

EXECUTIVE SUMMARY

The SCFMC was established in 2009 “with the objective of reducing poverty and improving financial governance through the promotion of education relating to the government financial sector in small countries or countries whose economy or infrastructure has been adversely affected by wars or conflicts.” Its main activity is putting on the annual Small Country Financial Management Programme (SCFMP), an executive training programme targeted at senior officials working in ministries of finance, central banks and financial regulatory bodies in small developing countries, at the Isle of Man and Oxford University. The SCFMC was also associated with two customised regional programmes: (i) the Cook Islands' Negotiation Programme, financed by the Cook Islands' government; and (ii) High-Level Forum on Governance and Strategy, financed by the IMF's AFRITAC West 2 in Ghana.

Both McKinsey's and the IMF's Institute for Capacity Development recognize the challenges of evaluating training programmes. There are few independent evaluations of such courses in terms of how the skills and knowledge learned are applied on-the-job, the impact on job performance and career progression and sustainable organisational impacts.

This is the second independent evaluation of the SCFMC focusses on the 2013 to 2019 period. The purpose of the evaluation is to enable the Board to assess the performance and impact of the SCFMC, especially the SCFMP, identifying strengths and weaknesses and providing a robust evidence base for determining future strategic, policy and funding decisions. The evaluation approach and methodology were anchored in OECD's five dimensions of evaluation: (i) relevance; (ii) effectiveness; (iii) efficiency; (iv) sustainability and (vi) impact.

Based on the evaluation evidence, the work and activities of the SCFMC were rated as **Good** bordering on **Excellent**. The SCFMP, the Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy were all rated in the **Good to Excellent** range. The evaluation was designed to answer one overarching question and seven specific evaluation questions.

I Overarching evaluation question: “Has the SCFMP delivered an identifiable and sustained improvement in the capacity and performance of individual participants and organisations?”

Regardless of the metrics used, it is clear that the SCFMP delivered identifiable, sustained improvements in the capacity and performance of both participants and organisations. Nearly two-thirds of the organisations reported receiving a **Good Benefit** (i.e., clear improvement in the on-the-job performance in technical, management and/or leadership areas) from their staff attending the SCFMP and nearly a further one third received an **Exceptional Benefit** (i.e., the participant contributed to important organisational, policy or procedural changes). All nine country studies and the special study of the Eastern Caribbean Central Bank found that both participants and organisations benefitted from the SCFMP. The Relevance, Effectiveness (i.e., quality and use) and Efficiency of the SCFMP were all rated as **Excellent** and Sustainability and Impact were rated as **Good**. The sustainability of the benefits of the SCFMP to the participants and organisations was rated as **Good**. Participants use what they learned on-the-job. While the use of technical skills may diminish if a participant changes jobs, the management skills are portable across jobs. When viewed over the decade from 2009 to 2019, the erosion of the benefits to countries, organisations and participants because of staff turnover or migration is low and within an acceptable range. Most of the targeted organisations have sent multiple participants to the SCFMP over the years. There is some evidence that building up a trained cadre of senior officials in an organisation contributes to strengthening the cumulative organisational benefits of the SCFMP. Attending the SCFMP contributes to improved on-the-job performance, preparing participants to handle high profile, complex tasks and making them better managers. These factors increase the likelihood of promotion. Organisational changes related to implementing the challenges are further evidence of sustainable organisational impacts. All country studies found multiple examples of new/improved policies and procedures and some examples of organisational change or improved legal/regulatory frameworks.

Question 1: *Are the objectives of the SCFMC clear, consistent with the purpose/objectives of the SCFMC, and relevant to the goals of the participants, institutions, and countries?* The SCFMC's over-arching goal provided a clear focus on its activities. The evidence is compelling that all training provided by the SCFMC is highly relevant for the target audiences and countries. The course content was rated highly in terms of topics covered and addressing the needs of small countries and senior officials working in the fiscal and financial regulatory areas. The programmes fill a niche and do not duplicate courses put on by other agencies. Overall, the relevance of SCFMC's programmes was rated as **Excellent**. Factors contributing to the relevance and uniqueness of the programmes are the focus on small countries, careful participant selection, covering both management and technical issues, the challenge and the Oxford/Isle of Man branding. The excellent speakers and pedagogical techniques contribute to the high quality of the programmes. Consistent with the SCFMC's objectives, the course content is unbiased by any particular regime, draws on the practical experience in small countries and elsewhere and reflects an understanding of global regulators and good industry practices. The SCFMC is a small organisation with limited staff and budget. It did not allocate any resources to undertaking and publishing research. In the opinion of the Evaluation Team, it was a wise strategic decision to focus limited resources on putting relevant, first-class executive training programmes rather than financing research.

Question 2: *How did SCFMP perform in relation to its stated objectives?* The work and activities of the SCFMC were rated as **Good** on the border of **Excellent**. The SCFMC fulfilled its mandate of providing relevant training for senior officials in small countries. Feedback was overwhelmingly positive about the relevance, content, quality, practicality and delivery of all training programmes. The participants frequently use the knowledge and skills acquired on-the-job.

Question 3: *What was the impact of the Programme on the growth and development of: (a) participating individuals; and (b) their ability to deliver improvements in their respective organisations and countries?* The SCFMC's flagship programme, the SCFMP, had a **Good** impact on both the performance and career progression of participants and at the organisational

level. The Cook Islands' Negotiation Programme also contributed positively to career progression. There is robust evidence that attending the SCFMP contributes to career progression and promotion by improving on-the-job performance and equipping participants with managerial skills. The challenge was a key element of the programme design that helped the SCFMP to contribute to organisational impact (e.g., organisational changes; introducing new, or making changes to, laws, policies, procedures or regulations). During the evaluation period, the SCFMC improved the way that the challenges were formulated and improved during the course. Many, but not all, participants succeeded in implementing their challenges. The country studies identified significant numbers of challenges that were implemented and resulted in organisational impacts.

Question 4: *What was the quality, relevance and usefulness of what was taught during the SCFMP?* The effectiveness of the SCFMP was **Excellent** in terms of: (i) the quality, design and delivery of the SCFMP; and (ii) use of the knowledge and skills. The content, speakers and pedagogical techniques were all **Excellent** for the SCFMP, the Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy. Participants frequently use the skills and knowledge learned on-the-job.

Question 5: *How adequate are the SCFMC's governance and management arrangements?* The governance and management arrangements for the SCFMC are fit for purpose.

Question 6: *What lessons were learned, including gaps and areas for improvement that require particular attention from the SCFMC in the future?* The evaluation did not find major problems that seriously detracted from the relevance, effectiveness, efficiency, sustainability and impact of the SCFMC. However, some issues should be addressed to improve an already good level of performance: (i) finding mechanisms to allow more small country representation and diversity on the Board; (ii) fine-tuning the list of eligible countries; (iii) diversifying the SCFMC's sources of financing; (iv) taking more vigorous steps to promote networking among participants; (v) making further efforts to encourage the implementation of challenges; (vi) actively encouraging participants to formally share SCFMP materials and what was learned in their organisations; and,

(vii) monitoring the demand for the SCFMP to ensure that the pool of prospective candidates remains adequate in very small countries.

Question 7: *To what extent is there an appetite and support of participating organisations and countries for the SCFMC to develop activities in the areas of: (a) ongoing engagement with past participants; (b) online learning; and (c) regional and second-generation programmes?* There is clear evidence that there is interest in all regions for the SCFMC to have ongoing engagement with the alumni. One of the benefits of the SCFMP is engaging during the programme with participants from other small countries who are working on similar issues and are facing similar challenges. The networking opportunities were valued, but the SCFMC has not taken active measures to promote post-SCFMP engagement. There is a demand for regional niche programmes that the SCFMC provides, especially for “soft skills” type training, assuming that the SCFMC maintains the excellent quality and unique features of current programmes. The Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy demonstrate that the SCFMC can successfully deliver customised training at the local level, either in partnership with a government or with the IMF regional technical assistance centres.

The overall conclusion of the evaluation is that the SCFMC has developed and delivered very good products. It is having the desired effect of improving the on-the-job performance of participants and contributing to building the capacity of ministries of finance and financial regulators in small countries. The main lessons and associated recommendations are more in the way of fine-tuning an already good product rather than strategic recommendations that would have a major impact on the SCFMC. The evaluation identified four lessons and corresponding recommendations.

Strengthening Governance: The SCFMC's governance system is appropriate for a small, lean organisation. The Board is functioning appropriately, and the Executive Director and staff ensure that the SCFMC functions effectively and efficiently. Every effort

is made to minimise costs and the cost per participant was kept nearly constant over the decade. Despite this, the SCFMC has been able to organise and deliver a world-class executive training programme for the target audience. Over the years, small country representation on the Board has fallen. Initially, there were three representatives from small countries on the Board, one from each region. Now, there is only one small country representative. Also, the Board lacks gender and ethnic diversity.

Recommendation 1: The Board should be strengthened to give a greater voice to small countries, by having one person from each region, and to have more ethnic and gender diversity.

Providing Customized Regional Programmes: The Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy demonstrate that the SCFMC can successfully deliver high quality, customised regional programmes. Those programmes can either be for one country in partnership with the government and focus on management skills or be delivered in partnership with the IMF's regional technical assistance centres and includes both technical and management modules. The demand for customized programs is subject to the proviso that the unique features and quality of the SCFMP are maintained. There is also a demand for regional refresher programmes for alumni. A local partner must be involved to gain support for a regional programme, market the programme, help select participants and look after local administrative and logistical issues. While the need for such training is clear, considerable work would be needed to develop a workable model to mobilise the necessary financing. Identifying a source of financing will be the key to make putting on regional programmes a reality. The Evaluation Team believes that the sources of funding with the best potential are the World Bank and the regional development banks. It will be easier to mobilise such funding if there is a written request from one or more regional ministers of finance or central bank governors. By increasing the Board representation from small countries, the SCFMC would be better placed to mobilise support for such funding. Making a concerted effort to mobilise funding for customised regional programmes would

have an added benefit of diversifying the SCFMC's sources of funding, thus multiplying the value of, and reducing its reliance on, the Isle of Man government financing. Should the idea of putting on customized regional training programmes gain traction, the SCFMC would have to develop a suite of executive training programme covering various elements of leadership and management. The SCFMC is a small organisation with no permanent staff, and the speakers have other jobs. These factors, together with the need to mobilise funding on a case-by-case basis, limit the number of customised regional training programmes that the SCFMC will be able to put on. Thus, going forward, the SCFMC will need to be opportunistic to respond to opportunities to offer such programmes rather than attempt to significantly scale up this activity.

Recommendation 2: The SCFMC should continue to test the market for customised regional training programmes, ensuring the quality of the SCFMC brand is maintained, and seek to orchestrate a joint approach from senior regional officials to potential sources of financing.

Strengthening the Likelihood That the SCFMP Benefits Will Be Sustainable: The benefits of the SCFMP for both the participants and the organisations are **Sustainable**. There are, however, steps that the SCFMC should take to strengthen sustainability including: (i) engaging more with supervisors to determine what the organisation wants to get out of the challenge; (ii) developing formal, monitorable action plans to implement the challenges; (iii) taking more proactive measures to follow-up on the implementation of the challenges, including providing virtual post-SCFMP mentoring and nudges to encourage and support implementation and asking for a formal report, in a virtual meeting with the participant's supervisor, on the status of implementation of the challenge one year after completion of the SCFMP; (iv) using low-cost technologies to video record the views of participants and supervisors on the status of the implementation of their challenge for monitoring purposes and teaching material; (v) engaging more actively to encourage participants to take steps to share what was learned at the SCFMP in their organisations; and (vi) pro-actively nurturing networks among alumni to share experiences and lessons learned.

Recommendation 3: The SCFMC should develop a strategy to further strengthen the sustainability of the SCFMP's benefits.

Fine-Tuning the List of Eligible Countries: The list of countries eligible to send participants to attend the SCFMP are disclosed on the SCFMC's website. After a decade of operation, the SCFMC should fine-tune and update the list of eligible countries. The SCFMC should also consider drawing up criteria or a list of regional organisations that are eligible to nominate candidates to attend its courses.

Recommendation 4: The SCFMC should review and fine-tune the list of eligible countries and organisations.