives in case study countries; Steering Committee (SC) members; and other Development Partners (DP). CD counterparts and external stakeholders were interviewed during in-person country case studies visits, the former remotely, when available, for the other case studies. A total of 108 individuals were interviewed individually or as part of groups, some more than once. The Evaluation also relied on surveys of AFE CD counterparts; AFE and IMF staff and experts; and SC members. For the AFE CD counterparts survey, 185 invitations were sent out, eliciting 41 responses (response rate of 22%); for the LTX and IMF survey, the corresponding numbers were 75, 30 and 40%; and for the Steering Committee, 35, 11 and 31%. The response rates are significantly higher than the previous AFE evaluation surveys, and also understate the broad coverage of topics, AFE and HQ, and donor and country SC members received, which was very reasonable.

<sup>9</sup> The AFE accounting system includes EAC CD projects within the total of workshop expenditure. These accounted for an estimated US\$118k in FY2022-24. Additional costs, such as work on the AFE Steadfast Report, are also included in this category for some workstreams, but these are not material.

<sup>10</sup> The regional projects’ total, which is included in this estimate, comprised US\$74k on desk work to support AFE member countries.

<sup>11</sup> All AFE member countries except KEN are low-income countries, and three: ERI, ETH, and SSD are FCS. (Source: IMF AFR Regional Economic Outlook, Oct. 2024 - [https://www.imf.org/external/datamapper/NGDP\\_R\\_PCH@AFRREO/SSA/OEXP/OIMP/FRC/LIC](https://www.imf.org/external/datamapper/NGDP_R_PCH@AFRREO/SSA/OEXP/OIMP/FRC/LIC)).

<sup>12</sup> [IMF comments](#).

<sup>13</sup> Total country-specific spend excludes EAC CD projects, of which one (US\$35k) was included in the sample.

**Projects have been rated and scored for each of the three OECD-DAC criteria based on an approach guided by the TOR.** Each criterion has been awarded a qualitative grading ('rating') with a 'score' of between 4 and 1 based on an assessment of the responses to the relevant KEQ. These are, 3.8-4: 'Excellent', or fully achieved; 3-3.7: 'Good', or largely achieved; 2-2.9: 'Modest', or partially achieved; and 1-1.9: 'Poor', or not achieved. Scores have been averaged on an unweighted basis to arrive at aggregates for each project, workstream sample and the program. The consolidated scores are calculated to one decimal place. For reasons stated in the next section, we believe that the samples do not accurately reflect the performance of their respective workstreams. Aggregated scores calculated at the workstream-level, presented in Section 3, should therefore be taken as that for the sample, and not the workstream.

**The evaluation also carried out three long-term impact studies.** These relate to PFM, FSR and RSS workstream activities respectively in Rwanda, Kenya and Uganda respectively. The studies are aimed at reviewing activities, outputs, outcomes and contribution to impact of AFE CD work undertaken since the Center was established in 2002. The studies were undertaken principally by analysing publicly available information, especially AFE Annual Reports; the AFE report *Steadfast Pursuit: Building Macroeconomic Capacity in East Africa*; any relevant public information produced by CD counterparts; macro-data gathering and analysis; and selected interviews with AFE LTXs and IMF HQ staff.

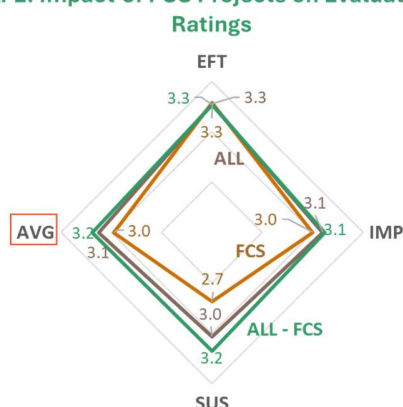
## 2. ASSESSMENT OF PROGRAM-LEVEL RESULTS

### 2.1 OVERVIEW

The aggregate rating for the average of the assessed OECD-DAC criteria at the AFE program level is **Good**. The evaluation ratings have been greatly influenced by the choice of country case studies and desk review projects. For reasons highlighted below, we believe that the evaluation scores somewhat understate the true performance of the AFE CD portfolio. Nevertheless, the assessment still reflects a strong performance for the program, and the relative scores for Effectiveness (EFT), Impact (IMP) and Sustainability (SUS) are broadly representative of AFE workstream performance on these criteria. Effectiveness scores the highest, indicating generally good results being realised; Sustainability scores lowest, reflecting principally the institutional capacity constraints faced by many AFE member countries. The average Impact rating is in the middle, highlighting the Center’s contribution to higher-level results, especially given its extended engagement with member country institutions. Section 3 presents the rationale for the CD project ratings in more detail, in relation to samples assessed for each workstream. This section provides an overview of the main common issues across workstreams that influenced the evaluation.

AFE Program			
Countries		Objectives	
8 <sup>14</sup>		24	
EFT	IMP	SUS	AVG
3.3	3.1	3.0	3.1

AFE: Impact of FCS Projects on Evaluation Ratings



The AFE program-level ratings have likely been deflated by the strategic project sample selection approach adopted, and the choice of OECD-DAC criteria for assessment. Given the learning focus of the evaluation, sample projects were selected based on a number of criteria, one of which was to learn from working in more challenging environments (as well as from very successful projects). Consequently seven of the 24 objectives (i.e., 30%) assessed relate to FCS projects, while 21% of AFE CD resources have been deployed in them. Ratings of objectives were generally more correlated to CD counterpart capacity and institutional maturity than workstreams. As the chart opposite highlights, the average rating of FCS objectives was 3.0, while that of the rest was 3.2, with FCSs rating particularly lower on Sustainability. There was some variation in average objective ratings, again primarily reflecting country capacity. Of the 24

objectives rated, three were scored between 3.8 and 4 (Excellent), all in countries with more developed institutional infrastructure; 11 were scored between 3 and 3.7 (Good); nine were scored between 2 and 2.9 (Modest); and one between 1 and 1.9 (Poor). Of the latter 10 objectives, four stem from FCS projects. Out of the OECD-DAC evaluation criteria, Relevance and Coherence typically score the highest (and these criteria have been excluded from the evaluation) and impact and sustainability, which have been rated, the lowest. The average rating for the program is therefore not comparable with previous AFE evaluations. It should also be noted that some CD projects are associated with only one objective and one outcome, while others can have more than one objective and multiple outcomes. The rating of the two may not be comparable as it is likely that the former can achieve its targets easier.

### 2.2 EFFECTIVENESS

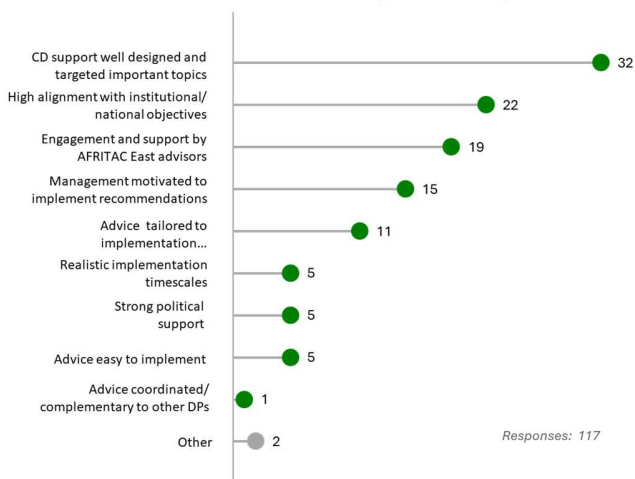
**Effectiveness at the AFE program level is rated as Good.** Four objectives were fully achieved, 12 significantly achieved, and a further eight partially. The related outcomes are described in Section 3, under each workstream. These achievements were enabled through the AFE approach to CD delivery, which draws on: i) high quality technical advice, generally tailored to counterpart capacity, with experienced backstoppers at CDDs providing important inputs and quality checks; ii) a programmatic approach to CD delivery, with assessment of achievements at the start of a mission, provision of advice, and action plan for subsequent implementation (with missions building on previous ones); iii) CD design built on robust diagnostic foundations, such as PIMAs and C-PIMAs, TADATs, internationally accepted financial sector standards such as the Basel capital and liquidity rules and supervision principles, international payments

<sup>14</sup> Excludes one member country, and includes one project with EAC.

standards such as PFMI, and statistics standards and manuals, such as the latest SNA and GFSM; iv) close alignment with counterpart strategies and objectives, including institutional strategies, white papers, and sector strategies; v) close integration with IMF surveillance, program objectives, and often joint or complementary CD delivery in partnership with CDDs; v) effective use of multi-channel CD delivery, combining TA missions with regional workshops, attachments and peer learning. CD delivery is supported effectively by the Center’s high quality management and administration support functions.

**AFE CD is well tailored to the needs of its FCS members.** The five CD projects with nine objectives assessed, including two FSR projects through an in-person country visit, confirmed AFE project design and implementation is undertaken with cognizance of the challenges faced in such jurisdictions. There was only one exception, where a CD project designed during the previous phase had over-ambitious targets, both in scope and timelines. The long-term multi-phase nature of the program enables insights to be gathered about institutions’ capabilities and limitations, and there is a realisation that patience and time is needed for implementation to happen. Challenges such as travel limitations are addressed where possible, for example through remote missions, although these impair effectiveness. Attachments are also seen as an important CD delivery tool. FCSs often need the support of long-term resident advisors, and the AFE model generally poses limitations in providing this type of support (albeit in some cases IMF HQ does arrange such placements).

**Main reasons AFE CD interventions in your institution or country have been successful (choose three)?**



**The assessment of Effectiveness based on sampled projects was confirmed by respondents to the CD counterparts survey.** 70% of the respondents confirmed either fully (29%) or by ‘a lot’ that expected CD results have been achieved, or are likely to be achieved. The top three reasons attributed to success were i) targeting important topics and good project design; ii) high alignment of CD with institutional objectives; and iii) the level of engagement and support from AFE advisors. IMF staff and LTXs also attributed success to project targeting/design and AFE Advisor engagement, but added well tailored advice as the third reason.

**The top three challenges to CD implementation were identified by CD counterparts as:** i) insufficient implementation resources; ii) capacity gaps; and iii) disruptions caused by COVID-19. AFE and IMF staff survey responses agreed on the main

barriers being lack of resources and capacity gaps, but added high staff turnover to the top three reasons. These survey responses are broadly consistent with the findings from the project assessments undertaken during the evaluation. Several projects assessed also identified issues such as mission lengths being too short; extended periods between missions; variable pro-active follow-ups between missions; and for some workstreams extended gaps between missions, being causes impairing AFE CD effectiveness and efficiency.

**A key challenge with respect to Effectiveness, as defined by KEQs, is the appropriate use of the RBM system.** Although AFE has taken important steps in locally addressing many weaknesses of the system (see Section 5), various technical shortcomings on logframe design and use were identified during the project reviews. These are explained in more detail with reference to particular projects in the next section. In summary they include: i) technically inaccurate definition of logframe indicators; ii) overambitious outcome and milestone targets; iii) inappropriately set milestone target dates; iv) cumbersome logframes, with many outcomes, even more milestones, all running in parallel (rather than in sequence); v) technically weak linkages between milestones, outcomes and objectives; vi) objectives, intended to be higher level goals, set at very different levels, with the ability to meet them ranging from simple acceptance of a CD roadmap, to meeting all requirements of an international standard; and vii) a lack of audit trail of changes, so that delays in projects, or changes in ratings over time, cannot be tracked by the system. Logical coherence of the RBM logframe could also be improved. For example, an objective is associated with a large number of outcomes in the RBM catalogue. Currently, to meet that objective, a project might need to meet only one of the catalogue outcomes, whilst another, in the same workstream, might need to meet multiple different ones. The relevant CD Departments (CDD) are responsible for designing, maintaining and updating the RBM catalogue, and depending on each CDD policy, the backstoppers play different roles in designing individual AFE project logframes. To address these issues therefore,

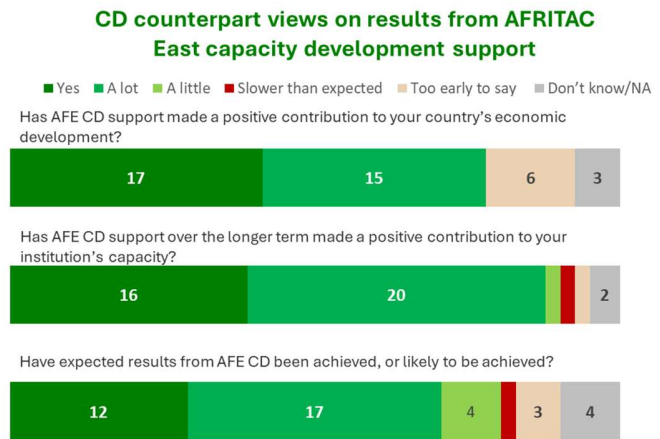
cooperation between AFE and IMF HQ will be required. The IMF/AFE staff survey indicated that most staff see the RBM system as an important tool for reporting to management, supervisors, and donors. Only a minority fully or strongly agreed that its user interface is easy to use; the associated operational processes are straightforward and efficient; and beneficiary institutions are aware of RBM objectives, outcomes and milestones. On the other hand, a majority (principally from AFE) indicated they use the system regularly to support their work; and that it is a useful tool for managing projects. When, in our assessment following logframe indicators would have resulted in an inappropriate score for Effectiveness, we adjusted evaluation ratings, and provided comment.

## 2.3 IMPACT

**AFE program-level Impact has been rated ad Good.** Three objectives were rated Excellent for Impact, as they related to two completed projects that are expected to be impactful; nine were rated Good; eight Modest, one Poor (relating to the publication of inaccurately rebased statistics); and three objectives relating to one project were deemed Not Determinable, as it is at an early stage of a likely long-term intervention in an FCS, with a high degree of associated uncertainty. Typically impact of a current phase CD project would not be expected to be immediately discernible. Instead, the evaluation seeks to establish a causal chain between the outcomes realised, or expected to be realised, and the uncertainty associated with it being translated into impacts. For example, the recent issuance of a directive on strengthening bank capital requirements and internal risk management is expected to lead to increased financial stability, but with some degree of uncertainty as the supervisor has currently limited capacity. Conversely, Impact for a case study on upgrading PIM systems was rated higher for targeted impacts of potential increase in domestic revenue mobilisation, more fiscal space and improved debt sustainability, as i) outcomes were already reached; ii) the project is reinforced by complementary AFE and FAD interventions; and iii) the country has a strong track record in implementing reforms. More potential impacts are highlighted in Section 3, under each workstream.

**Three long-term impact studies carried out as part of this evaluation, have indicated that AFE CD interventions tend to be impactful.** Although it is not possible to discern impact, or contribution thereto, at the macroeconomic level, the longer-term engagement enabled by the Regional Capacity Development Centre (RCDC) model facilitates extended involvement with CD counterparts, through adverse and receptive environments, and build institutional capacity over extended periods. Within the sampled projects, impact was seen, as expected, to be closely linked with CD effectiveness and sustainability, as successful CD implementation typically needs to be sustained over an extended period to create impact. CD projects and their associated objectives that were rated lower typically tended to be either incomplete, or were assessed to have uncertain prospects. The CD beneficiaries survey responses confirm the overall rating for Impact. 84% of respondents agreed either fully (45%) or a lot (39%), that AFE CD had made a positive contribution to their country’s economic development. The corresponding proportions in respect of institutional capacity building were 41% and 92%.

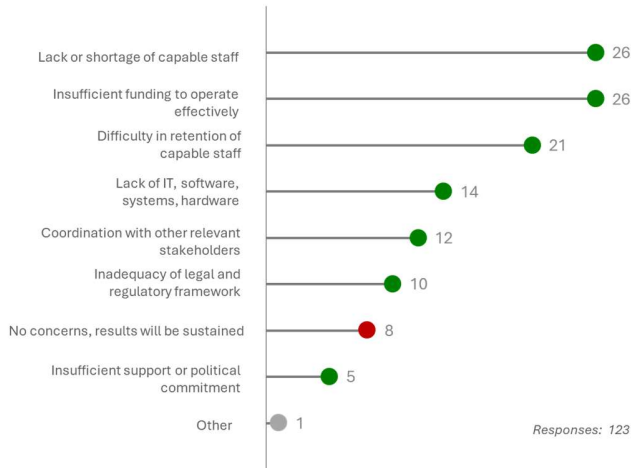
**Project assessments and wider discussions highlighted Fund priorities play an important role in project selection, with the AFR closely involved in work planning.** Most STA projects contribute to Fund surveillance activities. Of particular importance is the PFM workstream where a significant proportion of CD helps countries meet their structural adjustment requirements, complemented by specific joint AFE/HQ CD, for example to enable country access to Resilience and Sustainability Trust (RST) funding.



AFE CD Recipients Survey. Responses: 41

## 2.4 SUSTAINABILITY

**Most important factors that might negatively impact on institution's ability to maintain, or build on, the results of your work with AFE (choose three)?**



**Program-level Sustainability has been rated as Good.** The same two projects with three objectives that received Excellent for Impact (implemented in relatively advanced AFE member countries) were also assessed as Excellent for Sustainability. An additional project, related to development of forex markets that are functioning well, received the same rating. Six objectives were rated Good; and 14 Modest.

**Projects rated as Good for Sustainability have typically demonstrated certain consistent features.** They have tended to be associated with good progress in implementing CD advice; benefited from relevant enabling legal/regulatory frameworks; are reasonably well advanced in institutionalising related processes; and are adequately resourced to provide a degree of protection from staff turnover. As the survey responses above highlight, beneficiaries consider staffing and resourcing related issues to be

the main impediments to achieving sustainability. The AFE CD delivery approach generally, and in FCS in particular, seeks to address this challenge, for example, supporting the documentation of processes; repeating foundational training for new staff; broadening institutional memory, and lobbying senior management for additional resources (although the latter has yielded mixed result to date). Projects in certain workstreams, such as RSS and GFS, tend to demonstrate higher risk to sustainability, as they can be prone to low resourcing and high staff turnover.

## 3. ASSESSMENT OF WORKSTREAM SAMPLED PROJECTS

The following section reflects our findings from the evaluation CD project reviews. For the reasons stated previously, the ratings and scores attributed to projects in the different workstreams do not necessarily reflect the performance of the workstream as a whole.

### 3.1 PUBLIC FINANCIAL MANAGEMENT

#### Sampled Projects: Key Strengths

- The close linkage with IMF HQ, and especially FAD, allows support to be targeted on current and emerging policy areas defined through IMF policy interactions with the country authorities.
- The adoption of a medium to longer-term framework for determination of priorities supports the progression of topics of support in particular areas. This manifests itself as a series of structured and sequenced activities which follow a logical progression from awareness generation to detailed analysis to institutional capacity building. This is evident, for example, in the treatment of fiscal risk and PIM support in two of the countries reviewed.
- The quality of the technical and institutional support provided by the LTX and STX on missions is very high, importantly, with the ability to translate technical knowledge that can be implemented by the CD counterparts, for example, in the implementation of a simplified macro forecasting framework in a nascent, fragile environment. The evaluation found evidence of this high personnel calibre in all the four PFM projects evaluated.
- AFE advisors leverage longer-term engagement with member countries by developing on work from previous phases, for example, realizing important achievements in more focused fiscal risk areas such as climate and creating a fiscal risk committee in one of the projects reviewed, building on more general capacity development in the previous phase. A conscious decision has been taken by FAD and AFE to implement this programmatic approach to PFM CD interventions.
- Training on specific topics, whether held nationally or on a regional basis, makes an important contribution to institutional capacity development in managing technically demanding subjects.

#### Sample-Level Assessment

PFM Sample			
Countries		Objectives	
4		5	
EFT	IMP	SUS	AVG
3.6	3.1	2.9	3.2

The evaluation ratings of the sampled PFM projects point to some clear overall conclusions. While the overall score averaged across the three criteria is Good, at the individual criterion level there is substantial variation. While Effectiveness scores a high 3.6, the average scores for Impact and Sustainability are lower at 3.1 and 2.9 respectively, the latter two results reflecting CD interventions in two of the four sampled countries. The sampled projects were assessed through an in-person country

case study on Green PFM, and three desktop reviews related to fiscal risk management, budget preparation, and Treasury Single Account (TSA) and cash management.

#### Effectiveness

**AFE rates Good on Effectiveness across all the five PFM objectives sampled.** The Green PFM case study saw the development and roll-out of a structured and sequenced set of reforms for PIM and climate-based investment over a number of years, that permitted extended progress of PIM reforms. This was accompanied by CD on PIM systems development, on the basis of recommendations from 2022 PIMA and C-PIMA assessments. AFE CD also systematically assisted in implementing recommendations and subsequent conditions for US\$319m Resilience and Sustainability Trust (RST) financing, achieved in 2024. There was also rapid progress in the implementation of an adopted climate tagging system, although some uncertainty remains about the appropriateness of weightings. The case study provided a good illustration of AFE and FAD working together. One of the desk review projects saw strengthened analytical capacity at the MoF for the analysis of fiscal risks, including the preparation of technical risk analysis for 15-20 SOEs; and establishment of a Fiscal Risk Committee with a supporting Fiscal Risk Working Group. The TSA project intended outcomes and milestones addressed two aims: to consolidate the TSA by broadening its coverage, and to establish an effective cash flow forecasting and management system. In each case the AFE mission undertook valuable analysis pointing to fundamental reforms necessary to achieve the intended results. However, progress is likely to be difficult and slow. Significant advancement to date has been based on capturing the MDAs in the TSA. Extending this to Extra

Budgetary Entities will be much more complex and is likely to advance only slowly. On the cash management side, the main challenge is to obtain a united view across the wide range of interested stakeholders even within the central government. The recommendations of the mission are good but will take time and the adoption of a vigorous commitment to move ahead in a reasonable timeframe.

**The RBM system is helpful to PFM work, but its usage could be improved.** The RBM system is a useful element in the AFE overall management system, but it can still benefit from further development to enhance its benefits: i) in some cases the logical framework is not well defined, for example one project contained two objectives with overlapping activities; ii) in others the scoring at the milestone and outcome levels are not up to date; and iii) the use of the RBM system in supporting an overall assessment of the level of achievement of a completed project is inadequate. More effective use of RBM would require a strengthening of the *ex post* assessment of projects for which the RBM system would provide some inputs.

### Impact

**The average PFM sample assessment of Impact, at Good, combines divergent assessments, falling into two groups.** Two of the CD projects, further progressed in their PFM development journey, are highly scored mainly because their specific areas of technical progress were embedded in actual practices of the recipient governments, for example through legal or regulatory reforms relating to PIM systems, fiscal risk mandatory reporting, or actual adoption of climate tagging. However, in the other two countries (one of which is an FCS) the impact criterion is scored substantially lower. In one case the evaluation scores Impact low because of a combination of very limited follow-up by the government to previous related projects and scepticism that there will be effective follow-up to the agreed program for reform in cash management. In the other, the Impact rating is low because of low levels of professional capacity in the key institutions to carry forward the agreed program in the absence of follow-up from the IMF/AFE and a continued practice of the key central agencies working in silos.

**The AFE initiatives in the four sampled PFM projects are closely aligned with Fund strategic priorities, typically as recommended in recent or former IMF Article IV reports.** One of the sampled projects addresses an Article IV high priority for strengthening TSA and cash flow management to protect fiscal space for promotion of inclusive growth. In a similar vein, a second project addresses the prioritised need for stronger management systems for fiscal risk, and a third, with the associated measures to strengthen the PIM system, are closely aligned to stated IMF priorities for the country.

### AFE APPROACH TO ACHIEVING EFFECTIVENESS AND SUSTAINABILITY IN PFM PROJECTS IN FCS

**Elements of good CD delivery practice for fragile states can be observed in the one country sampled under this workstream.** These were: i) the selection of topics to be addressed is based closely on the more basic aspects of PFM to be treated as priorities of AFE support, namely the strengthening of the basic budget management system and the ability to improve revenue forecasts using a basic modelling approach; ii) the deliberate simplification of the technical aspects of the modelled approach to GDP, trade, expenditure and revenue forecasts to facilitate uptake by the beneficiary institutions, given their low technical capacity and rapid staff turnover; and iii) the approach to PFM development in the country is premised on the recognition that PFM progress will be slow given the low level of the starting point and extreme capacity constraints.

**The FCS country sampled for the PFM workstream illustrates the difficulties in making PFM reforms more sustainable in fragile states.** The AFE approach is based on the recognition that the upgrading of PFM systems in the country will take many years. This recognition is important as it means that the selected interventions are not designed to produce a quick fix to a somewhat desperate situation. While some immediate priorities have been addressed, such as the need for urgent action to strengthen cash management, the main emphasis has been on delivery of CD support aimed at addressing the central lack of systems over the medium and longer term. This involves focusing on areas such as building a more effective budget management system, and bringing some improvements in the selection of projects to be financed through the budget. Within this framework the TA delivered by AFE needs to be set at a technical level that is comprehensible to the counterparts in the country. Finally, the use of national and regional workshops can be productive in broadening the understanding and awareness of core PFM topics. This has been evident active participation in regional workshops.

## KEY FINDINGS FROM THE ASSESSMENT OF AFE PFM WORKSTREAM CD PROJECTS

### What has been done well and has been successful

- The development and rolling out of a structured and sequenced set of reforms for PIM generally and climate-based investment in particular over a number of years permitted extended progress of PIM reforms.
- The rolling-out of a structured and sequenced program starting from generic support to increase awareness of the importance of fiscal risk (under AFE Phase IV) followed by strong technical inputs on the measurement of key fiscal risks and strong institutional development based on enhancing the role of the Fiscal Risk Committee and strengthened fiscal risk reporting.
- The achievement of rapid progress in implementation of the adopted climate tagging system, which was critical in achieving full compliance with the RST reform requirements and access to RST finance in 2024.
- The undertaking of extended CD for government staff on the concepts of climate fiscal risk and the inclusion of climate fiscal risk in the Fiscal Risk Statement within the budget documentation; and an engagement to introduce climate change as a source of fiscal risk over the longer-term with selected senior officials in National Treasury and other agencies, and delivery of a training seminar.
- The high technical quality of the analysis undertaken by CD missions.
- A high level of consultation has been undertaken by the mission with the large number of stakeholder institutions within government with differing interests in the development of the cash management system.
- The CD in one of the countries correctly identified the need under TSA policy to move to a new model if the TSA is to be extended beyond the easy-to-capture Ministry Department Agencies (MDA). The recommendation of an overnight account sweeping approach is appropriate for non-MDA government agencies.

### Areas for potential improvement

- The main problem in terms of the development of climate expenditure tagging in the case study country is that the system recommended and adopted is not technically strong and has not won the confidence of the senior management of main counterpart institution, who indicated that the system was introduced without adequate preparatory work in definition of the tagging system to be adopted. This situation has arisen in a context where other donors are supporting the development of an alternative system for tagging based on the so-called “taxonomic” approach, which limits the discretion officials can apply in identifying climate related expenditure. There is a need for all parties to collaborate in agreeing on the basic tagging system to be adopted prior to attempts to fine-tune the implemented system in areas such as the determination and weighting of given expenditures as climate or non-climate and the introduction of “brown” climate tagging which identifies spending expected to have negative climate mitigation or adaptation impact.
- The staff of CD counterpart in one of countries expressed the view that they are currently subjected to reform overload faced with reform requirements from multiple directions including both interventions from the top of government and the need to comply with the requirements of multiple donor programs. Future missions should carefully assess the workload on staff in the key institutions, especially in setting out recommended action plans on completion of missions.
- While the delivery of planned outputs has been very good, a weakness of the support has been the reliance on a single individual at CD counterpart who acted as a strong champion to take the work forward. With the transfer of that individual, it is not clear whether the results achieved will be sustained. Efforts to broaden the support base in the beneficiary institutions are vital for the sustainability of complex and sometimes controversial reform.
- PFM CD on some projects would benefit from AFE follow-up perhaps undertaken virtually to show continued interest and support for the full implementation of the reform.

### Lessons and recommendations

- When AFE introduces new areas of reform, such as climate based budget tagging, great care needs to be taken to ensure that all possible avenues and approaches to reform implementation have been adequately reviewed to avoid a situation where it becomes apparent *ex post* that with further analysis different recommendations would have been made.
- The structured and sequenced approach to reform, which is evident in the wider PIM-related set of reforms undertaken in the case study country, is an extremely powerful approach to achieving substantial results. This is enabled by strategic policy planning undertaken by FAD through Art IV and other technical missions.
- One of the CD projects assessed provides an excellent example of good practice in AFE working very closely with the recipient institution, that has enabled building of confidence and a willingness to proceed with inherently difficult reforms. The analysis of SOE risks, for example, requires SOEs to hand over financial data routinely, which many are reluctant to do.
- Long-term design support by FAD and AFE is a key strength. In one of the assessed projects the need to strengthen fiscal risk analysis emphasized in the 2021 IMF Art IV report involved prior support on recognition of the importance of fiscal risk to budgeting (undertaken under AFE Phase IV), and the initiating role of FAD through key recommendations on priority areas for reform, in this.
- The role played by AFE in introducing the concepts and forms of analysis for climate based fiscal risk provides an excellent example of FAD and AFE working together to play an agenda-setting role in redefining the full scope of fiscal risk, an important component of modern budgetary management.
- The importance of continuity of AFE engagement was highlighted in the experience in one of the projects covering three AFE phases, suggesting consideration of the appropriate balance between breadth and depth of the program. Greater continuity would have in the evaluators’ opinion would have led to more effectiveness.
- A policy needs to be in place for how to deal with follow-up effectively on mission recommendations and the action plans agreed at the end of AFE missions. In one of the assessed projects, the CD responded directly to a specific area of concern noted in Article IV missions, but the longer-term context is of limited follow-up on recommendations of former AFE CD missions over the period since 2011.

## Sustainability

**As in the case of Impact, the scores for Sustainability cluster around two groups of countries and mirror the scores of the former criterion.** In general, this linkage between impact and sustainability is to be expected: a project with limited sustainability will struggle to show higher level results. In the two high performing countries for Sustainability, outputs are embedded into permanent systems of PFM management, including regulation, reporting requirements and established increased capacity. In the poor performing projects the low sustainability is based on: i) in one, the judgement of the evaluation that the prospects for the authorities responding quickly and effectively to implement the agreed program are weak because the Ministry of Finance (MoF) currently has other priorities, including the launching of a new PFM Reform Strategy. In addition, having completed the initial stages of addressing TSA for MDAs, the project is now stuck at the stage of including the semi-independent agencies, a much more difficult task; and ii) in the second project a low Sustainability score is based on the very limited professional capacity in the central budget management agencies, rapid staff takeover and the generally poor security situation in the country. In these two latter projects sustainability is yet to be achieved.

**There is a wide range of institutional capacity and frameworks in the four sampled countries for the PFM workstream.** One of the more advanced jurisdictions has developed an effective and disciplined system for managing PFM reform. Elements of the country's system include an effective oversight process based on a PFM Steering Committee, which also brings together government and donors. The country has a specific system for managing performance of individuals through two sub-systems, namely a Performance-Based Management (PBM), where every individual in the civil service has targets to be met, and a more detailed country-specific performance management and contracting system. The other countries have less regimented systems to ensure agreed reforms are implemented on schedule. One has developed a dedicated supporting institution for PFM reform implementation, but lacks the disciplined civil service incentives of the previous example. The country with the project rated the lowest on Sustainability suffers from a perceived continuing lack of professionalism across all sectors and frequent staff turnover.

## 3.2 REVENUE ADMINISTRATION

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### Sampled Projects: Key Strengths

- CD assistance has been particularly effective in addressing weaknesses identified through various assessments, including TADAT diagnostics. These assessments highlighted areas such as Compliance Risk Management (CRM), audit capacity, and data management, which were subsequently targeted through CD interventions.
- Enhanced Revenue Administration Processes: CD support in the projects reviewed successfully improved the organizational arrangements within the revenue agencies, particularly in tax audits and VAT collection. The introduction of tools such as Computer-Assisted Audit Techniques (CAAT) and improved risk-based audit planning has contributed to more efficient tax audits, helping agencies better identify and mitigate risks. This has resulted in more robust audit capabilities and reportedly increased revenue collection.
- Strengthening Post-Clearance Audits (PCA): Establishment of formalized audit planning processes, including annual audits and risk-based selection, has been a significant achievement. These improvements have contributed to more efficient customs administration and have laid the foundation for sustainable practices. By helping enhance the quality of PCA and investigation techniques, the CD support has empowered customs agencies to better monitor compliance and identify potential revenue leakages.
- Development of Risk Management and Compliance Strategies: One of the more notable successes has been the implementation of risk management strategies. Training in risk-based compliance, including case audits, debt management, and fraud prevention techniques has strengthened the agencies' ability to assess and manage risks effectively. Additionally, the development of sector-specific audit manuals and the adoption of international standards for information exchange have helped establish the frameworks needed to enhance compliance and improve transparency.

While there are still challenges with respect to realising measurable outcomes, including the need for continued staff recruitment and ICT system gaps, achievements to date have laid a solid foundation for sustained improvements in the tax administration and customs functions. However, continued support will be essential to ensure that gains are maintained and the institutions further strengthened. Further investments in IT infrastructure and the recruitment of specialized staff remain a key priorities for the revenue agencies concerned, if they are to sustain continued success of these reforms.

## Sample-Level Assessment

RA Sample			
Countries		Objectives	
3		5	
EFT	IMP	SUS	AVG
3.0	3.1	2.9	3.0

The overall assessment of the RA CD support provided across the three sampled countries reveals a generally positive but varied performance in achieving the intended objectives. The RA samples were assessed via one remote country case study (covering tax and customs) and two desk studies on customs (post clearance audit) and tax (range of topics, including filing, investigations and debt management).

The objective related to tax administration CD, particularly in the context of strengthening core tax administration functions, performed better than customs-related support. The performance of the workstream was overall rated as Good. Nevertheless, outcomes were hampered by factors such as delays in project timelines and a need for further support in the core functional areas like tax audit, debt management, and performance monitoring. In some countries, while notable progress was made in areas such as improved audit processes and the implementation of risk management frameworks, challenges such as delays in implementing key activities, prevented the full realization of potential benefits in the short-term. Despite the initial progress made, attaining adequate sustainability of these improvements will require further support, particularly in specialized areas such as international taxation and forensic auditing. Customs administration CD support had a slightly lower overall performance. This reflects a general trend where customs administrations across the countries have achieved foundational improvements but face challenges in translating these into more advanced, sustainable outcomes. IMF has informed the evaluation team that it has identified this issue, and the point is included in the FY2026 AFE strategy, which emphasizes supporting revenue administrations to become more data driven<sup>15</sup>. The implementation of PCA processes, risk management tools, and modernized customs procedures was hindered by slow progress in IT system integration and institutional resource constraints. Despite the commitment to modernizing customs operations, the projects in this stream often delivered at a basic or rudimentary level, with significant gaps in capacity and technical expertise that require further development to fully realize the desired impact.

A common feature across all three countries was the need for follow-up CD support. Many interventions were foundational and have not reached their full potential. They require additional support to deepen impact and enhance sustainability. This is particularly true in areas such as audit, risk management, and PCA, where significant progress was made but further capacity building is necessary to integrate these reforms into the broader institutional framework.

## Effectiveness

Effectiveness was moderate across the various program components, with good success in starting reforms, signalling positive prospects for the long-term impact of the program. The CD provided in the areas of tax and customs administrations has yielded promising results, though the degree of success varied depending on the contextual factors present in each country.

**In Tax Administration, substantial progress was made in strengthening audit processes and improving governance frameworks.** CD support led to the development of foundational strategies for compliance and audit management, particularly through the introduction of CAAT and the enhancement of investigation techniques. While these efforts have strengthened overall institutional capacity, challenges persist in fully embedding these frameworks within the functions, particularly in relation to system integration and data quality.

**In Customs Administration, good progress was achieved in improving PCA processes and building institutional capacity.** The development of audit plans and the alignment of customs practices with global standards were key milestones, with technical assistance contributing to a solid foundation for sustainable improvements. However, the absence of a fully realized Customs Compliance Improvement Plan (CIP), and the need to further strengthen Risk Management Units (by more fully integrating audit responsibilities within them) limit the likely long-term effectiveness of these efforts.

<sup>15</sup> FAD has also indicated that in its comments on AFE's activity report it had already pointed out this issue: CD should focus more on empowering customs administrations to fully embrace a data-driven culture, based, as a first step, on performance measurement frameworks, objectified from the analysis of their data, and systematic monitoring to ensure institutional progress and tangible results.

## KEY FINDINGS FROM THE ASSESSMENT OF AFE RA WORKSTREAM CD PROJECTS

### What has been done well and has been successful

- For the most part, AFE CD support closely aligned with the reforms led by the Administration. This alignment played a crucial role in securing the commitment to CD implementation, ensuring that CD delivered was relevant and effectively integrated into the Administration's broader reform agenda. AFE CD was in some cases integrated within the MRAs in-house training programs, ensuring that MRA staff could directly apply new concepts to their day-to-day operations.
- The integration of training and TA enabled Administration staff to practically apply new knowledge and tools in their daily operations. For example, training in data cleansing and analysis, alongside the use of CAAT tools (ESCORT), improved audit processes and revenue monitoring; and in Post Clearance Audit (PCA), enabling a more holistic approach to strengthening the audit processes, ensuring that both theoretical knowledge and practical skills are more effectively aligned.
- Follow-up missions ensured that CD recommendations were being gradually implemented. While challenges remain, the steady progress demonstrates that integration of short-term inputs with long-term capacity-building initiatives has been effective in making improvements.
- A notable success has been the implementation of peer-to-peer learning sessions. A number of Administrations participated in exchange sessions, fostering collaborative learning and the sharing of best practices, at a practical day-to-day issues level.
- A multifaceted approach to CD delivery has been employed, incorporating training, TA, and documentation reviews, remote support (online video discussions, telephone and emails) to enhance effectiveness and ensure targeted outcomes.
- Attempts were made to address systemic gaps and weaknesses identified through TADAT assessments, highlighting countries' proactive engagement and the alignment of CD support with their needs.
- CD support has focused on tackling some fundamental gaps within core tax processes, ensuring tax administration systems are strengthened and made more efficient for long-term sustainability.

### Areas for potential improvement

- Short-term inputs are often too brief to achieve sustainable results, and follow-up missions are crucial for reinforcing learning and ensuring that new skills are applied in practice. More in-country and timely, hands-on support post-training, as well as practical, on-the-job mentoring, would help solidify learning and improve the implementation of tax administration reforms.
- While in-person training has proven effective, online learning should be better tailored to the needs of more experienced staff, with face-to-face training reserved for new trainees or introductory training products. Additionally, more national and regional workshops would foster greater exchange of knowledge, experiences and enhance practical learning across various topics, particularly in data analytics and international taxation. Longer-term capacity-building efforts, including secondments to other RAs or more in-depth follow-up mentoring, could help address these gaps.
- In certain instances, the CD requested and provided was overly ambitious and did not align well with the existing capacity of Administration staff, for example in the case of auditing of financial institutions. The scope of the training, particularly in complex sectors like banking and insurance, was broad and lacked clarity, making it difficult for staff to apply the learning effectively, especially when faced with the absence of foundational tools like CRM and advanced data analytics systems.
- Foundational tasks like taxpayer data cleansing should be prioritised before advancing to more complex reforms, ensuring a solid base for subsequent actions.
- The number of recommendations provided could be prioritized, streamlined and sequenced based on the specific needs and bandwidth of the CD counterpart.
- The description of outcomes and milestones needs to be clearer and more distinct, as they are currently too similar. These should be more specifically linked to planned CD interventions, ensuring they are measurable and directly reflective of progress in addressing the identified gaps.

### Lessons and recommendations

- Especially in low capacity environments, a proper learning needs assessment should be completed at the outset to ensure the design of a more targeted and feasible program. Several training inputs, such as those related to auditing financial institutions, suffered from unclear or overly ambitious Statements of Work, which made it difficult to address actual needs.
- Remote delivery of training on investigative techniques made it harder to build rapport and apply knowledge effectively suggesting a need for more hands-on, practical applications for certain types of training sessions. More in-country follow-up and practical on-the-job mentoring would enhance the impact of the training. Additionally, a more focused, needs-based approach to the training content, rather than covering too broad a range of topics, would ensure more relevant, focused and applicable skills transfer.
- Many stakeholders indicated the need for longer-term, in-country support rather than short, remote inputs. This would help to sustain momentum and ensure that skills learned are properly implemented. Follow-up should be more consistent, and the impact of training should be assessed more regularly to adjust future inputs and make sure objectives are being progressed.
- Where multiple DPs are active, a more structured and transparent coordination mechanism is needed to avoid duplication of efforts between various donors and to ensure CD is effectively tailored to counterpart needs, fostering greater collaboration and coherence in donor support.
- Future support should prioritize the most critical areas within the PCA framework, such as strengthening audit processes and enhancing CRM, to ensure resources are effectively utilized and that higher risk/ impact areas are addressed first.
- Tailored, high-impact CD should be provided to address specific challenges in post-clearance audits, such as the development of comprehensive penalty systems and effective record-keeping protocols.
- Strengthening mechanisms for follow-up and monitoring is essential to ensure that the lessons learned are effectively integrated into day-to-day operations. Regular assessments of the impact of training and technical assistance will help identify areas for improvement and ensure that tangible results are achieved in the long term.
- Consider a phased implementation of recommendations based on immediate needs and to CD support in general, with periodic reviews to assess effectiveness and adjust priorities accordingly.

**Notwithstanding, the Effectiveness of the program was influenced by both internal and external factors.** Internally, challenges such as inadequate resource allocation in certain beneficiary institutions, poor data management systems, and the slow pace of technological implementation hindered the full realization of potential reforms. These internal barriers underscored the importance of ongoing capacity-building efforts and follow-up support to reinforce initial gains made. Variations in country capacity levels therefore played a role in the differing levels of success across the countries. While CD support was largely tailored to the specific maturity levels of each country, there were instances where the alignment was not ideal, resulting in mismatched expectations and slower-than-expected outcomes.

**Externally, the COVID-19 pandemic played a significant role in disrupting the delivery of technical support, with restrictions on in-person activities and limited economic exchanges across countries.** The pandemic exacerbated existing infrastructure challenges, particularly in countries with unreliable internet connectivity, further hindering the effectiveness of virtual support. These disruptions delayed the achievement of key outcomes and limited the ability of governments to implement reforms at the desired pace.

## Impact

**AFE CD support has led to important improvements in tax administration and customs functions across member countries.** It has had a significant impact on key areas of revenue management, including auditing and customs administration. By introducing CAAT and enhancing staff knowledge, the programs have improved audit quality and deepened understanding in critical commercial sectors. The introduction of structured audit planning and risk assessments have further enhanced the efficiency of customs operations and strengthened compliance. In general, revenue administration audit processes have performed relatively better than other topical areas, particularly in terms of structured improvements and the implementation of more systematic practices. In several of the countries, structured audit processes, including annual audit planning and risk-based selection, have notably improved the auditing function. This shift towards more formalized, systematic approaches has led to better tracking of taxpayer compliance and more consistent audit outcomes. The average rating of Good for Impact for sampled projects reflects these net positives and takes into account the remaining challenges to realising the full potential.

**Although the broader impact of CD is evident, some challenges remain regarding quantification of CD impact and staffing needs.** The overall impact has been broadly favourable, with significant improvements in audit quality, investigations, and the organizational efficiency of tax and customs frameworks. These improvements are expected to foster sustainable revenue generation in the longer-term. However, challenges persist with foundational issues like tax legislation and ICT systems; accurately quantifying the direct revenue impact; and addressing staffing shortages. The long-term impact of these reforms is still unfolding, and further support is needed to consolidate these improvements. As indicated previously, IMF has informed the evaluation team that this issue has been identified and has been included in the FY2026 AFE strategy.

## Sustainability

**The sustainability of CD support in all three countries sampled for RA is currently considered Modest.** Despite progress in improving revenue management and customs functions, long-term success will require continued investment in training, institutional capacity, IT infrastructure and overall resources. Key challenges identified in the sample include staff turnover, resource constraints, and political support. Further CD efforts are essential in areas such as specialized audit training, IT infrastructure and upgrades, embedding CRM practices, and the implementation of new auditing and investigation techniques. Continued support will help address gaps in risk management, audit processes, while enhancing the ability to adapt to emerging challenges, thus ensuring that the systems implemented remain effective and efficient in the long run. Without ongoing CD support, initial gains made in these areas risk not being fully realized or maintained. Therefore, ongoing capacity building is critical for ensuring the long-term sustainability of these improvements.

### 3.3 FINANCIAL SECTOR REGULATION AND SUPERVISION

#### Sampled Projects: Key Strengths

- Effectiveness under sometimes challenging circumstances. The FSR case study highlighted that authorities in FCS have to respond to frequent distractions, diverting them from CD projects and sometimes even crowding them out. CD counterparts indicated that AFE CD effectively supported them in these circumstances. An extended period of engagement during slow-paced reforms has now placed the program well to respond to a more receptive environment.
- CD counterparts view AFE as very important and speak highly of its experts. In the words of one of the interviewees: “East AFRITAC has shaped us and our supervision for many years. We are grateful it is there.”
- The single FSR desk study project reviewed has been very successful. The LTX has achieved remarkable results by creating a long-term relationship built on trust, where AFE responds to needs promptly and shows flexibility.
- The sample indicated that the workstream tailors activities appropriately to counterparts’ operating the environment. For example, in a high capacity institution, a cybersecurity project was implemented in just three missions: i) stocktaking; ii) developing off-site procedures and comprehensive processes to assess capabilities and identify gaps in business resilience; and iii) feedback to an actual on-site cybersecurity examination.

#### Sample-Level Assessment

FSR Sample			
Countries		Objectives	
2		3	
EFT	IMP	SUS	AVG
3.8	3.8	3.6	3.7

**The FSR projects sampled are rated Good.** AFE implements FSR projects in every member country and the case study and desk study projects together absorbed 21% of the total budget for the workstream, excluding workshops. All assessed evaluation criteria are rated as Good. One in-person case study (on introduction of Basel II Pillar I regulations on bank capital requirements) in an FCS country, and one desktop review project on developing and strengthening cybersecurity regulation and supervisory frameworks, and Basel II/III minimum liquidity and capital requirements, at one of the most advanced jurisdictions, comprised the sample.

#### Effectiveness

**The FSR sampled projects were rated on average Good for Effectiveness.** The case study project was initially designed in Phase IV, with very over-ambitious in scope and targeted implementation timescales given capacity at counterpart. The current phase targeted outcomes have been significantly narrowed down to Basel II Pillar I implementation. We understand that the authorities have recently issued the Pillar I Directive, to go into effect on 1 July 2025, with a one-year compliance transition period. This is a major achievement for the project since this reform has been discussed for many years without noticeable progress. AFE adopted a methodical approach to implement CD at the FCS country supervisor, with each mission having a training and advisory component, with a focus on capacity building. The desktop review project saw among other outcomes the implementation of a supervisory framework for cyber and technology risks in terms of process, procedures, manuals and tools for off-site supervision; and ii) improvement of an existing onsite inspection manual to align with best international practice.

#### Impact

**The Impact for the FSR sampled projects is scored on average as Good.** The potential positive impact of implementing Pillar I of Basel II on the banking system and financial stability is high but for that it needs to be implemented first. The reform is expected to eventually result in higher regulatory capital and enhanced risk management at commercial banks, contributing to increased financial sector stability. The cybersecurity regulation project has improved supervisory oversight in various important areas. In an increasingly digitalized financial sector, cyber risks have become more and more material and pressing. The introduction of effective cybersecurity risk oversight contributes therefore directly to financial stability. The introduction of new, strengthened liquidity and capital requirements leads to a more robust supervisory environment, where the supervisor can make better informed decisions. Next to contributing to financial stability, this should also enhance macro-economic growth since capital and liquidity are more efficiently allocated.

## KEY FINDINGS FROM THE ASSESSMENT OF AFE FSR WORKSTREAM CD PROJECTS

### What has been done well and has been successful

- AFE advisors are highly praised by CD counterparts, HQ staff, local offices and other DPs for their knowledgeability, flexibility, agility and professionalism.
- AFE's patient engagement with member countries over extended period, even during low reform momentum, is a strength. For example, one FCS member country that had for a number of years experienced slow reforms is now implementing CD recommendations very rapidly.
- Some AFE member countries, with relatively advanced regulatory and supervisory systems, have been very receptive to hosting attachments from others, despite suffering from staff constraints.
- Cybersecurity CD in one of the countries was provided in three missions: i) stocktaking, (ii) developing off-site procedures and comprehensive processes to assess capabilities and identify gaps in business resilience, and iii) provide feedback to an actual on-site cybersecurity examination. This format proved to be very successful and the same set-up will be used for other countries.
- FSR CD missions typically consists of two parts: i) training, and ii) TA, where training directly supports TA. Missions are often organised around planned finalisation of directives and implementation of policies, and are therefore very hands-on. This approach has proven to be very effective.

### Areas for potential improvement

- Proactive follow up could avoid implementation delays. For example, in one case there were implementation delays because the counterparts could not understand fully the advice provided, and were reluctant to ask. It was only after AFE contacted them that the challenges to implementation became clear, and further corrective CD was provided, and this resumed implementation.
- The volume of CD available to some countries is inadequate, and AFE appears to lack flexibility. Two weeks of CD per year, especially in a low capacity FCS, is unlikely to be enough.
- AFE's design is meant to create certain economies of scale in CD delivery. It has certain standardized "products in their shop" that are needed in the region. The flip side is that in some cases it may be inadequately tailored to counterpart needs.
- The RBM framework was not used effectively in previous phase projects, which had implications for the current ones. The current phase logframe for one of the assessed CD projects was already established at the end of the previous phase. Next to an overambitious project set-up, the formulation of milestones was opaque, and with a disproportionate focus on output-based workshops and training events.

### Lessons and recommendations

- It is stated IMF policy to direct more resources to supporting FCS. A big window of opportunity is opening now in one of the AFE member FCSs, the reform agenda is huge, the risks are high and capacity is low. The supervisor needs more CD, which would also support on the country's general reform agenda.
- Regarding the RBM framework, the evaluators understand that much has improved in this field during the last years. However, they would like to stress the importance of carefully designed milestones on a realistic time path. Moreover, the logframe should emphasize milestones that represent implementation achievements of the beneficiaries, not AFE input. The flip side is, that it would be unfair to measure results looking at rating outcome alone, without taking into account the situation on the ground, especially when these adverse factors are outside AFE's sphere of influence.
- Engagement in a long-term term relationship, being flexible and answering questions in a timely manner will build trust with the authorities. Doing so generates follow-up requests. Failing to do so risks loss of reform momentum, with high re-entry costs in time to rebuild relationships and confidence, and building eroded counterpart capacity.
- How to deal best with workshops depends on the workstream. Given the vast difference in implementation of the Basel II/III regulatory framework between the AFE member countries, the current practical approach to regional workshops seems the right one: organizing a regional training when there are many requests for the same topics. Otherwise, bilateral one-on-one engagement is more efficient. Regional workshops are more suited for providing an overview of the topic and exchange opinions and experiences, while national workshops can be tailor made and dive into country specific issues.
- In terms of follow-up, regional workshops can bring two different results i) additional missions because authorities start to get interested, or ii) cancellation of missions because authorities realize they are not (yet) ready for it. The latter is also good because it precludes waste of resources, so when there is no workshop, another mechanism should be found that provides that reality check.
- The different stages of development between AFE member countries should spark some strategic rethinking in how to best deal with that and how to utilize that. One possible approach could be dividing the member countries in two groups (which can differ per workstream) where the countries in the more advanced group assume a different role, not only receiving CD, but also starting to provide CD, for example through secondments. This is already happening, and the scope for further expanding this practice could be explored more proactively.

## Sustainability

**Sustainability for the FSR sample is rated on average as Good.** The scores of the two studies vary between Modest for the case study and Excellent for the desk study. The case study supervisory team has very low capacity and the project is still at an early stage of implementation, so further CD will be required. The recent appointment of a resident advisor will help in this regard. The desktop project is being implemented at a relatively sophisticated, high capacity supervisory environment, and the reforms are relatively straightforward to supervise.

## 3.4 MONETARY AND MACROPRUDENTIAL POLICIES/FPAS

### Sampled Projects: Key Strengths and Achievements

- Despite CD delivery capacity gaps (no LTX for a substantial time) the FPAS workstream delivered four projects in four countries. The IMF HQ backstopper filled the void to the best of their capabilities.
- The case study project is successful, despite difficult circumstances. The first missions had to be held in virtual mode due to Covid-19. The strong lead by the HQ backstopper is highly appreciated by the beneficiaries. Asked to state the top strengths of the CD delivery by AFE, beneficiaries mentioned i) high quality technical expertise of LTX and STX; ii) hands-on practical workshops and training; and iii) alignment of the FPAS project goals with beneficiaries' strategic objectives on modernization of monetary policy frameworks.
- Nevertheless, the project has some delays and beneficiaries would appreciate (an update of) a multi-year roadmap with milestones to help AFE and the beneficiary institution plan, keep track and assess progress of the project along the way.
- The AFE FPAS project aligns well with and complements other capacity building programs offered by IMF ICD and ATI. While ICD/ATI training is not tailored to the unique features and specific needs of each participating country, it provides the necessary foundational skills on macroeconomic modelling and forecasting. The AFE FPAS CD project, on the other hand, bridges this gap by customizing FPAS to the country-specific requirements.

### Sample-Level Assessment

MMP/FPAS Sample			
Countries		Objectives	
1		1	
EFT	IMP	SUS	AVG
3.4	4.0	4.0	3.8

**The sampled FPAS CD project is rated as overall Excellent.** The FPAS workstream had activities in four AFE member countries and the case study project accounted for approximately one third of the total non-workshop budget allocation. One project, on strengthening FPAS implementation was reviewed as a remote case study.

### Effectiveness

**The FPAS sample scored Good for Effectiveness.** The case study project was based on a White Paper laying out the country's objectives for its monetary policy framework. AFE CD enhanced the counterpart unit's forecasting and policy analysis capabilities, e.g., on incorporating survey data into nowcasting, improved nowcasting toolkit, and added new toolkits into the infrastructure. It increased staff capacity in coding, aiding in QPM maintenance and building model extensions; helped streamline coordination across functions within central bank and with MoF; and aided structured deliberations during MPC meetings through enabling the anchoring of decisions on data-driven evidence and forward-looking analysis, improving the quality of discussions and decisions. Vacancy in the MMP workstream LTX position, albeit addressed by the backstopper, led to slowdown. Also, counterpart indicated more CD would be helpful. The project is still a work in progress and the beneficiary institution signals strong commitment.

### Impact

**The overall impact for the sampled FPAS project is rated as Excellent.** The counterpart stated that: "The project has contributed to the country's macroeconomic stability and by extension, financial stability. By supporting prudent monetary policy action through reliable short-term and medium-term forecasts, scenario analysis and policy analysis, FPAS has contributed to maintaining a stable macroeconomic environment."

## Sustainability

**Sustainability for the FPAS sample is also assessed as Excellent.** The extent to which the project addressed institutional capacity to sustain the net benefit was deemed high, although the beneficiary institution also stresses that the project needs to be finished to consolidate its accomplishments. Since FPAS is a highly valued and increasingly integrated part of the counterpart's monetary policy decision process and the project has considerable time left, the evaluators see it as highly likely that any remaining concerns regarding institutional capacity will be addressed before the end of the project.

## 3.5 CENTRAL BANK OPERATIONS

### Sampled Projects: Key Issues

- 20 years of AFE involvement in this subject has rendered results. Many, but not all AFE members countries have over time developed basic monetary policy operational frameworks and EAC has put in place structures to facilitate training and technical advice for member countries, which may potentially dampen future demand for AFE CD.
- More targeted coordination efforts between CBO and FPAS could be considered since the interrelation between monetary policy formulation and implementation seem to be not always fully understood by authorities. Joint missions or workshops could raise the awareness and therefore contribute to a robust monetary policy framework which consist of both: sound and forward-looking policy formulation and an effective toolkit to implement it.
- When faced with low demand for bilateral CD, The CBO LTX initiated many workshops in different delivery modes and in cooperation with different partners. This seems a good way for getting traction and engage with the authorities in a meaningful way. The hybrid mode of delivery seemed most efficient for this purpose since it expanded the reach of the events considerably against almost no additional costs.

### Sample-Level Assessment

CBO Sample			
Countries		Objectives	
1		1	
EFT	IMP	SUS	AVG
3.4	3.4	4.0	3.6

**The sampled CBO CD project is rated as Good overall.** The scores are based on the results of one desk study and corroborated by the results of the survey of beneficiaries and IMF staff. The CBO workstream had activities in five AFE member countries and the sampled desk study project received 15% of the total non-workshop budget.

**The desk study can be seen as an example of authorities prioritising FPAS over CBO.** New management at the counterpart institution decided to shift the focus of attention away from CBO, the operational toolkit, to the policy formulation side of monetary policy, FPAS. That trend can also be seen in the non-workshop budget within MONOPS, which shows that roughly two-thirds is allocated to FPAS, and only one-third to CBO. However, monetary policy needs both policy formulation and an effective implementation toolkit for it to be successful. Since FPAS and CBO are highly interrelated, this warrants for more coordination between AFE and IMF HQ (the latter providing FPAS CD), and when appropriate, setting up joint missions and workshops.

### Effectiveness

**The CBO desk study CD project has been rated Good on Effectiveness.** Since the project was abandoned halfway, only two out of four outcomes, related to i) the development of the country's forex markets; and the operationalization of an enhanced toolkit of monetary policy instruments for managing liquidity in an inflation targeting framework (and that stabilizes interbank rates in line with the central bank rate). The latter work remains unfinished. While one outcome scored Excellent as the country's forex markets are functioning well, and the other outcome scored Good, reflecting forgone further potential efficiency gains on market spreads by the abandonment of the project.

## KEY FINDINGS FROM THE ASSESSMENT OF AFE MMP, CBO AND FMIP WORKSTREAM CD PROJECTS

### What has been done well and has been successful

#### MMP

- The MCM backstopper played a productive stand-in role when there was an extended LTX vacancy at AFE. However, this can only be seen as a temporary solution, given their wider commitments, and the benefits of longer-term LTX-counterpart relationships not accruing.
- One of the CD counterparts highlighted the following strengths of AFE CD: High quality technical expertise of advisors; dedicated leadership and support of the project by MCM mission chief; Hands-on practical workshops/training on the first day of the mission (very critical in model building and knowledge transfer on coding in econometric software); and alignment of the FPAS project goals with the institution's strategic objectives on modernization of monetary policy frameworks.

#### CBO

- Traction for CD in the CBO area has been slow, partly due to the Covid restrictions. Many (but not all) AFE members countries have over time developed some basic monetary policy operational frameworks. Also, CBO is probably the workstream which is the most sensitive to changes in political economy which translated in more than average postponements and cancellations.
- When faced with low demand for bilateral CD, the LTX initiated many workshops in different modes of delivery and in cooperation with different partners. This seems a good way for getting traction and engage with the authorities in a meaningful way. The hybrid mode of delivery to meet this objective seemed more efficient since it expanded the reach of the events considerably against almost no additional costs. Nevertheless, in-person workshops tend to be more conducive to building personal rapport and confidence.

#### FMIP

- AFE has supported a nascent payments function within an FCS with very low capacity and resources and made it functional, with increased staffing and knowledge to operate, through a combination of intensive engagement, multi-channel CD delivery, and effective pacing and prioritisation of CD areas.
- AFE's network among member countries enabled the attachment of two CD counterpart staff at a more advanced payments department, helping gain valuable practical insights.
- LTX provision of regular remote support to the payments department at FCS counterpart enabled maintenance of momentum for implementation of mission recommendations.

### Areas for potential improvement

#### MMP

- The following areas were highlighted by one of the CD counterparts: i) time allocated during missions has been too limited to cover all the areas fully; and ii) time period between missions is too long. Potential areas where improvements could be made included: i) a multi-year roadmap for the project with milestones would help the Fund and the institution to plan, keep track of implementation; and ii) continue offering short, focused virtual advisory sessions between in-person missions on real-time solutions to technical challenges. These could be designed as dedicated problem-solving clinics/thematic deep dives focused on specific challenges/improvements.

#### CBO

- Continued engagement with the authorities is key and given slow traction it is even more vital in this workstream. Robust follow-up after a mission is needed. The two-year gap between an initial and follow-up missions in one of the assessed countries potentially detracted the authorities from focusing on the AFE CD project and might have contributed to changes in their priorities.
- The RBM logframe might facilitate the discussion with the authorities, but more engagement from AFE is needed to explain the concept. It could serve as a useful instrument to demonstrate to the authorities that the CD also helps achieving their own macro-economic objectives which in turn could fortify their commitment to the CD projects.
- In the monetary policy area, there is a need for both, policy formulation and an effective toolkit for its implementation, thus CD in both areas would be beneficial. Since FPAS and CBO are highly interrelated, this would ask for more coordination between AFE and HQ, and when appropriate, setting up joint missions and workshops. Likewise, the many interdependencies between MONOPS and Public debt management ask for more coordination between the two areas.

#### FMIP

- In case of delays in passing legislation, AFE could explore options to address bottlenecks more proactively in key decision-making by awareness raising and capacity building of related stakeholders.
- The use of RBM logframes needs significant improvement, to set realistic targets and measure results.
- Although not specifically covered by this review, the dedicated remote mission/training on Central Bank Digital Currencies to a very low capacity FCS was likely not very productive, albeit it was 'demand driven' (there was also a regional workshop on that topic).

### Lessons and recommendations

#### MMP

- The case study for this workstream highlighted the severe limitations of using the virtual mode for such exercises. Evaluators could not secure any interview with the counterparts, despite numerous AFE attempts. Only written responses to questions were eventually received, which albeit comprehensive, are not an effective substitute for interviews. Similarly, interviews could not be secured with STXs funded by another DP supporting the counterpart. Meaningful insights cannot be derived as a consequence.

#### FMIP

- The FMIP RBM catalogue, in our view, requires review and upgrading, to strengthen linkage between objectives and outcomes; some outcomes could be broken down into subcomponents; milestones could be used more logically; and outcomes defined more precisely.

## Impact

**Impact of the sampled project is rated as Good for the desk study.** Bid-offer spreads in the beneficiary's money markets came down significantly, which contributes to efficient allocation of capital and therefore support economic growth. However, the toolkit could be further enhanced and have additional positive effects on the monetary transmission and relevant market spreads. The CD beneficiary could therefore win by engaging in both areas, FPAS and the monetary policy toolkit, as is also formulated in the IMF strategy. The evaluators decided to award a Good instead of an Excellent to take into account the missed opportunity to narrow market spreads even more.

## Sustainability

**Sustainability for the CBO desk study is assessed as Excellent.** The beneficiary institution is committed to an inflation targeting monetary policy, and recognises that to be credible, this policy has to be accompanied by a flexible exchange rate. The AFE CD provided is institutionalized within the beneficiary institution, which suggests a high likelihood of the CD being sustained.

## 3.6 FINANCIAL MARKETS INFRASTRUCTURE AND PAYMENTS

### Sampled Projects: Key Achievements

- AFE has supported a nascent National Payment System Department (NPSD) within the central bank in an FCS and made it functional, with increased staffing and knowledge to operate.
- An Automated Transfer System (ATS) is about to go live soon, with AFE support on drafting rules for the ATS and TOR for the operator.
- AFE's network enabled the attachment of two payments department staff to the payments function of another AFE member central bank, helping gain valuable practical insights.
- The LTX provided regular remote support to the newly established payments department, to maintain momentum for implementation of mission recommendations.

### Sample-Level Assessment

FMIP Sample			
Countries		Objectives	
1		3	
EFT	IMP	SUS	AVG
3.0	ND	2.7	2.9

**The overall rating attributed to the FMIP sampled CD project is Modest.** The project relates to establishing a National Payments System (NPS) at an FCS AFE member country, and has three objectives related to: i) demonstrating a baseline understanding of establishing an NPS; ii) strengthening NPS oversight and risk management; and iii) capacity building. The first objective received an overall rating of Good, whilst the other two, reflecting the early stage of work in what is likely to be a long journey, Modest. The evaluation of this single CD project was conducted by way of a desk review.

### Effectiveness

**Effectiveness of the project is rated as Good.** Given the very early stage of the country's economic development in general, and its NPS in particular, AFE CD contributed to a number of achievements: strengthening of the organizational structure, staffing and capacity of the then newly-established NPSD; internal approval of an oversight policy framework; creation of a Project Steering Committee; strengthening the TORs for the ATS operator (now contracted); and a feasibility study for integrating the Switching/Routing Module with the Automated Clearing House (ACH). Rules were also drafted for the ATS, which were expected to go live by June 2025, albeit with some challenges remaining, and lack of information about the degree to which supporting recommendations, e.g., staffing, management, risk mitigation, have been fully addressed. AFE facilitated the attachment of two NPSD staff at the central bank of another AFE member country. Significant deliverables, however, remain outstanding and the project has suffered delays: i) The country's NPS Act, drafted in 2022 with African Development Bank (AfDB) support, has not yet been enacted, and need for amendments have already been identified; ii) the country's NPS Committee (NPSC) has not met since 2020; and iii) only two staff received CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI) training a long time ago, and further capacity building support is needed. Other gaps and future CD needs have also been identified by AFE.

**The country's FCS situation, and security-related restrictions for travel, has hampered effectiveness of CD delivery.** Many missions have been remote, and therefore not as effective. Nevertheless, detailed guidance has been provided, with frequent calls from the LTX over the review period to provide advice and insights. The attachments to a third country have also helped with addressing the FCS constraints.

**A review of the RBM logframe for the project identified a number of shortcomings, which require addressing before the system can function as an effective project management and performance measurement tool.** The FMIP RBM catalogue, in our view, requires significant review and upgrading, to strengthen linkages between objectives and outcomes<sup>16</sup>. Some outcomes could be broken down into subcomponents, otherwise they are over-ambitious.<sup>17</sup> Milestones could be used more logically.<sup>18</sup> Finally outcome definitions could be further strengthened technically.<sup>19</sup> These points have contributed to a difference in self-assessment of outcomes by AFE (all scored 3) and the evaluation. The Effectiveness score is given on the basis of achievements that can be reasonably expected, rather than on the RBM-set outcome definitions and indicators, in which case the rating would be lower.

## Impact

**Impact of the FMIP sampled project is assessed as Not Determinable (ND), as it is still at a very early stage of a long-term process.** The CD project is still laying the foundations of an NPS in the country. Once a functioning NPS has been established, it is likely to make an important contribution towards impact. Capacity is being built, but the FCS environment introduces high uncertainty about Sustainability (see below), especially as regards impact at this relatively early stage.

## Sustainability

**Sustainability of the FMIP sample is rated as Modest.** The central bank, and its NPSD, are not yet in a position to sustain the benefits of the AFE CD provided so far. Although the ATS has been established, which should be sustainable, its effective operation, risk mitigation, and ensuring its functions are optimized requires further work. Staff at NPSD require further training and CD for the drafting of an oversight manual has also been requested. Sudden replacement of key staff, and limitations in internal communications between central bank functions, have also been identified as risk factors. The ratings for the three objectives reflect some achievement, but the significant need for further CD support to achieve sustainability remains. The ratings reflect that significant progress against sustainability goals are yet to be made, but that the objectives related to basic understanding (Objective 1) and Financial markets infrastructure (FMI) (Objective 2) carry lower risks associated with sustainability than the one on staff capacity (Objective 3).

## 3.7 REAL SECTOR STATISTICS

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### Sampled Projects: Key Achievements and Issues

- The workstream realised results under difficult circumstances, with statistical offices typically the least endowed with resources of all government agencies, therefore having to deal with the most severe capacity problems.
- While the results achieved for the NAS desk study seem relatively meagre, behind the scenes capacity has been built, which will facilitate the next CD project.

<sup>16</sup> For example, the only outcome related to the objective 'Demonstrate a baseline understanding and articulate specific CD needs in Payments and Infrastructure topics' is 'Baseline and roadmap for follow-up CD project(s) are adopted' and the only related outcome indicator is 'Authorities acknowledge the receipt of the diagnostics/scoping recommendations'. That would imply authorities acknowledging receipt of recommendations would translate into meeting the objective, which is not sufficient.

<sup>17</sup> For example, the only indicator for the outcome 'FMI oversight and risk management framework strengthened' is 'Authorities are compliant with the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMI)', which will in most beneficiary countries take many years to achieve, and is more appropriate as an objective-level indicator.

<sup>18</sup> For example, the only milestone stated in this reviewed project for achieving compliance with PFMI was 'Oversight and risk framework drafted in line with CPSS-IOSCO principles' – which is the first milestone of many that need to be achieved to realise the stated outcome.

<sup>19</sup> One of the outcomes stated in the catalogue is 'Participants exchanged/acquired knowledge and skills in the training/workshops', which can be rather considered as activity.

- This project is also a good example of the determination of AFE and IMF HQ, working together, to get the work done under difficult circumstances. During COVID-19, AFE had no LTX for the RSS workstream. The IMF backstopper managed to keep the project afloat together with an STX. Since the beneficiary institution had no workable internet connection and teleconferencing was therefore impossible, the TA was reportedly done entirely by WhatsApp and yet still rendered results.
- The beneficiary institution was found to have severe capacity problems. Staff has to work with twenty year old laptops, internet was not available, electricity was often down. However, staff is reasonably knowledgeable and committed. Much more progress could therefore be made by entering into a strategic partnership with a DP that could provide hardware and software at relatively low cost.

### Sample-Level Assessment

RSS Sample			
Countries		Objectives	
1		3	
EFT	IMP	SUS	AVG
2.6	2.4	2.6	2.5

**The overall assessment of the RSS desk review is rated as Modest.** Two CD projects were assessed, in the same VLIC jurisdiction, one in the area of NAS and the other on price indices. The RSS workstream had projects in seven out of eight AFE member countries and the two desk study projects received approximately one quarter of the total allocated budget, excluding workshops. The NAS project got derailed in 2020, when the beneficiary institution published prematurely the rebased figures for the production side GDP although at that point, no proper reconciliation between the production and expenditure GDP approaches had been done. As a result, the level of the published GDP was substantially higher and the industry structure differed from the reconciled GDP estimates compiled during subsequent missions. While the expenditure approach GDP figures were calculated, the adjusted figures were never published. This resulted in a low overall score. The second desk top study concerned the calculation of consumer and producer price indices. The better results on the prices side in comparison to NAS can be explained by two factors: the relevant office is reportedly a better equipped than the location where national accounts are computed; and the beneficiary institution has committed to a fixed release schedule for CPI. Having the authorities commit to a fixed release schedule of political sensitive data seems to provide a relative straightforward and powerful tool that can enable statistics agencies to act more independently and help prevent pressure for premature publication.

### Effectiveness

**The RSS samples scored Modest on the Effectiveness criterion across the two desk studies.** The effectiveness of the NAS project is low because, as indicated above, it got derailed by premature publication of the figures, occurring before proper reconciliation between the production and expenditure GDP, which is not according to international best practice. The prices project performed better, with a new CPI with updated weights disseminated in 2022, but some questions remain concerning the quality of the current PPI and IIP price indexes.

### Impact

**Impact is rated as Modest for the RSS sampled projects.** Impact for the NAS project was scored as Poor, which is a result of prematurely publishing the GDP figures without proper reconciliation, and afterwards not correcting the erroneous figures. The Impact of the prices project on the other hand was rated Good on the first objective concerning CPI, and Modest on the second PPI/IIP objective, the latter being a consequence of the lower data quality which needs additional work in the future.

### Sustainability

**Overall sustainability for the RSS sample is assessed as Modest.** The sustainability in the NAS desk study was assessed as Modest. Although AFE has built capacity and the team at the beneficiary institution is dedicated, it is also very small and working conditions are poor. Moreover, the correct figures were never published. A new project, which started in 2024, will continue to assist the beneficiary institution for the next NAS rebasing exercise for the base year 2024 and this will further cement the knowledge. The sustainability of the prices desk study is rated as Good for the CPI objective, as correct processes are embedded in the counterpart, and as Modest for the PPI/IIP objective.

## 3.8 GOVERNMENT FINANCE STATISTICS

### Sampled Projects: Key Achievements

The following assessments are based on the assessment of two CD projects in one AFE country, and one EAC regional project.

- There has been considerable strengthening of capacity among compilers in both national GFS projects.
- AFE missions have been a catalyst for the resumption of Technical Working Groups (TWG), which are active, committed and effective.
- Supported and encouraged by AFE CD, the country has resumed submission of Budgetary Central Government (BCG) data to IMF, after a two-year period of dissemination suspension.
- With AFE CD support, material progress has been made in merging of GFS data of the two jurisdictions in the country over a relatively short period, following a number of years of limited, or no progress.
- Over the duration of the project, AFE has made a significant contribution to the development and implementation of EAC members' GFS data reporting guidelines, forms, and an implementation manual, thereby supporting convergence objectives.
- There is strong collaboration and coordination of CD delivery activities between the EAC Secretariat and AFE, in member country capacity building.

### Sample-Level Assessment

GFS Sample			
Countries <sup>20</sup>		Objectives	
2		3	
EFT	IMP	SUS	AVG
3.6	2.7	3.1	3.1

**The sampled GFS projects are rated Good overall.** The assessment involved an in-person case study of GFS CD implementation in an AFE member country with two separate jurisdictions, and a desktop review of a regional EAC GFS compilation CD project. The overall GFS sample rating reflects significant progress in the national project during the current phase after an extended period of limited results, and for the EAC intervention progress the successful establishment of GFS reporting requirements, which most, but not EAC members meet.

### Effectiveness

**Effectiveness of the sampled GFS projects is rated Good.** The rating reflects, among other things, for the national GFS project, improved capacity of compilers; resumption of BCG data submission to IMF; expansion of GFS coverage (albeit with some gaps); only one of the jurisdictions compiling and disseminating Classification of the Functions of Government (COFOG) data; progress in reconciling statistical discrepancies, although they remain high; the recent documentation of compilation of process in one, but not yet both the jurisdictions; well-functioning and committed TWGs, especially in one of the jurisdictions (although their legal underpinning needs formalisation). The PSDS objective was rated Excellent as it fulfilled a relatively undemanding single outcome indicator<sup>21</sup>. The two outcomes for the EAC CD project relate to i) compilation and dissemination of standardised datasets from member countries based on an agreed format; and ii) member countries following the GFSM2014 framework. Whilst the first outcome has been significantly met, there are more substantive gaps in a number of countries complying with GFSM2014 on General Government (GG) fiscal and public debt data. The EAC project deals indirectly with FCS issues, for example, by providing tailored CD to AFE member FCS jurisdictions (complemented by additional CD from EAC), to meet the required standards.

<sup>20</sup> In this case two sampled projects were implemented, one in a country, and the second at the EAC regional level.

<sup>21</sup> 'Diagnostic or scoping mission have produced baseline and opportunities for improvement'

## KEY FINDINGS FROM THE ASSESSMENT OF AFE RSS AND GFS WORKSTREAM CD PROJECTS

### What has been done well and has been successful

#### GFS

- Missions with a combination of training and practical hands-on compilation and data cleaning exercises, for example, are highly valued.
- Remote LTX availability to respond to queries between missions, where possible, is highly appreciated by counterparts, and increases CD delivery effectiveness.
- The coordination of TWG activities with missions, where the members meet ahead of missions to prepare, is highly effective.
- The confidence generated from AFE-supported capacity building, and vetting of data, along with encouragement, contributed to the resumption of submission of data to IMF by the counterpart.
- Over the duration of the project, AFE has made a significant contribution to the development and implementation of EAC members' GFS data reporting guidelines and forms, thereby supporting convergence objectives. AFE has also made a significant contribution to the drafting of a number of key chapters of the manual to support the guidelines. EAC Secretariat capacity has also been built in this area, through the collaboration between the two entities.
- To avoid duplication and to reinforce each other's objectives, AFE and EAC are increasingly coordinating their activities and conducting joint GFS missions to member states. AFE has participated in the EAC convened regional meetings of the TWG on GFS in 2024, and plans to participate in 2025. Shared/common data files are also used in compilation of GFS in one of the member countries. AFE is also collaborating closely with a World Bank-funded EAC statistics CD project to improve quality and coverage of data.

#### RSS

- The RSS project assessment demonstrated the determination of IMF staff to get the work done under difficult circumstances. During COVID-19, AFE had no LTX for RSS. The HQ backstopper managed to keep the project afloat together with an STX. Since the National Statistical Office (NSO) had no internet connection and teleconferencing was therefore impossible, the CD reportedly had to be done entirely by WhatsApp and still rendered results.

### Areas for potential improvement

#### GFS

- CD counterparts have indicated that more tailored national-level training would support capacity building more effectively.
- More CD targeted to policymakers, on how to effectively use GFS data for policymaking could enhance potential for impact. It would potentially also increase the value of GFS functions in the institutions, and contribute to the allocation of more resources.
- Use of STXs, in missions with the LTX, or separately, is likely to increase effectiveness of GFS CD, by sharing tasks to cover a wider range of topics, or different aspects of the same one.
- The RBM logframes could be used more effectively: i) outcome indicators are set so high that they are unachievable; ii) milestones so demanding that they are unlikely to be met during the current phase; iii) the milestones and outcomes for two jurisdictions in one of the countries have recently been merged, which, given they are at different stages of progression, will make monitoring progress difficult, and outcomes will only be realised once the slower of the two meets the targets; and iv) there is potential for more effectively using milestones to monitor progress in meeting targeted results (see recommendations below).

#### RSS

- It appears that it is difficult for AFE to retrieve documents that were created before the implementation of CDMAP.

### Lessons and recommendations

#### GFS

- Consider implementing a capacity development program for policymakers on how to use GFS (and potentially also RSS) data, for making policies, including before/after cases. Also, consider including in training for compilers sessions on user needs and how to provide easily usable information more effectively.
- Increase the use of STXs in missions. Especially in countries that do not have effective TWGs, considerable LTX mission time is lost cleaning up data and bringing up the state of data to the levels recommended in the previous mission, before work on the next stage can begin. STXs could start missions ahead of LTXs to address these needs so that the latter's' mission time is more productively deployed.
- Regional projects are difficult to implement and achieve results, unless i) member states are motivated to achieve set targets; and ii) the CD provider also directly support individual member country efforts.
- When milestones are set at a level that are unlikely to be achieved in the medium-term, consideration should be given to breaking them down into smaller (at least annual) steps toward meeting them.

#### RSS

- Two RSS CD projects at an NSO were chosen as desk studies, dealing with price indices and national accounts respectively. The superior results on prices CD could be explained by: i) the NSO location, where prices are calculated, is reportedly a bit better equipped than the site where NA are computed; and ii) the NSO has committed to a fixed release schedule for the CPI.
- One of the NSOs encountered has severe capacity problems, with 20-year old laptops, no internet, and intermittent electricity supply, but with reasonably knowledgeable and committed staff. Progress could be made through a strategic partnership with DPs that can provide hardware and software.
- Having the authorities commit to a fixed release schedule of political sensitive data is a relative straightforward and powerful tool that can enable the NSO to act more independently.
- NSOs in AFE countries often lack a sufficient level of independence, which can have sometime serious consequences on CD results.

**RBM logframes have been used relatively effectively, but their design could be improved.** The following points are worth noting: i) the milestone target dates for both projects have been progressively moved back in the logframe, by years, but the CDMAP system does not maintain an audit trail to capture such delays (the system also does not maintain a record of changes in self-ratings); ii) the latest milestone target dates have been set for April 2027, essentially acknowledging that they are unlikely to be met during the current phase (the RBM Guidelines prescribe milestones to be set at least annually); iii) certain target outcomes are overambitious for the current phase<sup>22</sup>; and iv) the latest logframe iteration for the national project combines milestones of two different jurisdictions at varying levels of progress, and different priorities. This makes it difficult to distinguish progress in the two interventions, and the achievement of outcomes would be dependent on the slower jurisdiction meeting its milestone targets. The logframe is also as a result very unwieldy, with one objective being associated with five outcomes, nine outcome indicators, and 32 milestones.

## Impact

**Impact of the assessed GFS projects is rated as Modest.** The resumption of reporting BCG data to IMF covered in one of the national projects, has greatly improved the prospects for impact of the GFS interventions, with the potential to enhance transparency and accountability; support for economic analysis by economists and policymakers; improving government decision-making; and building investor confidence. At present, however, this potential is only partly realised, with GFS information being used principally by DPs and international financial institutions. Within the country, the main internal users of GFS data are economic researchers and other academics. Policymakers do not actively use such information, partially because they do not know how to, and thereby limiting the impact of GFS. Improving the quality and coverage of statistics, including GFS, is important for the Fund's surveillance activities, and formulating its dialogue with the national authorities. The project is therefore an important contributor to IMF strategic priorities. The EAC project, has contributed to strengthening the EAC Secretariat's capacity on this topic, and enabled it to develop harmonized GFS reporting standards for its members. However, with an East African Monetary Union (EAMU) target date of 2031, postponed from 2024, meeting harmonised EAC GFS reporting requirements is currently not a major motivator in individual member countries. Therefore, the wider impact of this project is assessed to be somewhat limited at this stage.

## Sustainability

**Sustainability of the sampled GFS projects is rated as Good.** The national projects' sustainability rating reflects many of the features of those of impact, i.e., a number of positive developments, with realisation of potential limited by constraints. Significant capacity has been built by AFE CD support in the two GFS compiling teams, especially in one of the jurisdictions. This has been self-reinforced through active participation in the TWGs (in the latter jurisdiction), although the lack of a formally approved TWG TOR introduces a degree of uncertainty. Processes appear embedded, and the introduction of a business process document in one of the jurisdictions, soon also to be developed for the other, will further support sustainability. However, there is only one member of staff engaged full-time in GFS activities in the main jurisdiction (an earlier mission recommended five full-time staff), and none in the second, where only two are engaged on the activity part-time. There is relatively high staff turnover. GFS is seen as a relatively low priority in the respective institutions, and staff are often diverted from GFS work to other management priorities. Moreover, the overall project to achieve relatively full GFSM2014 compliance is still only partially complete, and further CD is needed for an extended period to achieve that objective. For the regional project, EAC GFS guidelines and reporting requirements have been accepted by member countries, that are regularly reporting on that basis (albeit meeting the required standards to different degrees, and needing further CD to achieve full compliance). It is therefore considered to be relatively sustainable.

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<sup>22</sup> For example: Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices

## 4. REVIEW OF WORKSHOPS AND WEBINARS

**Regional workshops and webinars are an important CD delivery tool for AFE.** Broadly, the main objectives appear to be: introducing, or reinforcing a particular technical topical area (e.g., climate PFM, IFRS 9) implementation of which is being rolled out in (most) member countries, complementing TA; raising awareness of a topic that may not yet be at the core of TA (e.g., climate, gender and inclusion); covering an area considered to be a 'hot topic', for which most member countries may not yet be ready, but have expressed interest (e.g., CBDC); knowledge sharing, with countries making presentations on their implementation experience; technical training (e.g., in statistics); and EAC issues, often hosted jointly with the EAC secretariat. In the current phase joint workshops have also been held with AFRITAC South and AFRITAC West 2, on topics of common interest for member countries.

**As indicated in the TOR, workshops, webinars and national training events have not been rated based on OECD-DAC criteria, but given their importance in the AFE CD portfolio, three approaches have been taken to assess them.** Firstly, a sample of nine regional workshops, covering the AFE workstreams and gender, was reviewed for the appropriateness of their coverage; quality of presentation material (clarity, relevance); responses on participant feedback; and linkage with other TA and CD activities. Secondly, AFE annual impact evaluation surveys (for all regional workshops), of participants and their sponsors (usually the person they are reporting to), carried out six months after fiscal year ends, were reviewed for the years FY2023 and FY2024. Finally, the views on workshops were canvassed of CD beneficiaries interviewed as part of case studies. National training events were covered as part of sampled project assessments.

**The evaluation found AFE regional workshops to be effective, highly valued by participants, and to be providing good complementarity to mission-based CD delivery.** The review of the sampled workshops were generally awarded scores of between 3.5 and 4.0 out of 4 for each of the criteria assessed, with numeric participant feedback scores (which tend to be out of 5) converted to a scale of 4. Two of the sampled workshops had scores of 3.25 out of 4 on participant scoring. The FY2023 and FY2024 AFE workshops impact surveys covered 135 and 225 participants respectively, and 28 and 31 sponsors respectively. In FY2023, 39% (FY2024, 40%) of participants considered the training received to be very critical to their jobs, and 29% (20%) to be critical. Furthermore 54% (60%) indicated they spend more than 60% of their work time applying workshop learning. Lack of data to apply knowledge, lack of technology and inadequate traction among colleagues, supervisors or management were identified by participants as the main barriers to applying workshop knowledge in both years. Sponsors identified the gaining of technical skills as the main benefit of their staff attending AFE workshops, with development of team/department coming second, in both years. These findings were confirmed during case study interviews with participants, and there was a strong preference expressed for in-person workshops over webinars. A few CD counterparts indicated they would welcome more tailored, national-level training to complement regional workshops. One regional training workshop, in GFS, where participants were tested for pre- and post-event technical knowledge was also reviewed. It showed an average increase in scores from 59.2% to 76%, with the participants giving the workshop an overall score of 4.7 out of 5.

## 5. REVIEW OF AFE GOVERNANCE AND OPERATIONS MANAGEMENT

**The evaluation found AFE to be exemplary in its operations management in areas within its control.** In addition to high quality LTXs and Directors, the Centre benefits from, in particular, very professional economists and operational staff, seconded from host, Bank of Tanzania. Most such staff are long-standing, and the Centre's internal processes have been refined over the years to a high degree of efficiency. For example, documents, data and analyses requested for the evaluation were readily available, and used by AFE management itself to monitor the program internally. Moreover, AFE economists have proactively developed for local use more user-friendly interfaces and report generation capabilities for LTXs and Center management to benefit from the capabilities of CDMAP, the IMF system that integrates RBM, financial information, and document tracking, which is otherwise not very user-friendly. The Center Director also plays a pro-active role in IMF HQ, donor, and CD counterpart consultations, briefing, and coordination. Key members of the current evaluation were also involved in that of AFE Phase III, and the significant improvement in operations since then are noticeable. In addition to many advantages that AFE integration with IMF strategy and operations offers, the Center's operations nevertheless experience a number of challenges that require IMF involvement to be addressed successfully.

**The integration of AFE CD activities with that of IMF policy and CD work generally works well.** AFE is seen by IMF as one of a number of policy and CD delivery channels for meeting its objectives in member countries. Both CDDs and AFR are closely involved in the annual work planning cycle. IMF HQ is usually involved in diagnostics; strategy-setting; reviews and assessments; providing direct CD support in areas where there are gaps in LTX expertise; and backstopping LTXs. Practices vary between CDDs though, and while some involve LTXs in their HQ missions, others do not (the former, in our view, is better practice, as it helps LTXs gain insights that benefit subsequent CD delivery). In this regard AFE benefits from IMF HQ expertise in developing and implementing diagnostic tools such as Tax Administration Diagnostic Assessment Tool (TADAT), Fiscal Transparency Evaluation (FTE), and more recently, Quantitative Climate Risk Assessment Fiscal Tool (Q-CRAFT). HQ backstoppers also often stand in during gaps in LTX positions, although their other work commitments preclude full substitution. The integration of IMF and AFE activities is particularly evident in AFE member countries participating in IMF programs, where CD delivered by the latter supports the achievement of structural benchmarks. CD to program countries generally tend to have more traction, although in a small number of cases unrealistic timescales for achieving targets is likely to have resulted in CD not being sustainable. Furthermore, IMF local offices in AFE member countries play an important supportive and communication role in respect of AFE CD activities. Of the respondents to the AFE/IMF staff survey, 76% fully and 21% largely agreed that AFE effectively contributes to staff strategic priorities; and that AFE CD is seen as a component of wider IMF activities (64% and 24% respectively). The AFE CD project assessments found good examples of the above strategic complementarity between AFE and HQ. A number of CD counterparts have nevertheless remarked that IMF and AFE missions could be better coordinated to ensure they are not overwhelmed. This latter point has also been reflected in SC comments, which have reinforced the need for better IMF/AFE coordination in this respect. SC comments also suggest potential for more coordination between HQ and AFE (and with other DPs) in cross-cutting areas such as gender, climate and anti-corruption (we understand that barriers that prevented climate and gender LTXs serving all AFE member countries due to conditions from funders are being removed).

**Whilst the 'front end' of client-facing AFE activities benefits considerably from IMF integration, the 'back end' internal operations have to manage a number of resulting challenges.** Whilst overall supportive, various IMF systems and practices could be better tailored to increase AFE (and broader RCDC) efficiency. Although AFE has made important local improvements in the functionality of CDMAP<sup>23</sup>, the Centre's main operations management system, it cannot be optimised to be an effective and efficient project and program management tool as any fundamental change to the system would need to be directed through ICD and implemented Fund-wide. The administrative processes to get HQ approval for, e.g., workshop expenses, are cumbersome and can lead to delays. Similarly, recruitment of LTXs, currently handled by CDDs with some input by the Center Director at later stages of the process, has on a number of occasions led to delays, leaving gaps in tenures. Whilst there is an established process for handover when LTXs overlap, there is not one when there are gaps, and this leads to further delays in delivering CD as the new LTX establishes relationships with CD counterparts. Each CDD has its own, slightly different approach, to managing LTXs and

<sup>23</sup> For example, adding a more user-friendly interface, tailored project tracking and management system, reporting templates, and document accessing system.

workstream CD projects, project logframe design and operation, STX engagement policies, etc., which adds to complexity in managing the program. AFE strategic coherence is also affected by the hosting of LTXs in additional areas, such as gender and tax policy, funded by other donor programs that preclude them from serving all AFE member countries (although we understand that this issue is being addressed). The AFE Phase IV evaluation recommendations had sought to address many of these matters. Whilst there is recognition that the complex CDD and AFR matrix management structure cannot be amended materially in the near future, some of these issues could be addressed by streamlining processes between AFE and HQ, and delegating more authority and responsibilities to the AFE Director.

**AFE needs to define more clearly its positioning and distinctive offering to distinguish itself from IMF and other DPs.** Although the separation of responsibilities between IMF HQ and AFE is understood internally, feedback from interviewees, including SC members and survey respondents, indicates this is not the case for many external stakeholders. The evaluation impact studies in particular highlight that AFE (and RCDCs generally) are in a relatively unique position to engage with CD counterpart institutions through multiple program phases on capacity building, providing cutting edge technical advice drawing on IMF expertise, and hands-on support in implementation on particular areas, on the basis of insights in the region built over decades. It is also able to benefit from providing CD support a regional multi-country basis, with efficiencies gained, peer learning encouraged, and the network of counterparts willing to take attachments from those that are less advanced. These and other features of the AFE offering could be packaged into a distilled branding for donors and other stakeholders.

**The AFE operational cycle and reporting, and the multi-year nature of its projects, could be more closely reconciled.** As clearly demonstrated in the evaluation impact studies, workstreams typically undertake a number of multi-year (sometime multi-phase) core projects, supplemented by shorter duration, more targeted interventions. The former usually command the highest proportion of workstream resources. Yet, the annual cycle of needs assessment at the AFE level essentially starts with a blank sheet of paper. Moreover, the RBM system does not enable project progress or delays in projects being tracked, as it does not maintain audit trails. Reports therefore provide an isolated snapshot of the current year results, rather than progress toward medium and longer-term targets. Additionally, work plans are developed and presented to SC on an annual basis, without the context of the entire project, experience to date, and implications for proposed and future planned CD on that project.

**There is a need to formalise the role of the Centre Director in the annual resource allocation process.** CD allocation across countries and workstreams is intended to reflect relative demand. The 2022 RTAC Handbook provides: *'In consultation with the SC, AD, CDDs, and ICDGP, the Director formulates the RTAC work program and monitors its execution. The Director manages the formulation of TA and training strategies and priorities for the center based on guidance received from the SC and is responsible for coordination, development, direction, and execution of annual work programs, in close coordination with IMF HQ. In consultation with the Director, RAs, and CDDs translate the strategic priorities of member countries into specific CD projects to be included in the work program.... In CDMAP, the Director is the funding vehicle manager, ensuring allocations to the center's different funding programs are in line with member and AD strategic priorities.'* The evaluation has found that in some instances, the CD counterparts are stretched in implementing AFE CD projects, whilst in others there is unmet demand. The Centre Director has informed contribution to make in the decision-making process related to workstream allocation of AFE CD resources, based on SC and member country views, as expressed in formal meetings and informal consultations. Moreover, in our opinion the Director should have a meaningful say in the process as they are ultimately responsible for the work plan's execution. It is acknowledged that a balance is required between the priorities of the Centre (as expressed by the SC and members), CDDs and AFR (the RTAC Handbook mentions CDDs *'Set the sectoral strategy (e.g., sequencing, delivery modalities) for TA to specific countries and regions...'* and also *'...lead the drafting of the sectoral workplans in conjunction with the ADs'*, while Area Departments *'Set RTAC strategic priorities for sectors and topics and for countries and the region'*. The findings of the evaluation suggest that a more structured process could be formally agreed between AFE and the various interested IMF HQ functions to ensure that the views of the external AFE stakeholders are appropriately reflected in annual resource allocations.

**The AFE Steering Committee is seen by SC members as well as IMF and AFE staff as playing an important accountability-related role, although further improvements could be made in its effectiveness in providing feedback and strategic guidance.** There were mixed views about SC effectiveness in setting AFE priorities, with half of survey respondents (both donor and SC members) fully or largely agreeing that it does, and the remaining respondents who expressed an opinion somewhat agreeing. Of AFE/IMF staff surveyed, 18% fully and 60% largely agreed with the effectiveness of SC role in work prioritisation. More SC members (6 out of 8) fully or largely agreed that the SC gives proactive, strategic advice and guidance, whilst the corresponding number for AFE/IMF respondents was 12 out of 15. The effectiveness of member country SC representatives in gathering views and experience of all AFE CD counterpart institutions in their country was considered to be weak by SC members (both member and donor country

survey respondents) and AFE/IMF staff.<sup>24</sup> Recommendations have been made in previous evaluations that member country SC representatives be more proactive in this area, but limited success suggests AFE may need to reach out to their counterpart institutions directly, annually, to gather feedback (this was suggested by one survey respondent). This would especially be the case especially from institutions such as national statistics offices and revenue administration agencies, which are not directly represented at the SC. Survey findings were confirmed by interviews with selected SC members, and AFE and IMF HQ staff. We believe reporting of annual performance in the context of medium and long-term project and workstream goals, as suggested above, will improve SC effectiveness in providing more strategic inputs.

**AFE has increased its effectiveness in donor coordination, but more efforts are needed, and information sharing is still seen as a barrier to improve results in this area.** A key area of focus of the Centre Director has been donor coordination, with regular country visits and meetings with DPs. In addition, LTXs, often with the support of ResReps, meet donor groups during missions. In the CD beneficiaries' survey, 38% fully and 38% largely agreed (19% did not know) that AFE effectively coordinates its activities with other DPs. The equivalent numbers for SC members were 29%, 29% and 14%, with 14% disagreeing (sample size of only 7); and for AFE/IMF staff 27%, 33% and 17%. The AFE project case studies and desk reviews also found good examples of cooperation between long-term resident experts funded by other DPs, and AFE STXs and LTXs. SC comments suggest that although improvements have been made, there is scope for increasing effectiveness in donor coordination, especially in systematically and in a structured manner delivering CD jointly with other DPs. Some SC members have pointed out the effective role country authorities can, and need to play in donor coordination, and that this varies significantly between AFE members and workstreams. For number of SC members timely access to TARs and other information remains a problem (one country SC representative indicating this has recently deteriorated), as they are useful to gain insights for designing their programs. Consideration should be given by AFE to pro-actively informing DPs when reports become available.

**The mix of CD delivery channels used is generally effective, but STXs could be used more in some workstreams, and there are gaps in CD follow-ups and monitoring.** In addition to LTXs and STXs delivering TA and national-level training, AFE uses regional workshops; ICD-AFE regional courses; courses at the Africa Training Institute; attachments to more advanced jurisdictions and short secondments from more advanced institutions; and various IMF and other online courses. Practices vary considerably between CDDs and therefore workstreams, however. As pointed out earlier in the report, in our view RSS and GFS missions would benefit significantly if LTXs were accompanied by STXs. Also, during CD beneficiary interviews and especially in their survey responses, whilst some have remarked that they find between-missions access to LTXs relatively easy, many more have highlighted they would benefit more from remote support between missions. Moreover, monitoring of CD implementation between missions is almost entirely absent.

With respect to some of the other questions in the TOR, and selected other matters:

- On local experts, whilst we have found that they are engaged in some projects, there is no evidence of a proactive effort to identify suitable local experts as part of a wider local capacity building strategy.
- The addressing of FCS issues was covered in detail in Section 2.2. Generally, we have found AFE tailors its CD design and delivery appropriately to meet challenges in FCS jurisdictions. CDDs play an important role in this, through providing guidance during diagnostics and strategy setting; additional resources (e.g., placing a long-term resident advisor in one country); and backstoppers accompanying LTXs in missions.
- COVID-19 impacted the early stages of this phase, as field missions were not really possible until mid-2022. Remote missions were carried out where possible (this was particularly difficult in some countries with weak IT infrastructure), but these are not generally seen as being as effective as in-person ones, especially in particularly technical ones like RSS and GFS. Workstreams that had recruited new LTXs during this period, or had gaps in position, suffered more (for example, the new RSS LTX spent the first 18 months working remotely), as either: i) new LTXs generally found it difficult to gain traction through remote interactions in the absence of previously established relationships; ii) in the case of gaps, HQ backstoppers sought to address needs, but given logistical issues (like time difference) and their other commitments, effectiveness was more limited.

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<sup>24</sup> Of SC survey respondents, 1 fully agreed, 2 largely agreed, 4 somewhat agreed, 1 disagreed, and 3 didn't know. Of AFE/IMF respondents, none fully agreed, 5 mostly agreed, 8 somewhat agreed, 1 disagreed, and 15 didn't know.

- On cross-cutting topics, climate is the most relevant, and in workstreams such as PFM and FSR, addressing climate risk to fiscal positions and finance are increasingly being integrated in the work program. There is more limited demand for gender-related advice beyond two of the member jurisdictions. Workshops have been held on these topics, both at a cross-cutting level and in different workstreams. Selected AFE members also have access to climate (based at AFE) and gender (based at another RCDC) experts, funded by one of the current AFE donors.
- We understand that IMF is developing a strategic results framework for the institution. In our view consideration in such a framework should be given to the following matters: i) that it should be built on a solid foundation, and the shortcomings in the application and design in the implementation of RBM logframes identified in this evaluation, and there may be others should be carefully reviewed and corrected; ii) the different type of work undertaken by RTACs should be acknowledged in designing indicators tailored to their activities; and iii) that an appropriate hierarchy or segmentation of results is structured within the institutional results framework, so that suitable higher-level indicators are selected for RCDCs such as AFE (for example, the evaluation impact studies suggest that macroeconomic indicators do not reflect AFE performance, and rather institutional-level assessments, such as PEFA, TADAT, etc. are more appropriate).
- AFE has been reporting to donors in its annual report on implementation of Phase IV evaluation recommendations. Whilst progress has been made on a number of fronts, they are not yet substantial enough to address the findings underlying a number of the key recommendations. For example: i) the recommendation on giving the Centre Director more input and authority in budget decisions and operations has not led to any material change on the ground as the CDDs still have the principal say in resource allocation between workstreams and projects; ii) on using RBM for project implementation and results monitoring, whilst the RBM Guidelines are an improvement on previous practice, the findings of this evaluation highlight various important shortcomings in its implementation; iii) on CDMAP being the single resource for RBM work, in theory it is, but in practice due to its lack of user-friendliness, other tools/databases have had to be set up to undertake effective results based project monitoring and management, and, as highlighted, monitoring between missions remains weak; and iv) on making member country representatives more connected with CD counterparts in their jurisdictions, AFE has indeed made efforts, but these have not resulted in any noticeable change.

## 6. FINDINGS FROM IMPACT STUDIES

As part of the AFE evaluation, the evaluators were tasked to conduct case studies related to the Centre's CD activities since its establishment in 2002, highlighting any contribution to impact at macroeconomic and institutional levels. Data constraints meant that the exercise was based almost entirely on publicly available sources, in particular, AFE Annual Reports, which were available from FY2007 onwards. The impact studies covered AFE CD activities related to: i) Banking Supervision in Kenya; ii) PFM and fiscal risk management (FRM) in Rwanda; and iii) RSS in Uganda. The reviews found strong evidence of AFE CD contribution to important outcomes and institutional strengthening at the impact level, but macroeconomic data are not reliable indicators of the impact of AFE CD.

The following are the main lessons and observations from the three impact studies:

### Banking Supervision in Kenya

- AFE banking sector projects in the country had been built on solid foundations. The 2003 and 2008 FSAPs and Basel Core Principles for Effective Banking Supervision (BCP) requirements provided robust frameworks for designing and prioritising interventions in the early years, and subsequently Basel II and III requirements, which have been applied flexibly and adapted to the country (and region), provided further underpinning. EAMU convergence requirements contributed to this approach.
- The CD projects have been implemented systematically, starting from surveys or other assessments; developing initial guidance and manuals and training on their use; assistance with drafting legislation, regulation and guidelines; followed by assistance on implementation.
- Hands-on capacity building, for example in conducting inspections, or reviewing bank reports such as Internal Capital Adequacy Assessment Process (ICAAP), are highly effective in implementing projects, and the practical experience of AFE LTXs enables such CD support to be delivered.
- AFE is in a relatively rare position to adopt a regional approach to deliver CD in an area such as banking supervision, where many member countries are aiming to implement internationally standards and supervisory practices at the same time. In addition to increasing LTX efficiency, missions can be complemented by regional workshops and other peer learning events. Where member countries are behind in the implementation process, they benefit from attending workshops with and attachments to those more advanced (for example, the central bank has hosted such attachments on RBS and consolidated supervision, and also sent staff to another AFE member country to share experience on agency banking supervision).
- Banking sector supervision is a continuously evolving process, with new standards and practices, and new industry developments (such as fintech, climate finance) requiring constant monitoring and reaction. AFE ability to bring experience from other jurisdictions through IMF Headquarters, and being able to tailor advice based on the program's knowledge of the region through its extended presence, benefits AFE members.
- Whilst outcomes have been achieved and these would definitely have contributed to impacts, it is not discernible from macro-indicators. This is especially the case where key issues, in this case the need to increase minimum capital to consolidate the sector, are beyond the scope of CD.
- *Ex-ante* decisions need to be taken to plan and prepare for technically robust impact assessments. Internally, the AFE RBM system should be able to capture progression in activities, milestones and outcomes and changes in outcomes would need to be mapped to ensure they can be tracked over an extended period. Additionally, information on IMF and other DP CD and policy activity should be gathered systematically.

### PFM and FRM in Rwanda

- Continuity of AFE/IMF presence supports effective delivery and impact of reforms. While the country has benefitted greatly from such continuity, AFE should aim to achieve this standard of continuity in weaker countries in the region.
- Establishment of a medium and longer-term sequencing of priorities for reform permits a logical progression over years and across AFE phases supporting high impact over an extended time horizon. In a medium-term delivery framework, it is possible to establish a progression in the technical level of support provided.
- A strong institutional framework led by the government for progressing PFM reform (such as a multi-stakeholder PFM Steering Committee) is a critical ingredient for effective delivery including strong follow-up by the country to agreed workplans following AFE missions.
- Movements in relevant macroeconomic indicators do not adequately reflect progress in strengthening budgetary and fiscal institutions and practices.
- The relative PEFA trends of the country compared with other AFE member countries, all receiving CD from usually the same advisors, highlights the important complementary role played by the beneficiary government and institutions, in translating advice to action, and eventually outcomes and impact.

### Real Sector Statistics in Uganda

- The strengthening of the basic economic statistics through NAS has provided the underpinnings for major enhancement of economic and financial modelling as the basis for fiscal, budgetary, and monetary policy formulation. This has been witnessed in the progressive development over the past 15 years of the macroeconomic modelling systems in the MoF through the progressive elaboration of the government's integrated macroeconomic model. The model has been used not only for routine forecasts of economic and fiscal aggregates but also for the longer-term forecasting required for national planning. In addition, the model has been used for assessing the likely impact of climate change on the economy.
- The development of RSS and specifically price statistics has been critical for underpinning the success achieved by the central bank in the management of monetary policy.
- The development over the past 15 years of quarterly NAS (QNAS) has provided a basis for within-year modelling and forecasting to permit the fine-tuning of fiscal and budgetary management.
- The strengthened RSS data have provided strong support for the private and non-governmental organisation (NGO) sectors, which follow the releases of RSS statistics, and in providing a basis for public discussion on economic matters in the media:
- AFE's success in strengthening the country's RSS has built on the pursuit of a long-term strategy for statistics capacity building, with a prioritisation at each stage since 2005 of the appropriate next steps for RSS development.
- An overall coherent approach has been applied, spanning the distinctions between major topic areas: The latter emphasis on the development of price indices has been a logical development, given the progress achieved in the development of the annual and quarterly NAS.
- An important strength of the IMF/AFE derives from the continuity of presence in the country from year to year and from AFE phase to phase, whether through HQ missions or frequent AFE CD projects. This has enabled a comprehensive and sustained approach to support the complex interlinked requirements for RSS progress. Very few, if any, other DP organizations are in a position to provide comparable sustained support.
- A key challenge in the RSS workstream is the need to strike an appropriate balance between i) ensuring existing statistics datasets are adequately established with respect to coverage and accuracy, and ii) meeting CD counterparts' demand for adding new indicators.

## 7. FINDINGS AND RECOMMENDATIONS

	Findings	Recommendations	Priority
1.	<p>The evaluation identified various areas where application of RBM could be further improved, including: setting of outcome levels; definitions of indicators; calculations of scores/ratings; timescales for setting milestones and outcomes; variances at levels objectives are set; and the logic of linkages between outcomes and objectives. There were also material variations in the application of RBM practice between CDDs and workstreams. These matters lead to inaccurate assessment of achievements; lack of comparability of results between workstreams; and impair the usefulness of the system as a management tool. Progress has been made in raising awareness of RBM among CD counterparts, but most have indicated they do not understand its purpose and how it works.</p>	<p><b>CDDs, with guidance from ICD, and in consultation with RCDCs/AFE, preferably with involvement of a logframe specialist familiar with IMF CD activities, should conduct a detailed review of the workstream RBM catalogues, and logframe implementation, at least to the extent relevant to AFE, to ensure the various issues highlighted in this report are appropriately addressed. These include and are not limited to:</b></p> <ul style="list-style-type: none"> <li>i. The technical definitions of indicators are robust.</li> <li>ii. Outcomes are set at a realistic level, at least where targets can be achieved within an AFE phase.</li> <li>iii. At least one milestone per year is set, preferably more frequent (especially for higher risk projects), and reflect action plans recommended to CD counterparts. These should be reviewed at least annually and appropriate updates made to keep them valid.</li> <li>iv. objectives better reflect higher level goals, and are calculated in a logical manner.</li> <li>v. A technically robust process for updating RBM logframe catalogues.</li> </ul> <p>AFE should also ensure that RBM Guidelines on involvement of CD counterparts in understanding and participating in setting RBM targets are more faithfully followed.</p>	High
2.	<p>The current RTAC Handbook suggests that the AFE Director is expected to play an important role in the annual work program: In consultation with various internal and external stakeholders, <i>‘the Director formulates the RTAC work program and monitors its execution’</i>. In particular, the Director is expected to reflect the views of the AFE SC and members in the resource allocation process. Interviews undertaken as part of the evaluation suggest that the annual resource allocation process might need formalization in a manner that ensures that the Center Director plays a role that enables wishes of AFE external stakeholders to be adequately reflected in the AFE work plans, which need to be reconciled with the HQ Medium-Term Work Plans agreed between CDDs and AFR.</p>	<p><b>AFE, the CDDs and AFR should agree to a structured process for annual work plan development, with clear timelines, that ensures that the priorities of the Centre as expressed by Steering Committee members and member countries through the Center Director, are appropriately and transparently reflected in annual resource allocation and work plans, with due regard to the objectives of CDDs and AFR.</b></p>	High

	Findings	Recommendations	Priority
3.	<p>Gaps in LTX tenures result in fall in CD delivery, potentially loss of reform momentum at CD counterparts, and usually results in more time needed by a new LTX to establish relationships. Moreover, whilst there is an effective handover process for when departing and new LTXs overlap, this is not the case when there are gaps between tenures. The COVID-19 period caused extended gaps between LTXs negatively affecting the current AFE phase, but the adverse impact of such gaps has also been highlighted in previous evaluations.</p>	<p><b>AFE should agree with each of the CDDs a general schedule of actions relating to advertising, shortlisting, interviewing, and onboarding new LTXs, to be triggered sufficiently in advance of LTX vacancies occurring. Such a plan should include:</b></p> <ul style="list-style-type: none"> <li>i. Responsibilities and nature of involvement of CDDs and AFE Director.</li> <li>ii. Timescales for each recruitment stage.</li> <li>iii. Contingencies, including the triggering of the identification and appointment of stopgap STXs.</li> <li>iv. On-boarding process in the event no overlap with departing LTX is possible.</li> </ul> <p><b>In addition, similar plans should be agreed for unexpected gaps in LTX positions.</b></p>	High
4.	<p>All core workstream interventions involve multi-year and at times multi-phase CD projects. Some AFE CD counterparts have indicated that they would benefit from multi-year roadmaps to measure progress against, and plan resources. At the same time, SC members have indicated that the current results reporting framework provides a static, short-term view of results without any strategic context. It is understood that CARTAC is developing a pilot strategic logframe, but the evaluators are not familiar with the details of that initiative, and the extent to which the recommendations presented here are reflected.</p>	<p><b>To better reflect the long-term nature of core CD-interventions, AFE should consider developing multi-year plans for each workstream and country, covering an entire phase, and making CD counterparts and SC members aware of them.</b></p> <ul style="list-style-type: none"> <li>i. The plan could be based on the targeted outcomes set in the program document.</li> <li>ii. The plan would need to be flexible and adapt to needs, but annual workplans would be set in light of the strategic outcomes targeted for the phase (which could be changed in light of material developments).</li> <li>iii. SC annual reporting would be made in the context of progress against the plan, and deviations explained.</li> </ul>	High
5.	<p>Statistics LTXs often spend a material part of their missions reviewing and correcting data relating to their previous missions before they can advise on the next steps. In addition, conducting a two-person mission is often more productive, with each person focused on complementary activities related to mission objectives.</p>	<p><b>For statistics missions, STA should consider engaging STXs to join LTX missions, to carry out tasks such as data clean-ups and reviews. In selected cases, such STXs might start their missions ahead of LTXs to ensure preparation ahead of LTXs arriving.</b></p>	High
6.	<p>Resource allocation in some of the core workstreams require greater reflection of needs, and balance. There is in some workstreams significant variation in the proportion of CD resources allocated between countries. For example, in PFM and RA, the top two countries were allocated 50% and 45% of resources respectively, the bottom two received 10% and 15%. This leads to stretching of counterpart resources in some (more successful) countries, whilst leaving others falling further behind. There was feedback from countries either being stretched with the amount of AFE/IMF CD they were getting, or not</p>	<p><b>IMF HQ and AFE should review its procedures for the allocation of available CD resources across member countries to ensure more consistent support among them. Measures for consideration include:</b></p> <ul style="list-style-type: none"> <li>i. More proactive identification of reasons for lack of CD demand, and taking corrective action.</li> <li>ii. As undertaken in some cases, sensitization workshops or online sessions by LTXs providing guidance on completing CD needs assessment forms.<sup>25</sup></li> </ul>	Medium

<sup>25</sup> A number of CD counterparts have indicated they don't know how to complete the needs assessment forms

	Findings	Recommendations	Priority
	getting enough. Whilst targeting equal distribution of resources between member countries would be inappropriate, a more balanced approach, duly reflecting relative demand, would likely generate better CD results. In this regard, more proactive action could be taken to ensure that CD needs are properly identified within counterpart institutions, and the latter can effectively formulate their needs.	iii. Providing guidance to counterparts to ensure consultations at all relevant levels of the institution in formulating needs assessments.	
7.	The review of statistics projects (both RSS and GFS) suggests that in most AFE member countries the outputs are principally used by IFIs and DPs, and the main motivator for progress in the topic is to meet their requirements. National policymakers often do not use statistics for their own analyses and decision-making, reducing the potential for impact of CD in these workstreams. This may also contribute to low prioritization and resourcing of statistics functions.	<p><b>STA should consider promoting statistics usage by national policymakers, by for example:</b></p> <ul style="list-style-type: none"> <li>i. Providing CD to senior staff at Ministries of Finance and other ministries and agencies on effective use of statistics for decision-making.</li> <li>ii. Provide CD to statistics compilers on uses of statistics and how their outputs can be made more usable for decision-making.</li> </ul>	Medium
8.	The RCDCs, especially the AFRITACs, and in particular AFE, AFS and AFW2 share many similarities with respect to operations, strategy, client needs, and solutions. At present coordination between them, and sharing of experiences, is principally done through annual CDD retreats of LTXs, and AFR retreats and periodic meetings of Centre Directors. AFE, AFS and AFW2 have also organized joint workshops for various workstreams for their member countries. EU is now compiling data that compares performance of the AFRITACs it supports. There is, we believe, considerably more potential to enhance AFE/RCDC efficiency and performance through more systematic, direct sharing of knowledge and information between the RCDCs.	<p><b>IMF should consider promoting more systematized, direct, sharing of knowledge and information between RCDCs in general, and AFE, AFS and AFW2 in particular. This could include:</b></p> <ul style="list-style-type: none"> <li>i. Through CDMAP, or another intranet platform, sharing of BRFPs, TARs and other documents that might be relevant to LTX work.</li> <li>ii. Developing key performance indicators that can be analysed, controllable factors isolated, and lessons learnt/implemented.</li> <li>iii. Structured, periodic virtual meetings of workstream LTXs and operational staff to share new developments and lessons (to the extent needed, to supplement meetings organised by AFR).</li> <li>iv. Systematic sharing of findings and recommendations of external evaluations and other reviews.</li> </ul>	Medium
9.	LTXs spend significant time undertaking tasks such as filling in BRFP and TAR templates; undertaking country and technical research; managing RBM entries; proactively following-up remotely with CD counterparts to monitor progress and address blockages in implementation; contributing to internal reports, etc., which could be undertaken by more junior technical staff under their supervision.	<p><b>In the medium-term, AFE should consider engaging research assistant(s) or economic analyst(s) initially on a pilot basis, on attachment from CD counterpart institutions, or recruited locally, to support LTXs on tasks that can be delegated.</b></p>	Medium

The following are some of the additional points that have arisen from our reviews of AFE CD projects and the program that AFE and IMF might consider addressing. These matters are not considered as strategically or operationally critical as those for the recommendations in the previous table.

Suggestions
<ul style="list-style-type: none"> <li>Consideration in the proposed IMF strategic results framework should be given to the following matters: i) that it should be built on a solid foundation, and the shortcomings in the application and design in the implementation of RBM logframes identified in this evaluation, and there may be others, should be carefully reviewed and corrected; ii) the different type of work undertaken by RTACs should be acknowledged in designing indicators that more fully reflect their CD activities, in addition to that of HQ and other CD delivery vehicles; and iii) that an appropriate hierarchy or segmentation of results is structured within the institutional results framework, so that suitable higher-level indicators are selected for RCDCs such as AFE (for example, the evaluation impact studies suggest that macroeconomic indicators do not reflect AFE performance, and rather institutional-level assessments, such as PEFA, TADAT, etc. are more appropriate).</li> </ul>
<ul style="list-style-type: none"> <li>AFE spends considerable efforts in developing and updating content in social media platforms such as Facebook and LinkedIn. In recent years the outputs from RCDCs have been harmonised, with consistent branding and formats. We understand that AFE and IMF have no systematic processes to segment target audiences for its social media communications; have information about targeting them effectively; and track usage, reach, engagement, etc. We understand that IMF is in the process of auditing its social media activities, and hope these matters will be considered in that audit, and if not, processes and systems put in place to ensure AFE media activity is producing intended results.</li> </ul>
<ul style="list-style-type: none"> <li>The number of recommendations provided on technical reports should be streamlined and sequenced based on the specific needs and bandwidth of the organizations. Recommendations should be prioritised, preferably with specific target dates (rather than indicating short, medium, or long-term), and department/function responsible. Where possible, medium and longer-term targets should be broken down into an action plan with say quarterly milestones. We have seen this approach in some TARs, but not in most.</li> </ul>
<ul style="list-style-type: none"> <li>In RA, foundational tasks that impact wider technical and operational areas, such as addressing cleansing of taxpayer data and ICT system integrity, should have been prioritized before advancing to more complex reforms like CRM, to ensure a solid base for subsequent steps.</li> </ul>
<ul style="list-style-type: none"> <li>For RSS and GFS, IMF/AFE should explore the possibility for a strategic partnership with one or more DPs that can provide hardware (like PCs) and software (e.g., AfDB, FCDO) to facilitate projects at national statistical offices and relevant MoF departments where staff have to work with very outdated, barely functioning IT equipment, which impairs AFE CD effectiveness.</li> </ul>
<ul style="list-style-type: none"> <li>IMF/AFE should undertake more coordination efforts between CBO and MMP/FPAS to prevent the former from crowding out the latter (which we believe is currently occurring) by raising awareness of their supplementary character. A robust monetary policy framework consists of sound, forward-looking policy formation and an effective toolkit for its implementation. Wider coordination with the FMIP workstream should also be monitored. We understand from AFE that the situation has improved recently, with more CBO CD demand. Nevertheless, the matter should be kept under consideration.</li> </ul>
<ul style="list-style-type: none"> <li>Workshop feedback survey forms should be standardised, with a number of core common questions supplemented with ones tailored to a particular event. This will increase comparability between feedback. Feedback, especially comments, should be consolidated periodically to identify any emerging common themes.</li> </ul>
<ul style="list-style-type: none"> <li>One of the evaluation case studies suffered significant delays in making contact with the authorities, and eventually was based on a series of written responses to a necessarily limited questions (supplemented by IMF interviews). The knowledge gathered and the insights from the case study were limited as a result. This reinforces our negative experience from remote case studies conducted for other IMF program evaluations. Remotely conducted case studies should therefore be avoided where possible.</li> </ul>